

law which closes all loopholes through which small-scale operations will be undertaken. Thus vigorous oversight will provide the only reassurance that the spirit of the law banning Dirty Tricks operations is being observed. The committee should include, but not be restricted to, current members of the Foreign Relations and Armed Services Committees of the Senate, and Foreign Affairs and Armed Services Committees of the House.

The committee or committees should have automatic access to all finished intelligence reports published by any intelligence agency, and these classified reports should be retained at the Committee for review by all members of Congress. This would provide Congress with an intelligence library, which it now lacks, and could considerably improve the quality of understanding and Congressional action on foreign policy and defense questions.

It is by no means certain that a majority of Congress is ready to bar all clandestine operations. Such a step would signal a major shift from the way the United States has conducted foreign policy since World War II, and opponents will no doubt argue that it would be tantamount to "tying the President's hands" or "unilateral disarmament." And it might also be argued that a clandestine action agency is more necessary in the 1970s than ever, given the decline of the Cold War with its clear-cut antagonisms, the emergence of a multi-polar world of shifting alliances, and the developing contest among the industrial nations of the world for access to oil and other raw materials. Nor is President Nixon likely to abandon without a struggle a tool which seems peculiarly suited to his approach to foreign (and domestic) antagonists.

Finally, the job of defining clandestine operations so they can be stopped without damaging the capability for intelligence-gathering activities or leaving large loopholes could prove difficult for legislative draftsmen.

These are all important practical considerations. Were the nation really in a state of siege, were *real politik* the only basis for conducting American foreign relations, were there a genuine consensus on the aims and methods of American foreign policy, and were clandestine operations compatible with American democratic institutions and processes, then such reasons might suffice to justify continuing such operations. In the real world, they do not.

The Administration's approach, and that of many influential members of Congress, will be to cope with the CIA's current crisis merely by making its covert operations even more truly clandestine, and by restricting them in size to reduce the risk of exposure. But the only way to clear the nation's reputation, restore credibility, and re-establish a basis for a foreign policy based on broad consensus—and the only way to create a real basis for effective Congressional participation in foreign policy—is to put a firm end to clandestine operations. The divorce must

be clear and categorical, and ought to carry the force of legislation—an outright ban on Dirty Tricks.

## THE AFRICAN CRISIS: THE TIME IS NOW

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 6, 1973

Mr. RANGEL. Mr. Speaker, as we continue to agonize over the national crisis that is Watergate, let us take the time to understand and fully comprehend a crisis that, in human terms, is overwhelmingly more serious and compelling: The crisis of drought and famine that faces some 23 million human beings in western Africa.

A concise and thorough outline of the situation is hereby submitted for the attention of Congress:

### THE FAMINE

#### AFFECTED AREA

The "Sahel" Region (word means "border" in Arabic) which runs for approximately 965,000 square miles across Senegal, Mauritania, Mali, Upper Volta, Niger, and Chad. It forms a belt along the southern edge of the Sahara Desert.

#### POPULATION

Population is both Arab and African, and consists largely of nomadic herdsman roaming the interior with their livestock, and farmers along the edges of the desert.

#### CAUSES OF PRESENT EMERGENCY

Severe ecological imbalance created by:

(1) Five years of light rains, unseasonal rains or no rains at all in the Sahel;

(2) Over-grazing by nomadic herds recently increased in numbers by immunizations and newly-dug waterholes.

#### IMMEDIATE CRISIS

Millions of cattle are already dead—remainder have exhausted available forage and water and are already succumbing to famine-related diseases.

Farmers were unable to plant this season's crops due to drought. Past years supplied little or no reserves. Many have been forced to consume their crop seed to stay alive and have nothing to plant even if the rains do come. (Usual rainy season extends from mid-June into September).

Famine-weakened people and animals increasingly susceptible to epidemic outbreaks. Polluted watersources and carcasses of wildlife and livestock add to threat.

Sahel's roads and communication systems are weak to non-existent, especially during

rainy seasons. Some parts are virtually unreachable except by air. For most of the Sahel, it is very difficult to get help in or information out.

As many as six million people could literally die of starvation and famine-related diseases within a matter of weeks in the Sahel.

#### LONG-RANGE CRISIS

Cover soil is exhausted—once-arable lands and pastures have now become desert-like.

A whole generation of children has been growing up with inadequate nutrition for good physical, mental development—particularly as Sahel has lost usual protein source of meat and milk. Effects on future population can't be estimated.

Refugees who managed to escape into cities or less affected countries are creating serious social problems.

National economies disrupted and facing additional burden of Famine relief. Many depended heavily on "head taxes" (of cattle) and crop taxation for revenues.

As is clearly evident from the outline, the effect of the drought on the people, animals, and land of western Africa is staggering.

An immediate and vigorous effort must be undertaken by concerned Americans and a caring Congress to see to it that aid is given to our African neighbors.

I support the efforts of and commend Congressman DREWS and Senator HUMPHREY for their untiring endeavors in this matter.

There is no time to waste. Every elected official and public representative and, indeed, every American must do his part to see to it that the human suffering and anguish of the African citizens is relieved.

An editorial by New York radio station WWRL is most relevant at this time. It is entitled "The Time Is Now":

#### THE TIME IS NOW

Let's quit talking about the glories of Africa's past and consider the misery of the present in the Western and equatorial areas of the continent due to the present prolonged drought. Cattle are already perishing by drought and famine. Six million lives are threatened in Chad, Mali, Mauritania, Niger, Senegal and Upper Volta.

While the famine has not been front page news in America, Black Americans have demonstrated a sense of solidarity that reaches across continents, and that in itself is front page news in the Black community.

So WWRL offers a righteous right on! to organizations such as the African Support Committee, Africare, the Black Solidarity Day Committee, and others addressing themselves to the plight of the six African nations hardest hit.

## SENATE—Friday, September 7, 1973

The Senate met at 10 a.m. and was called to order by Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois.

#### PRAYER

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

O Lord, Thou hast shown us what is good. Thy word has taught us to do justly, to love mercy and to walk humbly with Thee. Grant to all who serve here the grace and the wisdom to fulfill the

divine instruction. While enacting measures for the betterment of the Nation, may we also strive to make better persons. May a new spirit descend upon this Nation that we may be a people who love the Lord our God with all our heart and soul and mind, and our neighbor as ourselves.

We pray in His name who was the incarnation of goodness. Amen.

#### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the

Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,

PRESIDENT PRO TEMPORE,

Washington, D.C., September 7, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,  
President pro tempore.

Mr. STEVENSON thereupon took the chair as Acting President pro tempore.

#### THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, September 6, 1973, be dispensed with.

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

#### COMMITTEE MEETINGS DURING SENATE SESSION

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

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

#### REGULATION AND STABILIZATION OF RENTS IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 362, H.R. 4771.

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

The assistant legislative clerk read as follows:

H.R. 4771, to authorize the District of Columbia Council to regulate and stabilize rents in the District of Columbia.

The ACTING 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 had been reported from the Committee on the District of Columbia with amendments, on page 3, line 16, after the word "Act," insert a comma and "except that any such rules so adopted to stabilize and regulate the amount of rent or benefits which a landlord is entitled to receive for the use or occupancy by any tenant of any residence shall provide means whereby increased costs incurred by such landlord and directly related to such residence shall be taken into consideration in determining the amount of such rents or benefits which such landlord is entitled to receive in connection with such use or occupancy under such rules."; on page 4, line 1, after the word "be", insert "modified or"; in line 21, after the word "Council", strike out the period and "no more than two members appointed to the Commission shall be appointed from among persons who are representative of the interests of the landlords in the District of Columbia. No more than two members shall be appointed from among persons who are representative of the interests of tenants in the District of Columbia," and insert "of whom four members shall be representative of solely the interests of landlords in the District of Columbia and four shall be representatives of solely the interests of tenants in the District of Columbia."; on page 5, line 7, after the word "Commission," strike the comma and "or for one year, whichever is shorter"; on page 6, after line 17, insert:

(e) (1) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to hold such hearings, sit and act at such times and places within the District of Columbia, administer such oaths, and require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission may deem advisable in carrying out its functions under this Act.

(2) In the case of contumacy or refusal to obey a subpena issued under this subsection by any person who resides, is found, or transacts business within the District of Columbia, the Superior Court of the District of Columbia, at the request of the Chairman of the Commission, shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry. Any failure of any such persons to obey any such order of the court may be punished by the court as a contempt thereof.

(f) There is authorized to be appropriated such sum, not to exceed \$85,000, as may be necessary to carry out the provisions of this section.

On page 8, line 25, after "Sec. 8.", insert "(a)"; on page 9, line 1, after the word "the", where it appears the second time, strike out "date of enactment of this Act" and insert "date that rules adopted by the Council pursuant to section 3(a) of this Act to regulate and stabilize rents in the District of Columbia become effective or, if no such rules are in effect on the date of expiration of the one-year period following the date of the enactment of this Act, such provisions, orders, and requirements shall terminate on the date of expiration of the one-year period following the date of the enactment of this Act"; at the beginning of line 11, strike out "expiration" and insert "termination"; and, after line 15, insert:

(b) With respect to any such rules adopted pursuant to such section 3(a) to regulate and stabilize rents in the District of Columbia, the Council shall, on the expiration of six-month period following the effective date of such rules, conduct a hearing with a view to determining whether such rules should be modified or terminated by reason of a change in the situation which existed in the District at the time of the adoption of such rules and which was the basis for such rules. The provisions of the first sentence of section 3(b) of this Act shall be applicable with respect to such hearing held pursuant to this subsection.

The amendments were agreed to.

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

The bill was read the third time, and passed.

#### SECRETARY OF STATE WILLIAM P. ROGERS

Mr. SCOTT of Pennsylvania. Mr. President, once more, I want to express my own gratitude to the distinguished majority leader for the very kind words he expressed yesterday on behalf of all of us with regard to the outgoing Secretary of State William P. Rogers.

I have known Mr. Rogers for 21 years. I have known him as a friend, as a lawyer, as a campaigner, as an Attorney General, and as Secretary of State.

His shining integrity, his levelheadedness, his great achievements are all in the highest traditions of public service.

He has presided over one of the most difficult situations in modern times, the Mideast imbroglio where for more than 3 years now there is no war—there is an uneasy truce.

He has presided over the Department of State during this highly successful period of the release of tensions around the world. We have seen improvements in relations'ips in central Europe, with Russia, and with the People's Republic of China, and the betterment of our relations with many other countries.

He is a man of great worth. It can truly be said that he deserves well of the Republic.

I wish for him a very happy experience in private life as he pursues his profession, and I sincerely hope that his talents will not be lost in the future if the occasion arises that he can be called to high service.

I again thank the distinguished majority leader for his kindness.

#### ORDER OF BUSINESS

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

#### WATERGATE AND THE COUNTRY'S BUSINESS

Mr. THURMOND. Mr. President, now that the brief congressional recess is over, it is time for both the President and Congress to end the obsession with Watergate and put this Nation back on her charted course. No further good can be served by flooding the airwaves with the Watergate hearings. They can only serve as a conduit of public doubt and confusion.

Justice can better be achieved if the remainder of the hearings are held—not from public scrutiny—but in a serious atmosphere away from the television lights. The public could still get the information it requires and the hearings could possibly be ended much sooner; thereby leaving the matter in the hands of the court where it should be.

I choose to speak at this time after having had a month free from congressional duties to consider this dilemma, much of my time being spent in South Carolina. It was not surprising that Watergate was the topic of considerable discussion. People are concerned about the state of our Nation. It is because of this concern that a recurring theme dominates talk about Watergate. Mr. President, the people are saying "Let's leave Watergate to the courts and get back to governing the country."

There has been a myth perpetuated in recent months that the entire Nation is in a state of limbo until every minute detail of this scandal is disclosed. While some of the Washington society may be obsessed by Watergate, the great majority of the rest of the Nation, or, to use the words of political analyst, Theodore H. White, the people "out there," do not share this overindulgence.

My mail and conversations with

constituents indicate the people "out there" have a much better perspective on Watergate than many of their elected spokesmen. Issues of war and peace, prices of meat, energy shortages, employment and crime are the important issues to the people "out there." I suggest that unless we respond to these valid concerns, future congressional elections may indicate that Watergate was our downfall.

While the people want to know the facts and want justice served, they also want us to do what we are being paid to do—legislate for the good of the country. A recent letter from Mr. Hebert Rogers of Woodruff, S.C., is representative of countless letters that come across my desk. Mr. Rogers states that the courts should—

Prosecute any guilty parties, and Congress—should—get back to its duties of seeing that needed and meaningful legislation be passed to govern this country.

As Dr. and Mrs. Samuel R. Shannon of Columbia, S.C., wrote:

We shall continue to support our President in his efforts to bring about world peace and support him in his efforts to curb giveaway programs at home.

Another letter I recently received from Mrs. Elizabeth B. Smith of Batesburg, S.C., stated:

The Watergate investigation has caused so many of us to be tired and disgusted with it. It is time that all who believe in President Nixon's Administration to rally around him.

On August 24, the mayor and city council of the city of Mullins, S.C., adopted a resolution supporting President Nixon and expressing their belief "in the truth and veracity of the President of the United States in regard to the issue of Watergate and his public statements relating thereto."

According to the Opinion Research Corp., more than half the American public, 54 percent, now believe the Ervin committee hearings are hurting the country. A majority of 53 percent wants the hearings stopped and the Watergate matter turned over to the prosecutors and the courts.

Asked if they agreed with the President that the Government, including Congress, should get on with the "urgent business of the Nation," 65 percent of the country agreed with President Nixon; only 29 percent disagreed.

If, however, the Ervin committee hearings resume this month, the American people, by a vote of 50 to 44 percent do not want the proceedings televised.

The fact that a majority of the people are, to use Mrs. Smith's words, "tired and disgusted" with Watergate, should come as no surprise. Last year, President Nixon received one of the greatest votes of confidence in the history of American Presidential elections. The American people believe he is the right man in the right place at the right time. He has earned their respect and trust.

After 4 years of accomplishment—after a tremendous victory—the American people then found their President dragged through the murk of dirty politics. He has been slandered and defiled by some. He has been tried in the press by unfounded rumor and innuendo—practices alien to the democratic process. This is a dangerous precedent.

Another real danger of being obsessed by Watergate is that many critical matters currently before this Congress may be put off or not receive the attention they deserve.

For example, time is an important factor on the trade reform bill, on which action was delayed until after the recess. This means that the U.S. negotiators may begin preliminary trade talks in Tokyo September 12 without congressional guidance. These talks are vital if we are to strengthen our balance of trade. Congress has a responsibility to let its feelings be known before the negotiations begin.

Probably the most critical decision we still have to face is in the area of military appropriations. The Soviet Union's intentions in the military arena are becoming increasingly clear. They have not abandoned their goal of military dominance. Their recent successful test of the MIRV system increases the possibility that they are capable of attaining military superiority. While our military manpower is declining, theirs is rising. While our program for new and more efficient weapons is meeting opposition, theirs is progressing at a steady pace. As we hesitate, they move forward.

Another problem which must be faced squarely is this Nation's energy crisis. President Nixon has proposed to create an executive department to deal with energy matters. This begs for action. The Manpower Revenue Sharing Act, electoral college reform, the prayer amendments, and other matters also await action.

Mr. President, these are important matters which must command the undivided attention of Congress and the President if we are not to become a second-rate country.

While it is important that those who violated the law in connection with Watergate be prosecuted, the most important concern will be what this Nation did in 1973 to provide for its protection and domestic needs.

Mr. President, I do not want to leave the impression that I am advocating that Watergate and all that it entails should be swept under the rug and forgotten. This Nation has learned some valuable—if painful—lessons. We have learned that some men regard power as a goal in and of itself and will do anything to accumulate power. We have learned that our election laws are flawed and must be corrected. We have learned that even the President can be deceived by men of less noble principles.

Despite this, both President Nixon and Congress must regain the initiative in leading the greatest nation on the face of the earth. If we fail to do this, we will be held accountable to the future generations of Americans who will have to live with our failures. I, for one, do not intend to use the paltry excuse of Watergate to absolve us from responsibility.

The President has suffered enough from his critics. In fact, he has suffered too much. The Nation has suffered enough from being constantly inundated with speculation on what some consider to be the "corrupt American political system."

It is time for those of us who truly believe in our President and our system to

stand up and be heard. It is time for those who oppose Richard Nixon to know that their effort to bludgeon him into resignation has not worked. Above all, it is time for us to get back on the road to progress and continue the business of running the country.

Mr. President, there is one aspect of Watergate to which I would like to pay special attention. It involves the potential damage the affair has done to the word "politics."

This can be illustrated best by a colloquy between the Ervin committee and Gordon Strachan, who was H. R. Haldeman's aide in the White House. When asked what he would recommend to young people who are interested in politics, Strachan replied:

I would tell them to stay away.

If this counsel is heeded, this country can expect political corruption to become a rule, rather than an exception. If young idealists shun politics for fear of being corrupted, this Nation cannot endure.

I say to the young people of the United States: "You have a responsibility to your country to be involved in the political process. Come—armed with conviction, knowledge, and dedication. Since politics is part of the human experience, it is subject to human shortcomings. Corrupt politicians do exist, just as corrupt businessmen and professional men exist. But the vast majority of public servants are honest, decent men trying their very best to do the right thing."

Mr. President, I would tell our future leaders not to be dismayed by the few—but much publicized—examples of political depravity. I would tell them to come and do better.

#### ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, how much time remains under the Senator's order?

The ACTING PRESIDENT pro tempore. Three minutes remain.

Mr. ROBERT C. BYRD. I ask unanimous consent that that time be yielded, if the Senator will not object, to the distinguished Senator from Iowa (Mr. CLARK).

Mr. THURMOND. Mr. President, I certainly have no objection, and shall be pleased to yield the remaining time.

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

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

Under the previous order, the Chair now recognizes the Senator from Iowa (Mr. CLARK) for a period not to exceed 15 minutes.

#### SENATOR HUGHES' ANNOUNCED RETIREMENT

Mr. CLARK. Mr. President, yesterday, in Des Moines, the senior Senator from Iowa (Mr. HUGHES) announced that he would retire from the U.S. Senate when his term expires at the end of next year. He then will begin a new career as a religious lay worker with two foundations, the International Christian Leadership and the Fellowship Foundation, in Washington.

His decision to retire must have been a terribly difficult one for him to make. I know he spent several months considering the various alternatives. As the Senator said in his announcement, it was a decision reached only after a long period of personal soul searching. But the decision carried the same characteristics that have become HAROLD HUGHES' personal hallmarks in 15 years of public service—courage, conviction, independence, and faith.

Senator HUGHES' announcement surprised and disappointed a great many people in this Chamber, in the State of Iowa and all across this country—because his presence in the Senate is a national asset, and the entire country will feel his departure.

But Senator HUGHES will not be leaving the Senate for 16 months. That is a great deal of time, and he will continue to do all that he can to make Government more responsive to the people, to insure that this will be a country and a world where peace, social justice, and brotherhood will flourish.

The Senate can look forward to his leadership, his guidance, and his vitality in the months ahead—just as I have for the last 11 years, as long as I have known him.

There is a temptation today to recount in great detail his remarkable record of public service—in the U.S. Senate, as a member of the Armed Services, Veterans and Labor and Public Welfare Committees, and as Governor of the State of Iowa for three terms.

Wherever he is, he gets things done. As Governor, he established a State system of vocational and technical schools and secured the abolition of capital punishment. He got tax relief for the elderly and fair employment and open housing laws, and he made the problems of the mentally ill, the handicapped, and the addict his special concerns.

This overriding interest in the problems of individual people is also his trademark in the U.S. Senate. Without his work, there simply would not be national concern and attention focused on the problems of drug and alcohol addiction. The laws we now have to try to combat the problem simply would not have become laws without HAROLD HUGHES.

As a member of the Armed Services Committee, he has spoken out vigorously against secrecy and deception by the military. His efforts have been aimed at insuring national security—security with peace, efficiency, and honesty. Whatever the endeavor though, his career and his success have been founded on the sheer force of his character.

His record is exceptional, not because of the offices he has held, but because of the way in which he has held them. Everyone who knows him knows that. He brought his eloquence to the statehouse of Iowa when he was elected Governor in 1962—and to the Senate in 1968. But more importantly, he brought his honesty, candor, integrity, and principle.

Given the events of the last months, it is impossible to even begin to place a value on those qualities in a public official. With those qualities, HAROLD HUGHES makes Government a personal

experience—it comes alive—and he gives people a reason to trust.

At the end of 1974, Senator HUGHES will end his career in the Senate, but he is not ending his career in public service. As he said in his statement:

This new work will cut across political and religious creeds; ethnic, political and language barriers; and will, I hope, reach into other countries of the world to further better international understanding. I have long believed that Government will change for the better only when people change for the better in their hearts.

As long as HAROLD HUGHES has been in Government, it has been better Government because he has helped people change for the better in their hearts. I know he will continue to do that.

I trust that his constituents and his colleagues will understand his decision. We wish him well, and I personally look forward to continuing my relationship, my friendship, with him—not only for the remainder of his term in the Senate, but in the years ahead.

Mr. President, I ask unanimous consent that the text of the Senator's statement be printed in the RECORD.

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

STATEMENT BY SENATOR HAROLD E. HUGHES

I have called this press conference to announce a decision I have reached after a long period of personal soul-searching and extended discussion with the members of my family.

The decision is this: When my present term as a United States Senator is ended, I will retire from the Senate and enter another field of public endeavor.

Specifically, I will take up work as a religious lay worker in connection with two foundations—the Fellowship Foundation of Washington, D.C., and the International Christian Leadership.

This new work represents to me a new kind of challenge and spiritual opportunity in today's world. It is the kind of move I have long been motivated to take for profoundly personal religious reasons. As some who know me well will recall, I came very near leaving the business world for the ministry in the early 1950's. I have long been a lay speaker in the Methodist Church.

Needless to say, only the most compelling individual commitment could persuade me to take leave of my work in government at a time when I am still in my most productive years and my faith in the causes we have labored for together remains undimmed.

The hardest part of this is my sorrow at taking leave of friends and colleagues and the great association with thousands of other good Iowa citizens who I may not have known personally but always knew were there.

No words can describe the deep love and gratitude I feel for the people who have believed in me as a public official through the years—associates, supporters, citizens of all political faiths whom it has been my privilege to serve. These have been good years for me and my family—four years as Commerce Commissioner, three terms as Governor and now a six year term as United States Senator.

Being mindful of some rather humble beginnings, I have never ceased to marvel at the trust that has been placed in me.

I am leaving at a time when the Democratic Party is strong and resurgent in Iowa and its prospects for the 1974 elections run high. I feel a deep obligation which I will faithfully honor to continue making every effort within my power to build the strong and responsible political party we all want.

In the meantime, my constituents and my Senate colleagues may be assured that during my remaining sixteen months in the Senate I will give my full attention to my responsibilities there.

I regret leaving work in which I have been involved in the Senate and in the party organization of my state that is yet unfinished. Yet, it must be recognized that this kind of work is never finished; and no man is indispensable to carrying it on.

In my new assignment, I will continue to direct my efforts toward many of the areas in which I have been working—alcoholism and narcotic addiction, peace, social justice, brotherhood.

It may be asked: Why change jobs if the aims remain the same? Why not stay where you are, continuing the work for those spiritual and human value goals in our society?

All I can say to this is: Who can convey what is the driving force inside the individual human heart? I have an intuitive, compelling commitment to launch out in a different kind of effort that will be primarily spiritual rather than political. This new work will cut across political and religious creeds; ethnic, political and language barriers; and will, I hope, reach into other countries of the world to further better international understanding.

I have long believed that government will change for the better only when people change for the better in their hearts.

Rightly or wrongly, I believe that I can move people through a spiritual approach more effectively than I have been able to achieve through the political approach.

I have no fully structured outline of the initiatives I will take in this new work, but the arrangement I have with the two foundations leaves me almost unlimited freedom to proceed in whatever creative direction I consider best.

My affection for the people of my home state is exceeded only by my love of my own family. The graciousness and kindness people throughout Iowa have accorded my wife, my daughters and me through the years bring tears to my eyes.

Although I look forward with anticipation to my new work, the anguish of leaving the Senate and the many people I love is real and lasting.

However, having made the decision after the long period of inner struggle, it seemed only fair to convey it without delay to the people who have honored me with their trust and generous support.

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

Mr. CLARK. I yield.

Mr. MANSFIELD. Mr. President, there is little I can add to what the distinguished Senator from Iowa (Mr. CLARK) has just said regarding the decision of his distinguished colleague, the senior Senator from Iowa (Mr. HUGHES) to retire from the Senate at the end of his present term, to retire from public office, and to devote himself fully in the cause of his fellow man.

The distinguished Senator has indicated that one should not talk about Private HUGHES' record in the Second World War—that is what he was, a private with a Browning automatic rifle—nor his career as a three-term Governor of the State of Iowa, nor of his outstanding accomplishments in this body. The identification of HAROLD HUGHES with one issue, however, deserves mentioning. I refer to his work in the field of alcoholism. To my knowledge no man has done more personally to bring about the rehabilitation of alcoholics, to initiate

and to have legislation passed which would seek to cope and cope effectively with this major national problem.

Drug abuse is another issue that captured his interest and no man has done more personally with respect to facing up to the drug problem in this country than HAROLD HUGHES. No man has done more to expose falsity in government, chicanery in government, and to pursue the truth until the real facts were made available for all to see.

He has performed as a Christian in this body and what he has done here he will carry with him into the world outside the Senate. He has made an indelible impression, one which will not be forgotten. HAROLD HUGHES will be missed. The Senate will miss him, the Nation will miss him and selfishly may I say that, personally, I will miss him very, very much.

I spoke to Senator HUGHES earlier this week, at which time he informed me of his decision. I asked him to reconsider. I pointed out that he could do a great deal of work in the Senate and from the Senate which would be of benefit to his fellow man. In reply he told me that he had been considering this matter for several years, that his mind was made up, and that he would be returning to Iowa later in the week to make the announcement to the people who had placed so much faith, trust, and confidence in him throughout his public career. The decision has been made, it is a good one. No man could carry the cause of Christ with greater clarity, with better understanding, or with deeper dedication.

As far as the Senate is concerned, while we regret his leaving us at the end of his present term, we want him to know he always will have the privilege of entering this Chamber and we want to assure HAROLD HUGHES that every Senator thinks he has done an outstanding job and has been a credit to the Nation, to the State which he has represented so ably, and is representing so ably, and to the Senate as an institution.

Mr. GRIFFIN. Mr. President, will the junior Senator from Iowa yield briefly?

Mr. CLARK. I yield.

Mr. GRIFFIN. Mr. President, I shall not attempt to add much to all that has been said so eloquently by the junior Senator from Iowa and the distinguished majority leader. I would like to say that the admiration, the respect and the affection which the senior Senator from Iowa (Mr. HUGHES) has earned in this body is not limited to one side of the political aisle. We can have differences on legislative issues but HAROLD HUGHES epitomizes the ideal of being able to disagree without being disagreeable.

As already mentioned, his spiritual and moral leadership in this body, standing as he does alongside Senator JOHN STENNIS in that respect, is deeply appreciated by all. He has made a decision which is a very personal decision. I think we are fortunate that we will continue to have his guidance and leadership for a number of months in the future.

We wish him well in his future endeavors and the efforts he is going to make outside of this body to project the principles and ideals in which he deeply believes.

I thank the Senator from Iowa for yielding.

Mr. CLARK. Mr. President, I would like to thank the distinguished majority leader and the distinguished assistant minority leader for their very accurate and very kind remarks.

I yield back the remainder of my time.

#### TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

#### ORDER FOR VOTE ON NOMINATION OF RUSSELL E. TRAIN AT 2:15 P.M., MONDAY, SEPTEMBER 10, 1973

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the vote on the nomination of Mr. Russell E. Train to the office of the Administrator of the Environmental Protection Agency occur on Monday next at the hour of 2:15 p.m., rather than at the hour of 2 p.m.

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

#### THE OIL CRISIS

Mr. FANNIN. Mr. President, in the past week we have seen some dramatic and frightening evidence of what can happen to America if we allow ourselves to become heavily dependent upon imported fuels.

The time has come to enact a realistic national energy policy. The international oil realities we have been reading about in recent news stories have been brewing for the past 3 years and are likely to worsen before they improve.

We must have a maximum effort to develop all of our sources of energy if we are to avert the possibility of a petroleum Pearl Harbor in the near future. During World War II we went all out to develop successfully such things as synthetic rubber when we could no longer import it. Our situation now has great parallels with our situation during the war.

The economic saber-rattling by Libya and Saudi Arabia makes it clear that unless we will cave in to political blackmail we may be cut off at any time from Arab oil. If we do not act soon, we will be totally at the mercy of these nations.

The National Petroleum Council in its recent report, "U.S. Energy Outlook," estimated that if current trends continue by 1975 we will be importing over half

our oil, or 9.7 million barrels per day. By 1980 it was estimated that 66 percent of total oil supply, or 16.4 million barrels of oil per day, will be imported. The NPC added that most of this will be necessity be coming from the Middle East.

The Arab nations are now in the driver's seat and they know it. We should not be fooled by the fact that the September 4 meeting of the Organization of Arab Oil Exporting Countries failed to agree on a unified position regarding the political uses of oil. Arab unity on oil is unnecessary when each Arab ruler tries to outdo the others. Arab rulers outdo their rivals by negotiating new agreements with oil companies in their countries which tend to make prior agreements by other rules look like "giveaways" to the oil companies.

The recent Libyan nationalizations are news today. Tomorrow, or to be more exact, on September 15, news will be made by the Organization of Oil Exporting Countries which will demand a renegotiation of the 1971 Tehran Agreement, which called for:

First, 55 percent minimum rate of taxation;

Second, general uniform increase of U.S. 33 cents per barrel on posted or tax-reference prices of all crudes;

Third, 2.5 percent escalation adjustment effective on the following dates: June 1, 1971; January 1, 1973, 1974, and 1975;

Fourth, 5 cents increase per barrel on June 1, 1971, and on January 1 of each of the years 1973 to 1975;

Fifth, 2 cents increase per barrel from the effective date, February 15, 1971, for eliminating existing freight disparities;

Sixth, adoption of a new system for the adjustment of gravity differential of posted or tax-reference prices on the basis of 0.15¢/BBL/0.1° API for crude oil of 40° API and below, and 0.2¢/BBL/0.1° API for crude oil of 40° API and above; and

Seventh, complete elimination of allowances granted to oil companies as from February 15, 1971.

On September 15 the so-called doctrine of changing circumstances will be invoked again with the view to raising the price of oil to \$7.50 a barrel by the end of 1975. What the Arabs mean by the "doctrine of changing circumstances" is that what we agreed upon yesterday is subject to renegotiation today.

On the economic front alone we will have to face demands for higher prices, production controls and increased nationalization of the companies. Part of the motivation for production controls is to keep demand greater than supply in order to force prices up while increasing the value of oil kept in the ground.

Other economic forces at play involve those related to maximizing income to be realized from investing oil revenues. The Arabs say that if they cannot find outlets to invest their oil revenues which realize a satisfactory return, they might as well leave the oil in the ground rather than convert it to money which depreciates.

The political use of oil is another question. Extreme measures by Libya are not surprising, but when our longtime friend Saudi Arabia starts making

similar noises it is time to take the situation more seriously. I am referring to the recent statement of King Faisal, who declared:

We do not wish to place any restrictions on our oil exports to the United States, but America's complete support of Zionism against Arabs makes it extremely difficult for us to continue to supply United States petroleum needs and to even maintain our friendly relations with the United States.

Mr. President, the Arab nations appear already to have fired their first fusillade in this economic war.

There are some authorities who have predicted that our growing dependence upon Arab oil, and their growing tendency to use it as a lever against us, will be a serious threat to world peace. Economic war all too easily converts to total war.

No one can relish such a prospect.

Our options are clear:

First. We can become overwhelmingly dependent upon imported oil and be willing to pay whatever economic or political tribute is demanded.

Second. We can become overwhelmingly dependent upon imported oil and be willing to fight for it.

Third. We can forgo this source of oil and, failing to develop our own resources, suffer the consequences of a declining standard of living and second-rate status as a nation.

Fourth. We can go to work developing our own energy resources, free to trade with other oil-producing nations only on a no-strings-attached basis.

It seems clear to me that the last alternative I mentioned is the only one which can possibly be acceptable.

Early in our history as a nation we adopted the motto of "millions for defense but not one cent for tribute." There has been a great deal of inflation since 1797.

Unless we are willing to spend billions and move forward in our domestic resource development, we will have no choice but to pay tribute—tribute which will be much more costly than anything we have ever imagined.

Mr. President, I do not believe that the American people—despite all the news stories and television programs we have had recently—fully recognize the gravity of the situation.

Not only are we now receiving ominous rumbling from usually friendly Saudi Arabia, but we also have received bad news from our good neighbor to the north, Canada. This morning's newspaper points out that Canadian policy may cut oil exports to the United States by half within 3 years. More than one-fifth of the oil we import at this time comes from Canada.

It is essential that we move ahead rapidly with the leasing of the Outer Continental Shelf, that we begin a crash program for coal gasification and liquefaction and greater direct use of coal; that we develop our geothermal and oil shale resources; that we make rational adjustments in environmental regulations to allow greater temporary use of high sulfur fuels, that we accelerate our nuclear power program, and that we give even greater emphasis to energy conservation. These are no longer academic

questions. We must undertake all of them now or face the prospect of a World War II type rationing situation in the not too distant future.

Our current dilemma could have been avoided had we acted during the 1960's to develop our resources as some wise men advocated. Instead, we allowed a few obstructionists to carry the day and put us in a precarious position. There is no purpose to be served by lamenting this. We should learn from it, however, and move forward quickly to meet this great challenge.

#### QUORUM CALL

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

#### COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. STEVENSON) laid before the Senate the following letters, which were referred as indicated:

##### STATEMENT RELATING TO INCOMPLETE REPORT OF EXPORT-IMPORT BANK

A letter from the President, Export-Import Bank of the United States, reporting that a page was dropped from the report of that Bank, for the fiscal year 1973, and stating that a complete report will be forwarded when the printing errors have been corrected. Referred to the Committee on Banking, Housing and Urban Affairs.

##### PROPOSED STANDARDS, RULES, AND REGULATIONS PROMULGATED BY THE COST ACCOUNTING STANDARDS BOARD

A letter from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, a proposal by that Board (with an accompanying paper). Referred to the Committee on Banking, Housing and Urban Affairs.

##### PROPOSED LEGISLATION FROM SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to establish a District of Columbia Development Bank to mobilize the capital and the expertise of the private community to provide for an organized approach to the problems of economic development in the District of Columbia (with an accompanying paper). Referred to the Committee on the District of Columbia.

##### REPORT OF U.S. INFORMATION AGENCY

A letter from the Director, U.S. Information Agency, transmitting, pursuant to law, a report of that Agency, for the 6-month period ended December 31, 1972 (with an accompanying report). Referred to the Committee on Foreign Relations.

##### REPORT OF THE GEOLOGICAL SURVEY, OFFICE OF MINERALS EXPLORATION

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the Geological Survey, Office of Minerals Exploration, for the fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

#### REPORT OF ADDITIONAL FISCAL YEAR 1974 AWARDS UNDERWATER RESOURCES RESEARCH ACT

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report of additional fiscal year 1974 awards under the Water Resources Research Act (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

#### PETITIONS

Petitions were laid before the Senate and referred as indicated:

##### By the ACTING PRESIDENT pro tempore (Mr. STEVENSON):

A joint resolution of the Legislature of the State of California. Referred to the Committee on Agriculture and Forestry:

##### "ASSEMBLY JOINT RESOLUTION NO. 24

"Relative to the special milk program

"Whereas, The Special Milk Program, P.L. 85-478, was established by Congress in 1954, to encourage the consumption of fluid milk by children in the United States; and

"Whereas, The program enables schools generally to serve a one-half pint or one-third quart of milk to a schoolchild daily; and

"Whereas, The success of the program is shown by the fact that during the 1971-72 fiscal year more than 214 million half-pint equivalents of milk were served, in addition to 202 million half-pints served in connection with the national School Lunch Program; and

"Whereas, It is essential for children to be adequately nourished before they can take full advantage of the educational opportunities afforded them by our schools; and

"Whereas, The Special Milk Program provides extra milk servings, apart from those provided with lunches, to both needy and nonneedy children to provide additional nourishment; and

"Whereas, The President's budget request for fiscal year 1973-74 has cut the proposed appropriation for the Special Milk Program from the 97 million dollars deemed by Congress to be the minimum needed for the 1972-73 fiscal year to an unrealistic 25 million dollars, a cut which will deprive millions of children of low-income families of the only midday nourishment during the school-day; now, therefore, be it

*"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to restore the 72-million-dollar cut in the current budget for the Special Milk Program; and be it further*

*"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the President pro Tempore of the Senate, to the Chairman of the Agriculture Committee of the House of Representatives, to the Chairman of the Senate Agriculture Committee, and to each Senator and Representative from California in the Congress of the United States."*

Resolutions of the Legislature of the Commonwealth of Massachusetts. Referred to the Committee on Post Office and Civil Service:

##### "RESOLUTIONS

*"Memorializing the Congress of the United States to consider reinstatement of mail service via railroad between the cities of Pittsfield, Springfield, and Worcester*

*"Whereas, Railroad passenger service between the cities of Pittsfield, Springfield and Worcester within the Commonwealth is in need of additional revenue to continue its operation; and*

*"Whereas, The National Rail Passenger*

Corporation is desirous of continuing rail passenger service between said cities; and

"Whereas, The United States Postal Service provides mail service between said cities; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully urges that immediate action be taken by the President of the United States and the United States Postal Service to reinstate mail service between the cities of Pittsfield, Springfield and Worcester via railroad to help subsidize the expense involved in the continuation of passenger service between said cities; and be it further

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

"House of Representatives, adopted, August 27, 1973."

A resolution adopted by the North Carolina State Council, Junior Order United American Mechanics, Wilmington, N.C., relating to general amnesty. Referred to the Committee on the Judiciary.

Three resolutions adopted by the North Carolina State Council, Junior Order United American Mechanics, Wilmington, N.C., relating to Russia, Prisoners of War, and China. Ordered to lie on the table.

#### APPOINTMENT OF EX OFFICIO CONFEREES ON S. 1081

Mr. JACKSON. Mr. President, I ask unanimous consent that the senior Senator from Alaska (Mr. STEVENS) and the junior Senator from Alaska (Mr. GRAVEL) be appointed as ex officio conferees heretofore appointed on S. 1081.

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

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. STEVENS:

S. 2387. A bill to amend subchapter D of chapter 36 of the Internal Revenue Code of 1954 to permit owners of highway motor vehicles to choose, under certain conditions, the yearly period for application of the tax on use of such vehicles; and

S. 2388. A bill to amend subchapter E of chapter 36 of the Internal Revenue Code of 1954 to permit aircraft owners to choose, under certain conditions, the yearly period for application of the tax on use of civil aircraft. Referred to the Committee on Finance.

S. 2389. A bill to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal and other States. Referred to the Committee on Interior and Insular Affairs.

S. 2390. A bill to amend title 5, United States Code, to permit Members of Congress to withdraw from the civil service retirement system. Referred to the Committee on Post Office and Civil Service.

By Mr. PACKWOOD (for himself and Mr. STEVENS):

S. 2391. A bill to provide for the regulation of the process by which the people of the United States select the President and Vice President by establishing a series of five regional primary elections at which the people may express their preference for the nomination of an individual for election to the office

of President. Referred to the Committee on Rules and Administration.

By Mr. MONTOYA:

S. 2392. A bill to require disclosure of the octane rating of gasoline sold to consumers. Referred to the Committee on Commerce.

By Mr. HUMPHREY:

S. 2393. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93-66 shall become effective immediately, and for other purposes. Referred to the Committee on Finance.

By Mr. DOMINICK:

S. 2394. A bill to authorize the acquisition of certain lands for addition to Rocky Mountain National Park in the State of Colorado, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS:

S. 2387. A bill to amend subchapter D of chapter 36 of the Internal Revenue Code of 1954 to permit owners of highway motor vehicles to choose, under certain conditions, the yearly period for application of the tax on use of such vehicles; and

S. 2388. A bill to amend subchapter E of chapter 36 of the Internal Revenue Code of 1954 to permit aircraft owners to choose, under certain conditions, the yearly period for application of the tax on use of civil aircraft. Referred to the Committee on Finance.

#### TAX RELIEF FOR HIGHWAY MOTOR VEHICLE OWNERS AND AIRCRAFT OWNERS IN COLD CLIMATES

Mr. STEVENS. Mr. President, I am introducing two bills to assist highway motor vehicle owners and aircraft owners living in cold climates. Federal law imposes use taxes on both highway motor vehicles and aircraft. These statutes—26 U.S.C. 4481-84 and 26 U.S.C. 4491-94—as drafted, discriminate against motor vehicle owners and aircraft owners living in cold climates where the weather and physical limitations of the area prevent the use of the vehicles and aircraft for large parts of the year. Both subchapter D of chapter 36, which imposes the highway use tax, and subchapter E of the same chapter, which imposes the aircraft use tax, impose taxes on the use of vehicles and aircraft for the entire year although in Alaska and many other States climatic conditions may preclude their use for a significant portion of the year. These two bills are designed to equalize the tax treatment of vehicle and aircraft owners living in cold climates where they cannot use their vehicles and aircraft for significant portions of the year.

#### S. 2387, A BILL TO AMEND THE HIGHWAY MOTOR VEHICLE USE TAX THE PROBLEM

The first bill I am introducing will amend the highway motor vehicle use tax—subchapter D of title 36 of the Internal Revenue Code; 26 U.S.C. 4481-84.

Many vehicles in Alaska and elsewhere are able to operate only a few months of the year. In September or October, snows cover many highways and roads and make it economically unfeasible for the State Department of Highways to keep

them open. For example, the highway between Teller and Nome, Alaska, on the Seward Peninsula, is closed from October 1 until June 1, 8 months of the year. This 71-mile stretch of highway is a vital length to Nome, the hub of northwest Alaska. This highway, S. 131, is a Federal aid highway. Users must pay the Federal motor vehicle highway use tax.

But because it is closed 8 months of the year they pay 3 times the tax they should.

Moreover, this tax adds measurably to the cost of goods and services for all residents of northwest Alaska who depend directly or indirectly on truck transportation. The tax is not insignificant. For example, the tax on a Mack fuel tanker truck is \$240. If the owner is able to put only 4,200 miles on the rig during a year, this plus other State taxes costs approximately 14½ cents per mile.

As the merchants of Northwest Alaska have informed me, "these costs have to be passed on to the consumer." For example, I am informed that because of these taxes, motor gasoline will rise from the present 70 cents per gallon to 75 cents per gallon from one retailer in Teller. Other retailers charge up to 90 cents per gallon. These taxes add considerably to the price the consumer pays for vital household supplies.

Mr. President, if it were financially possible, I would urge the Federal Government to assist in keeping these roads open year round. In fact, this has been tried. But it was just not possible physically or financially to do so. Therefore, the only alternative relief available is to equalize the tax.

These facts I have quoted are from my constituents in Alaska who first called the matter to my attention. But the situation is not confined to Alaska. People throughout the northern climates are faced with a similar problem. Senators from many northern States, have, I am sure, numerous constituents bearing an unfair tax burden for this reason.

This bill will provide relief for all of these people.

#### PRESENT LEGISLATION

The Federal Highway and Revenue Act of 1956 first instituted the tax. Section 4481(c) permits a proration of the tax "if in any taxable period the first use of the highway motor vehicle is after the first month in such period." Section 4482(c) (2) defines the term "year" to begin on July 1. As the House report (84-2022) states:

For example, if the first use on the public highways of a highway motor vehicle occurs on August 20, the tax will be computed at the rate of 11/12 of \$1.50 for each thousand pounds or fraction thereof of the taxable gross weight of the vehicle.

In answer to my inquiry, the Internal Revenue Service has further amplified this legislation. They stated:

The Federal-Aid Highway Act of 1956 (Public Law 627) provides for a program of highway construction and improvement. To finance this program, the Highway Revenue Act of 1956 earmarked certain taxes, only one of which is the tax imposed on the use of highway motor vehicles, to a highway trust fund. More than ninety percent of the trust fund revenue is derived from taxes on sales of motor fuel, tires, lubricating oil, trucks, buses, and parts and accessories for

trucks and buses. The burden of these other taxes falls hardest on the heavier users of the highway system, thus ensuring that such commercial users pay more than those who use the highways less frequently. The highway use tax may therefore be viewed as an initial payment for use of the highways, and it was never intended that the tax imposed by section 4481(a) of the Code be measured according to the number of miles a particular truck uses the highway.

The only relief from the tax is that provided by section 4481(c) of the Code. Under section 4481(c), the tax is prorated from the first day of the month in which such use occurs to the last day of the taxable period. In commenting on the proration of the highway use tax, Senate Report No. 2054, Eighty-fourth Congress, Internal Revenue Cumulative Bulletin 1958-2, page 1308 at 1318 states:

"The tax is an annual tax imposed for the year beginning July 1. However, if the first use of the vehicle on the highway occurs after the end of July, the tax [is reduced] proportionately for the number of months at the beginning of the year during which the highway vehicle was not so used."

Once a vehicle is used on the highway, however, there is no other relief (including proration) available for subsequent months in the fiscal year.

Under the law then, the actual distance that the vehicle travels is immaterial. Revenue Ruling 58-378, published in Internal Revenue Cumulative Bulletin 1958-2, at page 857, discusses the situation where mobile fire fighting units only occasionally have to travel on a city street for a distance of approximately one-half mile. Revenue Ruling 58-378 holds that, the tax is imposed when the vehicle is first required to use a city street, or any roadway which is not a private roadway.

Accordingly, if a highway motor vehicle is actually used at least once on a public highway, then regardless of the distance traveled, it is subject to the use tax under Section 4481(a) of the Code.

#### PROPOSED LEGISLATION

The bill I am introducing today should not conflict with this policy as interpreted by the Internal Revenue Service. There is a distinct difference between permitting vehicles occasionally used on highways, but for which highways must be kept in constant repair, to escape the tax and in permitting vehicles which cannot be used for long periods of the year because of inclement weather to be exempted from taxation.

The bill I am introducing today will change the taxable definition of "year" to permit it either to begin on July 1 or on the first date of any other month specified by a taxpayer who can demonstrate to the satisfaction of the Secretary of the Treasury or his designee that climatic conditions beyond the taxpayer's control will prevent him from using such vehicle for a continuous period of 90 days or more during such 1-year period.

This will permit taxpayers living in cold climates or in other areas in which climatic conditions prevent the use of their vehicles for substantial periods of time to prorate their tax in accordance with the portion of the year their vehicles are usable.

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

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

#### S. 2387

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4482(c)(2) of the Internal Revenue Code of 1954 (relating to definition of year for purposes of the tax on use of highway motor vehicles) is amended to read as follows:*

*"(2) YEAR.—The term 'year' means, with respect to any highway motor vehicle—*

*"(A) the one-year period beginning on July 1, or*

*"(B) in the case of an election under section 4484, the one-year period beginning on the first day of the month specified in such election."*

*(b) Section 4484 of such Code (relating to cross reference) is redesignated as section 4485.*

*(c) A new section 4484 is added as follows: "Section 4484. Special rules.*

*"ELECTION TO USE YEAR OTHER THAN PERIOD BEGINNING JULY 1.—*

*"(a) IN GENERAL.—A person required under section 4481(b) to pay the tax imposed by section 4481(a) on the use of a highway motor vehicle may elect, subject to the provisions of subsection (b), to pay such tax with respect to the one-year period commencing on the first day of the month specified by him (in lieu of the one-year period beginning on July 1).*

*"(b) CONDITION.—An election may be made under subsection (a) with respect to any highway motor vehicle only if the person required to pay the tax on the use of such vehicle establishes to the satisfaction of the Secretary or his delegate that climatic conditions beyond his control will prevent him from using such vehicle for a continuous period of 90 days or more during such one-year period.*

*"(c) WHEN AND HOW MADE.—An election under subsection (a) shall be made at such time and in such manner as the Secretary or his delegate prescribes by regulations."*

*(d) The table of contents at the beginning of subchapter D of chapter 36 of the Internal Revenue Code of 1954 (title 26, U.S.C.) is amended to read as follows:*

*"Sec.  
4481. Imposition of tax.  
4482. Definitions.  
4483. Exemptions.  
4484. Special rules.  
4485. Cross reference."*

*(e) The amendments made by this section shall take effect on January 1, 1974.*

**S. 2388, A BILL TO AMEND SUBCHAPTER E OF THE INTERNAL REVENUE CODE TO AMEND THE AIRCRAFT USERS TAX TO PERMIT THE TAXPAYERS IN COLD CLIMATES TO PRORATE THIS TAX ACCORDING TO THE POSITION OF THE YEAR DURING WHICH THEY CAN USE THE AIRCRAFT**

#### THE PROBLEM

Mr. STEVENS. Mr. President, the second bill I am introducing today will permit aircraft owners in cold climates to prorate their aircraft users tax. This problem is identical to the problem I have just discussed with respect to the highway users tax. Subchapter E is modeled on subchapter D. In fact, the operative language of the two sections is very similar. The policy of both subchapters is the same.

So are the problems facing aircraft users in cold climates. Persons who lay up their planes in the summertime can prorate the tax, although persons laying up their planes in the winter cannot.

As one of my constituents put it:

The tax as now written begins on July 1 and ends on June 30. The provision for lay-up reads that the tax is due and payable

at the end of the first month of the fiscal year that the aircraft is used. The tax rate is then calculated from that month to the end of the fiscal year. This, in effect, disallows a winter lay-up. For example, if a person does not use his aircraft from July to January, he pays taxes for only six months (February through June); but if he uses his aircraft in July and then does not fly it between November and April he still must pay taxes for twelve months since he first used it in July. The amount of lay-up time is the same but the taxes are considerably different. This does not strike me as being the intent of the law since there is an obvious inequality.

In Alaska, this is especially true since cold temperatures, short day light hours, and adverse weather certainly hinder winter time pleasure flying. I, for one, would like to see this law modified to allow a deduction for any month the aircraft is not in use.

When I inquired into this matter with the Federal Aviation Administration, the Administrator replied—

We are certain that Congress did not intentionally draft and pass legislation to work a hardship on our countrymen who live in Alaska.

I also corresponded with the Department of the Treasury who raised certain administrative objections to any such change because of limited auditing facilities available.

My proposed legislation, because it vests adequate discretion in the Secretary of the Treasury, and will permit him to require the taxpayer to comply with a high standard of proof, should not impose an additional administrative burden on the Internal Revenue Service.

Moreover, because of the strong equities favoring those taxpayers who are physically prevented by climatic conditions from using their aircraft for a large portion of the year, I believe this legislation should be enacted.

#### PROPOSED LEGISLATION

This legislation is similar in form to the other bill I am introducing today. It redefines the term "year" to either begin on July 1 or on the first day of any other month specified by a taxpayer who can "establish to the satisfaction of the Secretary or his delegate that climatic conditions beyond his control will prevent him from using such aircraft for a continuous period of 90 days or more during such 1-year period."

This will, I believe, solve the problem of many pilots in the northern States and will provide them with much needed tax relief.

I urge Congress to act favorably on both of these bills and request unanimous consent that the second bill be printed in the CONGRESSIONAL RECORD in its entirety at this point.

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

#### S. 2388

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4492(c)(1) of the Internal Revenue Code of 1954 (relating to definition of year for purposes of the tax on use of civil aircraft) is amended to read as follows:*

*"(1) YEAR.—The term 'year' means, with respect to any taxable civil aircraft—*

*"(A) the one-year period beginning on July 1, or*

"(B) in the case of an election under section 4493(c), the one-year period beginning on the first day of the month specified in such election."

(b) Section 4493 of such Code (relating to special rules) is amended by adding at the end thereof the following new subsection:

"(c) ELECTION TO USE YEAR OTHER THAN PERIOD BEGINNING JULY 1.—

(1) IN GENERAL.—A person required under section 4491(b) to pay the tax imposed by section 4491(a) on the use of a taxable civil aircraft may elect, subject to the provisions of paragraph (2) to pay such tax with respect to the one-year period commencing on the first day of the month specified by him (in lieu of the one-year period beginning on July 1).

(2) CONDITION.—An election may be made under paragraph (1) with respect to any taxable civil aircraft only if the person required to pay the tax on the use of such aircraft establishes to the satisfaction of the Secretary or his delegate that climatic conditions beyond his control will prevent him from using such aircraft for a continuous period of ninety days or more during such one year.

(3) WHEN AND HOW MADE.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary or his delegate prescribes by regulations."

(c) The amendments made by this section shall take effect on January 1, 1974.

By Mr. STEVENS:

S. 2389. A bill to authorize certain revenues from leases on the Outer Continental Shelf to be made available to coastal and other States. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, I am introducing a bill today to provide for revenue sharing from Outer Continental Shelf leases of oil, gas, and other minerals.

This bill will distribute the royalties from Outer Continental Shelf lands to the adjacent coastal State, 50 percent; the other States, 25 percent; and the U.S. Treasury, 25 percent.

Federal public lands producing royalty revenues already require royalty revenue distribution to the State on which the lands are located. (See 30 United States Code, section 191.)

For a number of years, the various States have sought a royalty revenue distribution from Outer Continental Shelf lands. In the 92d Congress, for example, several bills were introduced on this subject in the House of Representatives.

This bill is being introduced in response to a resolution unanimously adopted by the National Association of Attorneys General at its June 28, 1972, annual meeting. That resolution supported the concept of revenue sharing with, not only the adjacent State, but all other States. The Attorney General of Alaska suggested the specific formula enumerated above.

Mr. President, although these minerals are located within Federal lands—the Outer Continental Shelf—the adjacent State provides considerable governmental services to the industries and people engaged in exploration and production. Such State governments must incur substantial expenses in connection with these activities. But they receive no share of the royalties. This is particularly unfair in view of the fact that States on which royalty producing Federal public lands are located share in such royalties.

Mineral exploration, whether it be from Federal public lands or Outer Continental Shelf lands, is really a cooperative venture with private industry, State, and local governments, and the Federal Government all lending a hand. Because Federal royalties now are deposited in the general treasury, the adjacent coastal States must bear an unfair burden.

The funds involved are not incon siderable. The total Outer Continental Shelf receipts, including royalties, bonuses, and rentals for 1969 were nearly \$714 million. For 1970, they were nearly \$334 million. For 1971, they were over \$1,272,000,000. And these figures do not include the very considerable royalties that will accrue after oil and gas production starts on the Outer Continental Shelf in other areas.

My bill will, for the first time, provide that royalties will be shared directly with the other nonadjacent States—inland as well as coastal. It provides a fair revenue sharing formula and will be easily administrable.

I urge the Senate to consider this concept as soon as possible and avert needless litigation and delay. With the current energy crisis, we can ill afford to delay the development of our Outer Continental Shelf energy potential.

I ask unanimous consent that the bill itself be printed in the RECORD at this point along with a table of Outer Continental Shelf receipts for fiscal years 1955-70.

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

S. 2389

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that—*

(1) all States which contain public lands of the United States within their boundaries receive certain revenues produced from bonuses, royalties and rentals of such lands in accordance with the Mineral Leasing Act of 1920 (30 U.S.C. 191);

(2) such sharing of revenues is based on the equitable consideration that these States furnish governmental services to the industries and people engaged in the exploration and production of minerals from such lands and accordingly such States are entitled to be reimbursed for such services;

(3) coastal States perform identical governmental services to the industries and people engaged in the exploration and production of minerals from the portion of the seabed, which adjoins each coastal State but to which such States do not have title, yet these States now receive no share of the revenue produced;

(4) coastal States in addition to providing governmental services, are subject to other burdens not financially measurable, such as the risk and the actuality of oil spills, movement of population of low coastal areas where hurricane dangers are greatest and modification of coastal ecology;

(5) basic justice requires that coastal States should share revenues from the aforesaid portion of the seabed at least on the same equitable grounds on which States with Federal lands within their boundaries now share such revenues with the Federal government; and

(6) the bonuses, royalties and rentals of public lands can provide a practical way in which Federal revenue sharing with all States can be accomplished.

Sec. 2. Section 9 of the Outer Continental

Shelf Lands Act (43 U.S.C. 1338) is amended to read as follows:

"Sec. 9. Disposition of Revenues.—(a) All rentals, royalties, or other sums paid to the Secretary or the Secretary of the Navy under or in connection with any lease on the Outer Continental Shelf for the period beginning June 5, 1950, and ending with the day preceding the date of the enactment of this subsection shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

"(b) All rentals, royalties, or other sums paid to the Secretary or the Secretary of the Navy under or in connection with any lease on the Outer Continental Shelf on and after the date of the enactment of this subsection shall be deposited in the Treasury of the United States; and of the amount of the revenues so deposited in each fiscal year which are attributable to the portion of the Outer Continental Shelf adjacent to any State—

"(1) 50 per centum shall be paid by the Secretary of the Treasury to such adjacent State;

"(2) 25 per centum shall be paid by the Secretary, in equal amounts, to each of the several States other than such adjacent State; and

"(3) 25 per centum shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

"(c) Any moneys paid to the Secretary or the Secretary of the Navy under or in connection with a lease but held in escrow pending the determination of a controversy as to whether the lands on account of which such moneys are paid constitute part of the Outer Continental Shelf shall, to the extent that such lands are ultimately determined to constitute a part of the Outer Continental Shelf, be distributed—

"(1) in accordance with subsection (a) if paid before the date of the enactment of this subsection, and

"(2) in accordance with subsection (b) if paid on or after the date of the enactment of this subsection."

Sec. 3. (a) Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify in any manner any right, claim, or interest of any State in any funds received before the date of the enactment of this Act, or of any funds held in escrow pending the determination of any controversy as to whether the submerged lands on account of which such funds were received constitute a part of the Outer Continental Shelf.

(b) Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify any claim of any State to any right, title, or interest in, or jurisdiction over, any submerged lands.

BUREAU OF LAND MANAGEMENT—OUTER CONTINENTAL SHELF RECEIPTS, FISCAL YEAR 1955 THROUGH 1970

|       | Royalties      | Total<br>(includes bonuses<br>and rentals) |
|-------|----------------|--|
| 1955  | 0              | \$154,621,764.85                           |
| 1956  | \$52,814.63    | 137,742,374.94                             |
| 1957  | 232,342.21     | 13,178,593.89                              |
| 1958  | 830,760.69     | 15,699,374.58                              |
| 1959  | 2,266,484.40   | 23,830,325.75                              |
| 1960  | 2,839,980.97   | 401,722,186.69                             |
| 1961  | 5,588,525.60   | 51,067,561.98                              |
| 1962  | 5,605,230.15   | 510,198,439.12                             |
| 1963  | 7,433,912.55   | 137,273,981.41                             |
| 1964  | 10,640,439.52  | 152,395,954.32                             |
| 1965  | 11,246,201.92  | 142,502,002.40                             |
| 1966  | 86,424,061.11  | 208,764,843.82                             |
| 1967  | 41,107,770.26  | 785,440,705.67                             |
| 1968  | 57,935,108.40  | 1,082,763,202.32                           |
| 1969  | 78,083,889.47  | 713,912,091.57                             |
| 1970  | 113,580,953.89 | 333,809,071.36                             |
| 1971  | 159,914,891.13 | 1,272,257,326.56                           |
| Total | 583,771,719.06 | 6,137,149,774.23                           |

By Mr. MONTOYA:

S. 2392. A bill to require disclosure of the octane rating of gasoline sold to con-

sumers. Referred to the Committee on Commerce.

OCTANE RATING DISCLOSURE ACT

Mr. MONTOYA. Mr. President, I am introducing today for appropriate reference a bill which will make available to consumers the octane rating of the gasoline they buy.

In brief, this bill requires gasoline manufacturers and refiners to determine the octane rating of the gasoline they blend and then requires service station dealers to post that rating for the information of their customers. The idea is very simple.

There are a number of reasons why consumers have an interest in the octane rating of their gasoline. Foremost among these is price. Those persons who unnecessarily use high octane gasoline spend 4, 5, or even 6 cents more per gallon than they need or ought to spend. Over the course of a year, this waste may add up to \$50 or more for the average motorist.

Of equal importance is the contribution this bill can make toward the conservation of petroleum resources. It has been estimated that a refiner sacrifices 5 percent of final product gasoline for each point by which he increases its octane rating. If motorists can choose gasoline blends which perfectly meet, but do not exceed, the requirements of their cars, they can help save gasoline.

Similarly, the use of lower octane gasolines properly matched to individual engines can reduce air pollution because lower octane gasolines contain less lead and are less polluting than higher octane gasolines.

Another consideration is that engine wear and tear is least when the proper octane gasoline is used. The use of gasoline which is either too high or too low in octane is harmful to an engine. Yet the consumer has no real way, at present, of knowing what kind of gasoline he is putting into his car's tank. He knows that he is putting in regular or super, perhaps, but these are not standardized classifications. Regular gasoline sold at station X might be several octane points above or below gasoline sold in station Y. The bill I introduce today will correct this situation. It will allow the consumer to know exactly the octane rating of the gasoline he purchases.

No doubt opposition to this bill will be offered, as it has been offered in the past, on the grounds that there is more to know about gasoline than its octane rating and that posting the octane rating will establish a single, grossly oversimplified standard by which all gasoline will be judged.

Mr. President, this argument is not very sturdy. In 1969, the Federal Trade Commission exhaustively reviewed the question of whether octane ratings should be posted. Public hearings were held in anticipation of rulemaking. Oil companies and consumer organizations alike presented their views. The conclusion of the exercise was a final ruling on December 16, 1971, requiring the posting of octane ratings according to the standards employed in this bill. I am satisfied that those hearings conclusively estab-

lished the propriety of requiring the use of octane ratings.

It is true that these rules were challenged in court and are, in fact, still in litigation. The point of the court challenge, however, is the authority of the FTC to issue the rules—not the rules themselves.

Mr. President, I believe this bill makes sense from many vantage points. It offers the consumer the chance to save money and to prolong the life of his car's engine. It can contribute positively to our gasoline shortage and to lessening the poisoning of our air.

I urge speedy consideration and enactment of this bill.

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

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

S. 2392

*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 "Gasoline Octane Rating Disclosure Act".*

SEC. 2. For the purposes of this Act, the term—

(1) "Commission" means the Federal Trade Commission;

(2) "Director" means the Executive Director of the Federal Trade Commission;

(3) "octane rating" means a quantitative evaluation of anti-knock characteristics of gasoline used as a motor fuel;

(4) "octane number" means the figure derived from the sum of research (R) octane number and motor (M) octane number, divided by 2,  $(R+M/2)$  as described in "Standard Specifications for Gasoline", American Society for Testing and Materials (ASTM), D439-70, as revised, and American Society for Testing and Materials test methods D2699 and D2700;

(5) "gasoline" means a liquid petroleum product intended for use as motor fuel and includes any petroleum product obtained by blending together one or more such products with other such products if the resultant product is intended for use as motor fuel;

(6) "interstate commerce" means commerce between any place in a State and any place in another State, or between places in the same State through another State;

(7) "jobber" means any person who purchases gasoline for resale or distribution at wholesale prices;

(8) "retail service station dealer" means any person who sells and delivers gasoline directly into the gasoline tanks of motor vehicles;

(9) "manufacturer" and "refiner" means any person who produces, blends, or compounds motor vehicle fuels for use as gasoline; and

(10) "blend" means the process of refining or mixing gasoline.

SEC. 3. The Director shall by regulation establish uniform procedures for determining octane ratings in accordance with the procedures established by the American Society for Testing Materials.

SEC. 4. (a) Every manufacturer and refiner who blends gasoline for sale in interstate commerce as a motor fuel shall determine the minimum octane of such gasoline, as so blended, in accordance with the procedures established under section 3 of this Act.

(2) Any person who blends gasoline which has been shipped or transported in interstate commerce for use as a motor fuel and who sells such gasoline for resale shall dis-

close to the purchaser of such gasoline its octane number in accordance with regulations of the Commission.

(b) Any person who blends gasoline which has been shipped or transported in interstate commerce in a blender from which such gasoline is dispensed directly into the motor vehicle in which it is to be used shall disclose the octane number of such gasoline in accordance with the provisions of section 5 of this Act.

SEC. 5. (a) Any retail service station dealer who dispenses gasoline which has been shipped or transported in interstate commerce to a consumer for use as a motor fuel shall affix to the container from which such gasoline is dispensed a label which shall clearly disclose the octane number of such gasoline.

(b) The label required to be affixed to the container under subsection (a) shall contain such information and meet such requirements as to form and content as the Commission shall by regulation prescribe.

SEC. 6. Each manufacturer, refiner, jobber, and retail service station dealer who manufactures, refines, ships, transports, or sells gasoline in interstate commerce shall allow the Director, or his delegate, upon demand made, to inspect, during regular business hours, any refinery, storage unit, or service station where gasoline is kept or otherwise stored, and shall allow the Director, or his delegate, to examine and take samples of such gasoline.

SEC. 7. The Director, or his designate, shall, from time to time, collect, or cause to be collected, samples of all petroleum products subject to the provisions of this Act which are held or offered for sale and cause such samples to be tested and analyzed.

SEC. 8. The Director shall prescribe such regulations as may be necessary to carry out the purposes of this Act.

SEC. 9. (a) Any person who violates the provisions of section 4 or 6 of this Act shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in any amount not in excess of \$10,000.

(b) Any retail service station dealer who violates the provisions of section 5 of this Act shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in any amount not in excess of \$1,000.

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 11. This Act shall become effective the date of enactment, except that sections 4, 5, and 6 shall become effective ninety days after such date.

By Mr. HUMPHREY:

S. 2393. A bill to provide that the special cost-of-living increase in social security benefits enacted by Public Law 93-66 shall become effective immediately, and for other purposes. Referred to the Committee on Finance.

URGENT SOCIAL SECURITY INCREASE ACT OF 1973

Mr. HUMPHREY. Mr. President, I returned from my home State, as every other Senator has. I traveled many miles, going to dozens of communities in the State of Minnesota. I shall return tonight to do exactly the same thing in the next 2 days. I have talked to hundreds—in fact, thousands—of people. I have visited senior citizens' homes and nursing homes. I have been out to see young people who wanted to buy homes.

Let me say a word for a moment about the senior citizens. They are being victimized by inflation as no one else—a cruel, inhumane treatment of the senior

citizens of this country. They have no way to increase their income. Most of them are on social security, with very, very modest pensions. Most of them have no savings, and they are being victimized every day by the high cost of food, clothing, rents, everything that they touch.

Therefore, Mr. President, I am introducing a bill to make immediately effective upon enactment the special 5.9-percent increase in social security benefits, as provided under Public Law 93-66, presently authorized to be implemented in June 1974.

I will offer this bill as a floor amendment to appropriate legislation as soon as possible so that action on this vital matter can be completed in the next few weeks.

My bill, the Urgent Social Security Increase Act of 1973, is addressed to the desperate financial situation of a substantial majority of America's 21 million elderly citizens on small and fixed incomes confronting the current escalation in the cost of living.

Members of the Senate will recall that this body earlier this year went on record in support of providing for this increase at the outset of 1974, and subsequently approved a modified provision to make this increase effective next April. It had been deemed essential to take this further action on behalf of elderly Americans confronting sharp rises in the cost of living, beyond the automatic provisions for a cost of living increase in social security benefits under the social security amendments of 1972, which became effective in January 1975. My distinguished colleagues, the Senators from Connecticut (Mr. RIBICOFF) and from Louisiana (Mr. LONG), played a major role in efforts to secure enactment of this earlier special benefit increase.

However, to secure agreement with the House on the conference report on H.R. 7445, extending the Renegotiation Act and amending the Social Security Act to provide this special benefit increase to reflect the rise in the Consumer Price Index between June 1972 and June 1973, it was necessary for the Senate to accept a further delay in the implementation date, to June 1974. Based on an initial estimate of a 5.6 percent increase in the CPI—subsequently revised to reflect an actual CPI change of 5.9 percent—30 million persons would receive an additional \$1.9 billion in increased benefits over the latter half of next year.

Mr. President, since this action by Congress, the cost of living has gone up again, and this morning's reports indicated the highest rise in the wholesale index, practically, in history. Food costs have gone up 30 percent in the past year. Something has to be done in this body. This Congress cannot stand idly by and let our senior citizens go ignored and their pleas left ignored. We ought to be ashamed of ourselves. This country can see to it that our senior citizens who are on fixed incomes, on social security, have at least enough on which to live. What a pitiful sight it is to read in the press that elderly people have been forced to steal to have enough food to meet their wants—decent, good people.

I am going to do everything I can to see that this Congress acts promptly to provide the much-needed relief that the rise in the cost of living now dictates is necessary.

As now calculated, under the provisions of Public Law 93-66—H.R. 7445—a retired worker presently receiving an average monthly social security benefit of \$167 would receive \$10 more per month, beginning next July, and a retired couple would find their monthly checks raised from \$278 to \$295. A further and earlier overall increase of some \$300 million in social security benefits for beneficiaries whose work gives them some earnings will result when the increase provided in the earnings limit, to \$2,400, goes into effect next January.

I say, Mr. President, it is very difficult for me to understand how a couple, having to pay rent in our big cities, can live on \$278 a month. If they can in these days and live like normal people ought to live, they are performing an economic miracle; and the Congress of the United States can do better than that.

However, these increases will be too little and too late to protect elderly Americans on fixed and limited incomes who are right now confronting skyrocketing costs in food, in housing, and in health care. Even with last year's 20 percent social security increase, the annual benefit to an elderly couple comes to a meager \$3,252 as the total income. That is \$190 below the lowest "survival" budget for a retired couple, as recently calculated by the Bureau of Labor Statistics. And this average budget does not begin to reflect substantially higher costs of living in certain metropolitan areas such as Boston, New York, Chicago, Philadelphia, Los Angeles—just to mention a few.

This BLS "lower budget," computed before the recent sharp increases in food prices, found food and housing to be the two highest costs for an elderly couple. Living substantially below the level of poverty, this couple spends over 30 percent of its income for food and 35 percent for housing.

What such figures mean is that millions of older Americans are being forced deeper and deeper into poverty and despair with no relief in sight until next July. And such "relief," in fact, would only enable them to adjust to further rises in the cost of living that are expected next year, exclusive of the sharp devaluation of the consumer dollar that they are already experiencing.

It is clear that the administration's new phase IV economic stabilization program puts the biggest burden of inflation on the backs of elderly Americans least able to afford it. They face uncontrollable rental costs, which already have risen by some 31 percent between 1968 and 1972. They must cope with an 8.7-percent surge in the cost of living and food costs skyrocketing by almost 20 percent by year end. Last year alone, the total health bill for America soared by 10.3 percent. But health care costs for older Americans are rising twice as fast as for young persons, and medicare currently covers only 42 percent of an average beneficiary's hospital and medical bills.

The plight of our Nation's elderly is reflected in the fact that nearly 5 million are impoverished, that summer resorts have been flooded with job applications from elderly persons desperately looking for any kind of work to supplement their small pensions, and that hungry old people in Florida have been apprehended for pilfering food and vitamins from local stores.

Older Americans have a right to human dignity, and to be released from despair and anxiety over incomes that remain fixed while the cost of living rises. It is an act of economic commonsense for Government to enable as many elderly citizens as possible to live in self-sufficiency rather than in public dependency. But it is also an act of decent compassion for Government to respond effectively to the urgent income needs of older Americans.

If the Federal Government is to be responsible and responsive, these actions must be taken immediately. I urge the Senate to give priority consideration to the Urgent Social Security Increase Act.

Mr. President, I send the bill to the desk for appropriate reference. I want to say that I shall be asking my colleagues to join me as cosponsors. I hope many will do so. At the appropriate moment, as soon as a piece of legislation comes up that the President cannot veto, I am going to attach this measure to that legislation, because I, for one, as a Senator, cannot go home and face people I see day after day knowing that they are not able even to subsist, while we in Congress are considering budgets running into the hundreds of millions of dollars. I think it is time we started taking care of our people. That is what we are here for.

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

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

S. 2393

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a)(2) and (c)(2) of section 201 of Public Law 93-66 are amended by striking out "May 1974" each place it appears and inserting in lieu thereof "the effective month of this section."*

(b) Section 201 of Public Law 93-66 is further amended by adding at the end thereof the following new subsection:

"(e) For purposes of subsections (a)(2) and (c)(2), the effective month of this section is the month in which this subsection is enacted."

By Mr. DOMINICK:

S. 2394. A bill to authorize the acquisition of certain lands for addition to Rocky Mountain National Park in the State of Colorado, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMINICK. Mr. President, I am pleased today to introduce a bill which would extend the western boundary of the Rocky Mountain National Park.

The North Fork of the Colorado River divides the Kawuneeche Valley, and at the moment only the land east of the river is contained in the park. The land west of the river, although outside the park, is easily visible from the park's

major access, Trail Ridge Road. Therefore, it is an important part of the visual experience of the park's 2 million annual visitors.

A special point of interest in the northern part of the proposed extension is the Holzwarth Homestead, which the National Park Service hopes to make into an historical interpretive site. This would provide an excellent opportunity for visitors to gain a feeling for the area as it was in 1904 when the first cabin was built and the first settlers began to raise cattle. It should also be added that the valley is considered to be a prime habitat for deer, elk, beaver, and marsh birds.

Mr. President, continued private and commercial development in the immediate vicinity threaten the present status of the valley and make it imperative that the Congress immediately act to preserve the beauty and wildlife of the area. This bill would extend Rocky Mountain National Park's western boundary approximately one-half mile for a distance of 4 miles. It would authorize the acquisition of 1,017.5 acres of land included in that extension, and it would also authorize the funds necessary to purchase the land.

The valley's largest landowner, Mr. John Holzwarth, recently sold his dude ranch and all of his land within the park to the National Park Service. He has also given the Park Service a firm option to buy the 634 acres he owns within the proposed boundary extension for \$875,000. The second largest property owner, Mr. Charles Houseman, has been cooperative also. He wholeheartedly urges the addition of his property to the park and has verbally offered to sell his holdings on a life tenure basis after the boundary is extended.

It is important that immediate consideration be given to this bill. Having disposed of his dude ranch, Mr. Holzwarth is eager to sell the remainder of his property. The option he has given the National Park Service expires on February 22, 1974, and if it expires before action is taken, the possibility of purchasing the land will be slight as Mr. Holzwarth has many other offers.

We have an opportunity here to include the beautiful Kawuneeche Valley within the boundary of Rocky Mountain National Park so that all of our citizens may enjoy it. I sincerely hope that the Senate will do everything possible to expedite passage of this bill.

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

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

S. 2394

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the boundary of Rocky Mountain National Park is hereby revised to include the following described areas, totaling approximately 1,017.5 acres:*

SIXTH PRINCIPAL MERIDIAN, COLORADO

Parcel 1: All that part of the E  $\frac{1}{2}$  SW  $\frac{1}{4}$  and W  $\frac{1}{2}$  SE  $\frac{1}{4}$  lying west of the west bank of the North Fork of the Colorado River, and W  $\frac{1}{2}$  SW  $\frac{1}{4}$  of section 36, Township 5 North, Range 76 West; Lot 6 of section 1,

Township 4 North, Range 76 West; Lot 1 and SE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , of section 2, and that part of the SW  $\frac{1}{4}$  NW  $\frac{1}{4}$  of section 1 lying west of the west bank of the North Fork of the Colorado River, all in Township 4 North, Range 76 West; Lot 2 and SW  $\frac{1}{4}$  NE  $\frac{1}{4}$  of section 2, Township 4 North, Range 76 West;

Parcel 2: All of Tracts 38, 39, and 40 in sections 25 and 36, Township 5 North, Range 76 West, as identified in the independent resurvey of said township approved November 22, 1932, and lying west of the Rocky Mountain National Park boundary; that part of the N  $\frac{1}{2}$  of section 36, Township 5 North, Range 76 West, lying west of the west bank of the North Fork of the Colorado River; the SE  $\frac{1}{4}$  NE  $\frac{1}{4}$  and the NE  $\frac{1}{4}$  SE  $\frac{1}{4}$  of section 11, those portions of the SW  $\frac{1}{4}$  NW  $\frac{1}{4}$  and the NW  $\frac{1}{4}$  SW  $\frac{1}{4}$  of section 12 lying west of the west bank of the North Fork of the Colorado River, all in Township 4 North, Range 76 West;

Parcel 3: All that part of the SE  $\frac{1}{4}$  NW  $\frac{1}{4}$  and the NE  $\frac{1}{4}$  SW  $\frac{1}{4}$  of section 12, Township 4 North, Range 76 West, lying west of the west bank of the North Fork of the Colorado River.

Sec. 2. Within the areas described in the first section of this Act the Secretary of the Interior is authorized to acquire lands, waters, and interests therein by donation, purchase, or exchange, except that any property owned by the State of Colorado or any political subdivision thereof may be acquired only by donation. Lands, waters, and interests therein acquired pursuant to this Act shall become a part of Rocky Mountain National Park, and shall be administered by the Secretary of the Interior subject to the laws and regulations applicable to such park.

Sec. 3. There are authorized to be appropriated the sum of \$1,500,000 to carry out the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 31

At the request of Mr. HOLLINGS, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 31, authorizing the Secretary of Defense to utilize Department of Defense resources for the purpose of providing medical emergency transportation services to civilians.

S. 564

At the request of Mr. RIBICOFF, the Senator from Colorado (Mr. HASKELL) is added as a cosponsor of S. 564, a bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder.

S. 1063

At the request of Mr. HUMPHREY, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 1063, a bill to establish a program of nutrition education for children as a part of the national school lunch and child nutrition programs and to amend the National School Lunch and Child Nutrition Acts for purposes related to strengthening the existing child nutrition programs.

S. 1769

At the request of Mr. MAGNUSON, the Senator from New York (Mr. JAVITS), and the Senator from Nevada (Mr. CANNON) were added as cosponsors 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. 1871

At the request of Mr. JACKSON, the Senator from Arizona (Mr. FANNIN), and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S. 1871, to amend the Youth Conservation Act of 1972.

S. 2109

At the request of Mr. DOMINICK, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2109, a bill to make it an unfair labor practice to require a person who conscientiously objects to membership in a labor organization to be a member of such an organization as a condition of employment.

S. 2124

At the request of Mr. DOMINICK, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2124, a bill to amend the National Labor Relations Act and the Railway Labor Act so as to provide for the certification of representatives only upon vote by secret ballot of 50 percent of employees entitled to vote in the election, and to require that employees voting in such elections be afforded an opportunity to vote against representation by any individual or organization.

S. 2258

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. PASTORE) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors to S. 2258, to create and administer a Children's Trust Fund.

S. 2328

At the request of Mr. McINTYRE, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S. 2328, to require that certain information about gasoline be disclosed to consumers.

S. 2359

At the request of Mr. HARTKE, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of S. 2359, to amend the Social Security Act to provide liberalization of blind disability benefits.

REFORM OF CONGRESSIONAL PROCEDURES RELATING TO ENACTMENT OF FISCAL MEASURES—AMENDMENT

AMENDMENT NO. 468

(Ordered to be printed, and referred to the Committee on Government Operations.)

Mr. HARTKE. Mr. President, today, on behalf of myself and the Senator from Maine (Mr. HATHAWAY), I submit an amendment to S. 1541, providing for reform of congressional procedures.

Mr. President, during the past 50 years, we have witnessed the growth of an evermore complex society. Problems of housing, employment, education, and

health which hardly were imagined a half century ago now beset us.

Today, there are few aspects of our daily lives that are not touched upon by the Government. One need only look about in this, the Nation's Capital, to see the vastness of our Government. Behind the walls of glass and stone sit people whose actions and decisions affect the lives of others who may be hundreds or thousands of miles away.

Inevitably, careless or senseless exercises of public authority occur. The bureaucratic process is prone to impersonality and redtape. Caught up in confusing regulations, procedures, and policies, the individual citizen is often helpless. Nearly 200 years ago our forefathers entered into a Declaration of Independence for the people claiming:

In every stage of those oppressions we have petitioned for redress in the most humble terms: our repeated petitions have been answered only by repeated injury.

We, the elected representatives of the people, must establish a peaceful, efficient, productive, direct method for the people to petition their complex government for redress of their grievances.

The people who come to us in Congress in search of help request an answer to a problem or a redress of a grievance. In short, they make use of us as their advocates. No function could be more appropriate, for we are here in Washington to represent their interests and look to their welfare.

So great have the needs of our constituents become that Members of Congress and their staffs spend from one-third to one-half of their time on what has come to be called "casework." Although constituents write to us about a multitude of problems, many letters concern a right or a benefit which has been denied or an administrative action which was undertaken arbitrarily.

In the face of an ever-increasing amount of casework, our staffs are finding it difficult to keep up with the mail. We must protect against the possibility that constituent requests for assistance receive only perfunctory treatment. The most diligent and efficient staff has a limit to the amount of casework which it can handle in depth.

Mr. President, because I join my colleagues in placing a high priority on casework, and because I am alarmed at the prospects for its rapid growth in the future, I am today proposing legislation which would create an Office of Constituent Assistance as part of the legislative branch. This office will assist Members of Congress in handling some of their casework, and thus free their staffs to spend more time on legislation.

I believe that the ties between a Member of Congress and a constituent are vital to the democratic process. Nothing in my proposal would weaken those ties or intrude upon that important relationship.

In fact, the office I propose would actually strengthen our relationship with constituents by making it possible for us to serve them better.

The Office of Constituent Assistance would investigate those cases which have been referred to it by a Member of Congress or by a congressional committee.

The Director of the office is empowered to investigate those cases involving administrative actions which might be: First, contrary to law or regulation; second, arbitrary or unfair; third, mistaken in law; fourth, improper in motivation or based on irrelevant considerations; fifth, unclear or inadequately explained when reasons should have been revealed; sixth, inefficiently performed; or seventh, otherwise objectionable.

Certain matters and governmental agencies are exempted from the investigative powers of the OCA. Any administrative action which relates to a personnel decision affecting a member of the Armed Forces or an officer or employee of the Government of the United States, or any administrative action based upon a complaint which the Director of the OCA determines to be trivial or frivolous is exempted from investigation by the Director. Similarly, the Director's investigative powers do not extend to matters concerning the President, the Congress, the courts of the United States, or court-martial and military commissions. I raise these points because I wish to assure my colleagues that this legislation would not establish an all-powerful office of investigation. I merely propose to create a congressional office to help us in providing our constituents with assistance.

The office would also assist us in establishing a priority analysis of issues which are of the greatest concern to the people. Each Member and each committee would send a weekly report to the office indicating the number of letters received on each issue. The office would make a monthly report to each Congressperson of the inquiries and an analysis thereof.

The Director of the OCA would be an officer of Congress, appointed by the President pro tempore of the Senate and the Speaker of the House, upon the advice and consent of both Houses, for a term of 4 years. His findings and recommendations would be reported directly to the Member of Congress by whom the case was referred.

The paramount virtue of the Office of Constituent Assistance is that it would provide each of us with a central staff of caseworkers to assist our personal staffs. As is the case with the Office of Legislative Counsel and the Congressional Research Service, the OCA would make available a deep reservoir of expert talent to assist us in our work.

There is a second important advantage to be gained from establishing this office. At the present time, 535 different offices handle casework, but many of the problems handled by one office are mirror images of the problems handled by others. One centralized office will make it possible to determine if there are any patterns and common elements to constituent problems and thus facilitate legislative efforts to correct the conditions which cause these problems.

The establishment of such an office does not mean that we are less interested in the needs of our constituents, nor will it mean that we are in any manner removed from our responsibilities as advocates for our constituents. The OCA will enable us to perform these func-

tions more efficiently and more effectively than in the past.

In summary, I believe that the Office of Constituent Assistance would have these major advantages:

First, it would assist us in handling the ever-increasing volume of casework.

Second, it would enable us to give more detailed and expert attention to the problems of our constituents.

Third, it would enable our staffs to devote more time to legislation.

Fourth, it would enable each of us to handle the problems of our constituents with more efficiency.

Fifth, it would assist the Congress in correcting those administrative deficiencies which give rise to constituent complaints.

Mr. President, I have attempted to draft my proposal so that the delicate web of checks and balances and the layers of mutual respect and trust which exist among the various branches of Government are not injured. I am convinced that the caseworkers on our staffs are dedicated and highly competent professionals whose devotion to their work is proved every day of the year. In the final analysis, however, the amount of casework and our desire to do our best to meet the needs of constituents require us to seek help. That is why I am proposing that the Office of Constituent Assistance be established.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD at this point.

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

#### AMENDMENT NO. 468

At the end of the bill add the following new title:

#### TITLE II—OFFICE OF CONSTITUENT ASSISTANCE

##### DECLARATION OF PURPOSES

SEC. 201. The Congress finds and declares that there is a need for a more explicit and reasonable method of handling constituent inquiries to the various Members; and that the bureaucratic process in the Federal Government is such that the citizenry is unable to ascertain the appropriate remedy to pursue in cases of grievances; that the various issues which concern the citizenry are so numerous that an analysis of these issues will lead to an informed representation; and that the staffs of the various Members are unable to expertly assist their constituents. In order to meet the needs of the constituents of the Members and to establish a framework of national issue analysis within which the decisions of the Congresspersons can be made in a consistent and considered manner, and to stimulate an informed awareness of the national priorities, it is hereby declared to be the intent of Congress to establish an office within the Congress which will carry out the purposes herein set forth.

##### ESTABLISHMENT

SEC. 202. (a) There is established in the legislative branch of the Government the Office of Constituent Assistance (hereinafter referred to as the "Office").

(b) There shall be in the Office a Director of Constituent Assistance (hereinafter referred to as the "Director") and an Assistant Director of Constituent Assistance (hereinafter referred to as the "Assistant Director"), each of whom shall be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives

and confirmed by a majority vote of each House.

(c) The Office shall be under the control and supervision of the Director, and shall have a seal adopted by him. The Assistant Director shall perform such duties as may be assigned to him by the Director, and during the absence or incapacity of the Director, or during a vacancy in that office, shall act as the Director.

(d) No person may serve as Director or Assistant Director while a candidate for or holder of any elected office, whether local, State or Federal, or while engaged in any other business, vocation, or employment.

(e) The annual compensation of the Director shall be at the rate provided for level III of the executive schedule in title 5 of the United States Code. The annual compensation of the Assistant Director shall be at the rate provided for level IV of such executive schedule.

(f) The terms of office of the Director and the Assistant Director first appointed shall expire on January 31, 1977. The terms of office of Directors and Assistant Directors subsequently appointed shall expire on January 31 every four years thereafter. Except in the case of his removal under the provisions of subsection (g), a Director or Assistant Director may serve until his successor is appointed.

(g) The Director or Assistant Director may be removed at any time by a joint resolution of the Senate and House of Representatives, when, in the judgment of the Congress, either has become permanently incapacitated, or has been guilty of any felony, misconduct, or any other conduct involving moral turpitude.

(h) The professional staff members, including the Director and Assistant Director, shall be persons selected without regard to political affiliations who, as a result of training, experience, and attainments, are exceptionally qualified to execute the purposes of the Office.

#### DUTIES OF THE DIRECTOR AND ASSISTANT DIRECTOR

SEC. 203. (a) Upon the request of any Member of either House of Congress, or the request of any standing committee, special committee, or select committee of the House of Representatives or of the Senate, or any joint committee of the Congress, the Director is authorized—

(1) to conduct or cause to be conducted, in such manner as he determines to be appropriate, an appropriate investigation of any administrative action not exempted under section 205, which might be—

(A) contrary to law or regulation;  
(B) unreasonable, unfair, oppressive, or inconsistent with the general course of an administrative agency's functioning;

(C) mistaken in law or arbitrary in ascertaining of facts;

(D) improper in motivation or based on irrelevant considerations;

(E) unclear or inadequately explained when reasons should have been revealed;

(F) inefficiently performed; or  
(G) otherwise objectionable;

(2) prepare a complete report on the results of the investigation, and furnish a copy of the report to the requesting Member or committee and furnish a copy of the report to the head of the agency concerned with a request for a reply, and whenever he determines not to investigate, inform the requesting Member or committee of his determination, with his reasons therefor; and  
(3) prepare such interim reports to the Congress as he deems appropriate.

(b) The Director shall cause to be issued a questionnaire each week to each Member and committee which shall request information pertaining to a list of issues which each recipient shall promptly return to the Direc-

tor indicating the number of constituent inquiries on each issue. The questionnaire shall—

- (1) be without regard to political affiliation;
- (2) contain available space for the addition of issues;
- (3) contain space for comments peculiar to regional analysis; and
- (4) reflect patterns peculiar to a single issue.

#### FUNCTIONS

SEC. 204. (a) The Office shall make such studies as it deems necessary to carry out the purposes of section 201. Primary emphasis shall be given to supplying such analysis as will be most useful to the Congress in voting on the measures which come before it, and on providing the framework and overview of priority considerations within which a meaningful consideration of individual measures can be undertaken.

(b) The Office shall submit to the Congress on the first Monday of each month, unless a legal holiday in which case the first working day thereafter, and annually on March 1 of each year, a report on constituent inquiries and copies of such reports shall be furnished to each committee and each member of the Senate and the House of Representatives. The reports shall contain—

(1) an index of the issues and the total number of inquiries per each issue as furnished by the office of each Member and Committee;

(2) issues under investigation by the Office, and the agency involved; and

(3) recommendations concerning 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 as reflected by the constituent inquiries.

#### EXEMPTED MATTERS

SEC. 205. No complaint shall be subject to investigation by the Director under the provisions of this Act if such complaint involves—

(A) any administrative action concerning the appointment, removal, discipline, benefits, or other personnel matters with respect to—

(1) any member of the Armed Forces of the United States;

(2) any officer or employee of the Government of the United States;

(B) any administrative action, which occurred more than one year prior to the date on which the person complaining of such action had actual notice thereof, except in unusual circumstances, the Director may investigate a complaint of an administrative action that would otherwise be exempt under this paragraph;

(C) any administrative action based upon a complaint which the Director determines, at his discretion, to be trivial, frivolous, vexatious, or not made in good faith.

#### DEFINITIONS

SEC. 206. As used in this Act, the term—

(A) "administrative action" includes action, omission, decision, recommendation, practice or procedure;

(B) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, and any officer, or member thereof acting or purporting to act in the exercise of his official duties, but does not include—

- (1) the President;
- (2) the Congress;
- (3) the courts of the United States;
- (4) the governments of the territories or possessions of the United States;
- (5) the government of the District of Columbia;

(6) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(7) courts martial and military commissions; or

(8) military authority exercised in the field in time of war or national emergency.

#### ADMINISTRATIVE PROVISIONS

SEC. 207. (a) In order to carry out the provisions of this Act, the Director is authorized to—

(1) employ and fix the compensation of such attorneys, clerks, and other personnel as may be necessary to carry on the work of the Office, and such personnel shall be employed without reference to political affiliations and solely on the basis of fitness to perform the duties of the office;

(2) to make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the duties of the Office under this Act;

(3) delegate authority for the performance of any such duty to any officer or employee of such Office;

(4) request such information, data, and reports from any agency as the Director may from time to time require and as may be produced consistent with other law;

(5) hold private discussions or meetings with either the person complaining of an administrative action under investigation or officers or employees of the agency concerned, or both;

(6) prepare and submit annually to the President, to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report on the activities of the Office during the previous year;

(7) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code; and

(8) use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(b) Upon request made by the Director each agency is authorized to make its information, data, and reports (including suggestions, estimates, and statistics) available to the greatest practical extent consistent with other laws to the Director in the performance of his functions.

(c) Section 2107 of title 5, United States Code, is amended by—

(1) striking out the "and" at the end of paragraph (7);

(2) striking the period at the end of paragraph (8) and inserting in lieu thereof a semicolon and the word "and"; and

(3) adding at the end thereof the following new paragraph:

"(9) the Director, Assistant Director, and employees of the Office of Constituent Assistance."

#### EFFECT OF OTHER LAWS

SEC. 208. The provisions of this Act shall be in addition to the provisions of any other law or regulation under which any remedy or right of appeal is provided for any person, or any procedure is provided for the inquiry into or investigation of any matter, and nothing in this Act shall limit or affect any such remedy, right of appeal, or procedure. The powers conferred on the Director by this Act may be exercised by him notwithstanding any other provision of law to the effect that any administrative action or omission shall be final or that no appeal shall lie in respect thereof.

#### AUTHORIZATION OF APPROPRIATION

SEC. 209. There are hereby authorized to be appropriated to the Office of Constituent Assistance such sums as may be required for the performance of the duties of the Office under this Act. Amounts so appropriated shall be disbursed by the Secretary of the Senate on vouchers approved by the Office of Constituent Assistance.

## NOTICE OF HEARINGS ON S. 2135

Mr. RIBICOFF. Mr. President, the subcommittee on Reorganization, Research and International Organizations of the Committee on Government Operations, will hold hearings on S. 2135, Department of Energy and Natural Resources, on Thursday, September 13, 1973, in room 1318 of the New Senate Office Building. The hearing will begin at 10 a.m.

## ADDITIONAL STATEMENTS

## PETROLEUM PRICES

Mr. HART. Mr. President, the Exxon Corp. has just announced that tank-wagon prices of gasoline to its dealers are being raised by 1 cent a gallon. This undoubtedly reflects the higher costs of crude oil. Significantly, Exxon is an integrated company which is very nearly "in balance"—that is, its domestic production is close to its domestic refinery inputs. In a real sense, Exxon raised its prices to itself, and thereby increased its costs. This is inevitable. The company raised its buying prices for domestic crude oil by the maximum allowed under phase IV rules: "New postings, effective 7 a.m., August 20, are set at levels 35 cents a barrel over the highest posting in each field at 6 a.m., May 15, 1973" for all fields east of the Rockies, according to Platt's Oilgram. Atlantic Richfield and British Petroleum also have raised tankwagon prices 1 cent a gallon.

How about the dealers? Their prices are frozen at the wholesale price which they were paying Exxon on August 1, plus the margin which they received last January 10 with a minimum guarantee of 7 cents a gallon. In other words, they must absorb in shrinking margins, the full amount of Exxon's increase.

This illustrates perfectly the cynical aspect of the administration's approach to petroleum products price regulation under phase IV. Crude oil prices are permitted to rise. It keeps the crude producers happy, and what motorist knows anything about crude prices? Refiners can pass through increased crude costs in higher tankwagon prices—and what motorist knows anything about tankwagon prices? What the motorist does know, and react to, is the retail price of gasoline—so the best way to keep 100 million voting drivers happy is to freeze the retail price and take the Cost of Living Council's largesse to crude producers and refiners out of the retail dealer's hide.

I have objected to this approach time and again. It is absolutely intolerable to any person with an elemental sense of fairness.

The Subcommittee on Antitrust and Monopoly has previously asked Dr. John Dunlop, head of the Cost of Living Council, to appear and give public testimony as to CLC's program and plans. He has declined to do so.

At a recent private briefing for the Senate, Dr. Dunlop flatly stated that CLC was interested in inflation and not competition. His actions certainly now speak louder than his words.

Last Spring, the Congress granted the President the extension of the Economic Stabilization Act which he requested—with a proviso introduced by the able Senator from Maine, Mr. Hathaway that cost justifications for price increases accepted by the CLC would be matters of public record. Dr. Dunlop has steadfastly refused to make such justifications available to anyone. I call upon him now to make a full public disclosure of any and all cost justifications submitted by Exxon, ARCO and BP—and any others—in support of increases in the prices of any of their petroleum products. The least the Cost of Living Council can do is to permit Congress and the public to evaluate the reasoning under which such behavior has been permitted.

## KANSAS INDEPENDENT PETROLEUM INDUSTRY RESPONDS TO PHASE IV

Mr. DOLE. Mr. President, the energy crisis is an extremely complex and difficult set of interrelated problems. It will not be dealt with successfully by a single stroke, one law or in 1 year. Rather, a successful approach to the energy question facing America and the world will require a broad, coordinated effort taking place at many levels over a number of years.

Although there are many specific points involved, I believe one of the most important revolves around the production of sufficient sources of energy—particularly crude oil and natural gas—within the security and control of the United States own territory. Because of national security and balance of payments considerations, a grave concern exists over the possibility that our country might become excessively dependent on foreign oil.

One of the answers to reducing our dependence on foreign oil is the discovery and development of the reserves which lie within our own borders. These reserves are enormous, but they will require extensive investments of time, energy, and financial resources to locate and to be made available for utilization. It has long been known that these reserves exist, but in many cases the prevailing low market prices for crude oil and natural gas did not provide the necessary economic justification for developing them. It is a simple matter of economics. No product is going to be produced when the costs of putting it in the marketplace do not make the effort and expense worthwhile.

America's independent petroleum industry has played the leading role in searching out and developing our domestic crude oil and natural gas reserves. In recent years, however, these activities have been sharply curtailed due to drastically increased costs for labor and equipment pressing against an inflexible and unnaturally low price for crude oil. As a result new well drilling and production dropped off dangerously, because independents simply were not able to finance operations at the level required to meet the Nation's needs.

For some time, I have pointed out the

necessity of stimulating domestic production through a reasonable oil and gas price structure.

Some months ago the post-phase III price freeze market moved to provide some small but extremely important increases in crude oil prices. These increases began to pump new vitality into the independents, and their exploratory activities began to pick up.

But then along came the proposed phase IV guidelines which contained a feature which would have imposed a rollback of crude oil prices, and the bottom fell out of the independents' world. Their financing evaporated, and the prospects for them making any real contribution to increasing domestic petroleum supplies looked bleak.

Well, to make a long story short, an intensive effort was launched to demonstrate to the Cost of Living Council that its proposal would have disastrous consequences, not only for the industry but for the general consumer public and the national interest over the long run. This effort was successful, and the final phase IV regulations did not include the rollback provision.

This week the *Oil Daily* carried an article describing the views of phase IV expressed by Warren E. Tomlinson, the president of the Kansas Independent Oil and Gas Association. Mr. Tomlinson's comments are, I believe, highly encouraging to those of us who have been concerned with increasing domestic exploration and supplies. Hopefully this trend will continue—to the benefit of the entire national energy posture, and I ask unanimous consent that the text of this article be printed in the RECORD.

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

## KANSAS OILMEN SPEAK KINDLY OF PHASE IV—EXPLORATION, PRODUCTION INCENTIVES SEEN

WICHITA.—Everybody in the petroleum industry isn't infuriated by Phase IV price regulations. Over the weekend, the Kansas Independent Oil & Gas Association issued more than a few kind words about Phase IV.

According to Warren E. Tomlinson, KIOGA president, the Cost of Living Council's latest oil pricing moves provide "very definite incentives" for independent petroleum producers.

"As a result, most of us in the industry are re-evaluating our total exploration and production programs with a view towards increasing our activities—particularly in the areas of exploration and secondary and tertiary recovery."

Regarding such incentives, Tomlinson mentioned first of all the prices now permitted—then new prices which can be at the negotiated level and which "will hopefully be much higher than old oil prices."

Tomlinson said "the incentive system provided for in the new regulations acknowledges that whereas old oil production must, in many cases, provide the cash flow to step up the exploration effort, the further incentive of having an even higher price for new oil, once discovered, should provide some rather strong trends in the direction of rapidly accelerating activities."

## RULE OF THUMB

Impact of the increasing crude oil prices is expected to have a minimal effect on the general public, KIOGA reported. Recent increases would translate at less than one cent per gallon at the pump with crude costs for

domestic crude produced in Kansas currently at approximately an average of 9.7 cents per gallon, it noted.

Tomlinson pointed out that a rule-of-thumb indicates that it takes a 40 cent increase in a barrel of oil to justify a one cent increase per gallon of gasoline at the filling station pump.

Efforts of Kansas independents to discover and develop increased supplies of both crude oil and natural gas is expected to be the main topic of concern during KIOGA's 36th annual convention, being held in Wichita, September 19-21.

"In the meantime, active operators are reflecting an aggressive attitude to the current incentives by what they are doing internally company-wise," Tomlinson stated. "At least they are taking another hard look at prospects."

#### TALK ABOUNDS

"They are talking to their investors, geological people, seismic contacts, landmen—all of those things which are factors in an enhanced drilling program."

Tomlinson then added a word of caution. "There will be administrative headaches in connection with the two-tier system put into effect by the Cost of Living Council. But if operators will take a hard look at the incentives provided, they can find ways to deal with the two-tier system."

"Hopefully it will be short-lived and won't be too tough of an administrative burden for individual operators. If we can believe the program will end in four to six months, then the industry can cope with such a situation," he said.

"After some review, it would appear that the pluses of Phase IV regulations outweigh the minuses in the whole program that is now in front of us."

#### CIRCUIT JUDGE HILDRETH, DECEASED

Mr. SPARKMAN. Mr. President, recently Alabama lost one of its best and most distinguished citizens. I refer to Circuit Judge Emmett Hildreth.

Emmett and I were in school together at the University of Alabama. He graduated from law school the same year that I completed my academic work.

He served his county and his judicial district in several different capacities until 1943 when he was appointed judge of the 17th Judicial Circuit of Alabama comprised of his home county of Greene, Marengo and Sumter Counties. He was an able and distinguished judge and always a good citizen.

Comments from newspapers in his area tell of the good life of Judge Hildreth and of his good work throughout long years of service.

I ask unanimous consent, Mr. President, to have printed as a part of my remarks an editorial from the *Home Record* of Livingston, Ala.; an article from the *Sumter County Journal*; a personal comment by Dick Smith, publisher of the *Sumter County Journal*; and an article from the *Greene County Democrat* of Eutaw, Ala.

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

#### JUDGE HILDRETH

Emmett F. Hildreth, 78, who in July passed his 30th anniversary as judge of Alabama's 17th Judicial Circuit, died unexpectedly Saturday night, July 28, 1973, at his home in Eutaw.

Judge Hildreth's death took from this area a man long an important force—not only in the administration of justice, but in the political and civic life of the region.

He was appointed circuit judge by Gov. Chauncey Sparks in 1943, succeeding the late Judge B. F. Elmore, and has been elected to the bench since. Earlier he had served three terms as a state senator and as a member of the Alabama Board of Pardons and Paroles. He also served two terms as mayor of Eutaw, as a member of the State Democratic Executive Committee, and as a delegate on three occasions to the Democratic National Convention.

He was a Methodist, a Mason, past lieutenant governor of the Alabama District of Kiwanis International, and a director and president of the Demopolis Federal Land Bank Association.

Judge Hildreth was a native of Coffee County and was reared in Enterprise. He was graduated from the University of Virginia in 1917 with a B.A. degree, received the Master's degree in social science from the Sorbonne in Paris in 1919, and the LL.B. from the University of Alabama in 1921. He saw combat with the Blue and Gray Division during World War I, and after the armistice he attended the organizational meeting of the American Legion in Paris. He was a member of the American Legion in Eutaw after 1921 when he opened his law practice there, and he had served as post commander.

Judge Hildreth is survived by his wife, Mrs. Emory Peebles Morrow Hildreth; and two sons, Allison V. Hildreth and Emmett F. Hildreth Jr.

On the bench, Judge Hildreth was quiet and capable, presiding over trials both routine and sensational with courtesy and skill. Many of his remarks—to attorneys, defendants, and spectators alike, were tempered with a sparkle of humor. Cases tried in his court were seldom thrown out by higher courts for judicial error.

Judge Hildreth has been "the judge" in this part of Alabama for many years. He will be missed.

#### JUDGE HILDRETH DIES SUDDENLY

Funeral services for the Presiding Judge of Seventeenth Judicial Circuit, E. F. Hildreth, were held Monday at 5 p.m. at the Eutaw United Methodist Church following his unexpected death at his home in Eutaw early Sunday. He was 78 and served Marengo, Greene and Sumter Counties for more than 30 consecutive years.

Hildreth, a circuit judge known for commanding respect and dignity in his courtroom from court officials, spectators as well as defendants, was a native of Enterprise and served three terms in the Alabama Legislature as a State Senator.

Judge Hildreth was born in Coffee County Dec. 19 1894, graduated from grammar and high schools at Enterprise and graduated from the University of Virginia with a B.A. in 1917 and received his Masters from Sorbonne, Paris, France, in 1919 in Social Science and his LL.B. from the University of Ala. in 1921.

The late Judge served in combat in World War I, and after the armistice, he attended the organizational meeting of the American Legion in Paris and remained an active member of the post in Eutaw until his death.

He opened his law practice in Eutaw in 1921 and in May 1943 was appointed a member of the Pardons and Parole Board. Gov. Chauncey Sparks then named him Circuit Judge of the 17th Judicial Circuit. He also had served two terms as Mayor of Eutaw and a member of the State Democratic Executive Committee.

Burial was in Mesopotamia Cemetery, Cook-Spigner Funeral Home in charge.

Survivors include his wife; two sons, Allison Hildreth, Montgomery, Emmett F.

Hildreth Jr., Atmore; two brothers, Marvin J. Hildreth, Birmingham, N. B. Hildreth, Mobile, and five sisters, Mrs. W. A. Murphy, West Palm Beach, Fla., Mrs. Irene Russell, Tampa, Fla., Mrs. Ira Murdock, Coffee Springs, Mrs. H. J. Bower and Mrs. Johnnie Hamilton, both of Milton, Fla.

#### HILITES

(By Dick Smith)

We feel a deep personal loss in the sudden death of Circuit Judge E. F. Hildreth.

This gentleman (at all times) was revered by the citizenry who knew him and he knew just about every person in the Seventeenth Judicial Circuit of Alabama by their first names.

He ran a tight ship . . . one of the highest respected courts we have ever seen in action and certainly is held in esteem by all the trial judges and lawyers in the state.

It was only recently that Bob Martin, of the Judicial Department, State of Alabama Department of Court Management, called us personally to tell us of the great and unselfish service Judge Hildreth had rendered for the Supreme Court Chief Justice Howell Heflin as a special judge appointed by Heflin to attempt to help clear up the Supreme Court's huge backlog of cases. Martin said clearly, "There is no better."

Often, in the almost 15 years we have been in this corner, we've commented about the wonderful life this man lived.

He has to be termed one of the great ones of a century.

#### JUDGE E. F. HILDRETH DIES SUDDENLY OF HEART ATTACK

Judge Emmett Franklin Hildreth, 78, presiding Judge of the 17th Judicial Circuit of Alabama died at his residence Sunday, July 29.

Funeral services were held Monday at the Eutaw United Methodist Church with the Rev. Raroll DeVane officiating, assisted by the Rev. J. Titus Aldridge. Interment was in Mesopotamia Cemetery.

Judge Hildreth was born in Coffee County, Alabama in 1894, the son of Marion Bascomb Hildreth and Lula Lee (Cotter) Hildreth. He attended school at Enterprise, Ala. He received the BA Degree from the University of Virginia in 1917. He attended the Sorbonne in Paris, France and received the Master's Degree from that institution in 1919. In 1921, he received the LLB degree from the University of Alabama.

Judge Hildreth began the practice of law in Eutaw in May 1921 and continued in that practice until 1943 when he was appointed a member of the Alabama Board of Pardons and Paroles, and later on July 3, 1943 he was appointed Judge of the 17th Judicial Circuit of Alabama, composed of Greene, Marengo and Sumter Counties, where he continued to serve until his death. He was assigned by the Chief Justice of the Alabama Supreme Court to be presiding judge at several of the outstanding trials in Alabama.

A veteran of World War I, he served as a 2nd Lieutenant with the 11th Machine Gun Battalion and saw active service in the Meuse-Argonne Sectors until the end of the war. He participated in the organization of the American Legion in Paris in 1919 and was one of the early members and organizers of the Lewis-Morrow Post No. 69 and served as one of its early Commanders.

Judge Hildreth served as State Senator from the 32nd Senatorial District of Alabama composed of Hale and Greene Counties for three terms of four years each. For many years he was one of the Trustees of the Eutaw Schools. He served two terms as Mayor of Eutaw, 1927-1928, 1929-1931. He was a member of the State Democratic Executive Committee for 16 years and was an alternate delegate to the Democratic National Con-

vention in 1924 and a full delegate to the Chicago Convention in 1932.

He had served as Lieutenant Governor of the Alabama District of Kiwanis International and for many years was a member of the Eutaw Lions Club. He was one of the organizers of the Greene County United Fund, serving as chairman of the first drive and as a director from the beginning. He was one of the organizers of the Greene County Historical Society.

He was a director of Merchants and Farmers Bank since 1921 and had been continuously connected with the Federal Land Bank of New Orleans since 1921, serving first as local attorney and then as President and Director of the Greene County Land Bank Association and as President and director of the Demopolis Land Bank Association when the two became consolidated into one.

Judge Hildreth is survived by his wife, the former Emory Peebles Morrow, two sons Allison V. Hildreth of Montgomery and Emmett F. Hildreth, Jr. of Atmore; two brothers, Marvin J. Hildreth of Birmingham and N. B. Hildreth of Mobile; five sisters, Mrs. W. A. Murphy of West Palm Beach, Fla., Mrs. Irene Russell of Tampa, Fla., Mrs. Iris Murdock of Coffee Springs, Mrs. T. J. Bower and Mrs. Johnnie Hamilton both of Milton, Fla.; three grandchildren and two great grandchildren.

#### RADIO FREE EUROPE AND RADIO LIBERTY

**Mr. BROOKE.** Mr. President, our discussion yesterday of the merits of Radio Free Europe and Radio Liberty and our vote on S. 1914 was one indication that the Senate will insist that the process of détente involve acceptance of the basic principle of enhanced freedom for exchange of ideas between East and West. This principle should be one of the foundation stones of the West's approach to détente politics.

Recently, Robert R. Bowie, the distinguished scholar and former policy-planning chief of the Department of State, reminded us that the process of détente is viewed in different perspective by the East and West. He wrote:

Quite naturally, many had hoped that détente would raise the Iron Curtain, and open the way for the freer flow of people and information. That would be good in itself, and would foster the confidence and understanding necessary for coping with the urgent problems of an interdependent world.

He went on to point out:

However, the Soviet leaders do not view détente in these terms. At home, as they see it, détente creates both the necessity and opportunity for greater repression.

Examples to substantiate Professor Bowie's view are numerous: Soviet attacks on the illustrious scientist Andrei Sakharov—the sentencing of Andrei Amalrik to a new 3-year prison term—the stripping of citizenship from Zhores Medvedev—a petty reprisal against the Nobel Prize novelist Alexander Solzhenitsyn—punishment of Vladimir Maximov for the publication abroad of several of his novels—and the continued harassment of Soviet Jews wishing to emigrate to Israel. Most recently, of course, the well-known dissidents, Pyotr Yakir and Viktor Krasin, have gone on trial for allegedly cooperating with a Russian emigre organization in the West. Typically, Western journalists were barred from the trial; even more typically, little substantive information

has been imparted to the Soviet population.

Developments in Eastern Europe, while receiving far less exposure in the West, also indicate that the regimes there hold to the Soviet view of increased internal rigidity while pursuing the state-oriented benefits of détente. Not only are the regimes of Eastern Europe keeping their ideological guard up, they are also warning their people that any talk of "deideologizing" is a Western-imperialist ruse.

The Czechoslovak Communist Party daily *Rude Pravo* asserted on August 21 of this year that bourgeois political observers in the West were promoting the theory of an eclipse of ideology in order to lull the vigilance of socialist countries. It warned:

The class and ideological struggle is still going on, and is escalating not only within the capitalist countries but also on an international scale . . . The socialist countries proceed from the fact that the ideological-political struggle between socialism and capitalism is not at variance with the principles of peaceful coexistence.

Similar views are expressed throughout Eastern Europe.

In Poland, recently, the organ of the Polish legal publishing house, *Nowe Prawo*, offered a commentary on recent editing of sections of the Penal Code dealing with the crime of spreading false information. It explained that these sections had been modified to establish lower and more varied thresholds of penalties, and to make the process of prosecuting and punishing offenders "more elastic." One of the "elastic" features is that it is not necessary to prove that the accused person engaged in any specific activity. What is decisive is the "will" of the perpetrator to convey information with the intent or "hope" that it will be repeated to other people. Likewise, the Polish law journal rejects the French definition that "information" means the narration of a fact, and therefore that information would have to be factually incorrect to be "false." The contention of the Polish writer is that the law can apply to mere critical remarks or opinions if it is decided that these statements are "capable of creating an atmosphere of unrest and distrust."

From these few examples, it is evident that in Eastern Europe and the Soviet Union, détente is likely to mean increased internal repression and greater regime attempts to deny individuals access to uncensored information sources. In this light, the importance of the continued viability of Radio Free Europe and Radio Liberty is self-evident. These organizations provide the peoples of Eastern Europe and the Soviet Union with accounts of attempts by their own countrymen to alter the repressive policies of the regimes. They provide a far more accurate picture of the true possibilities and potentials of the détente process than does government-controlled media in their respective countries. More importantly, they provide the opportunity for peoples in the East to gain a greater understanding of the West, an understanding that will be crucially important to any long-term and desirable détente.

Mr. President, this is not the time to assume that actual and lasting détente with the Soviet Union and its client regimes in Eastern Europe has been achieved. That would be mistaking shadow for substance. If the détente we desire is eventually to exist, the United States and the West in general must continue to advocate forcefully through such mechanisms as Radio Free Europe and Radio Liberty its belief in the right of all men to receive and impart information and ideas through any media and across any frontiers. To do less than this would be to abandon ideals we hold as absolutes and, in a very real sense, to acquiesce to the policies of thought control and censorship prevalent in the Soviet Union and Eastern Europe. From our vote yesterday, it is apparent that the Senate will refuse to do so.

#### STEPHEN JELLEN

**Mr. RIBICOFF.** Mr. President, the *Wall Street Journal* has been publishing an interesting series of articles on skilled craftsmen in the age of automation.

The September 6 *Journal* featured Stephen Jellen, a piano maker from Stafford Springs, Conn. Few people, including executives of major piano companies, have heard of anyone these days making a piano from scratch. But that is just what Mr. Jellen does. He is, as the *Journal* states, "a master of a complicated craft that requires skills in metalworking, cabinetmaking, and engineering, a thorough knowledge of acoustics and a keen ear for music."

I asked unanimous consent that Liz Roman Gallese's article on Mr. Jellen be printed in the *RECORD*.

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

#### STEPHEN JELLEN BUILDS PIANOS NOT FOR MONEY BUT FOR SATISFACTION

(By Liz Roman Gallese)

STAFFORD SPRINGS, CONN.—Stephen Jellen is uneasy showing strangers his home workshop. "My tools look rough compared to a factory's and many people would laugh," he says. "But I'm pretty proud of them. I made them with my own daydreams."

Mr. Jellen is a piano maker, a master of a complicated craft that requires skills in metalworking, cabinetmaking and engineering, a thorough knowledge of acoustics and a keen ear for music. It also requires great precision—a  $\frac{1}{16}$  of an inch misalignment can ruin a piano's tone. The piano is also an instrument of marked contrasts: Some of its parts, like the pinblock, which anchors the strings, must be fashioned to withstand 18 to 20 tons of pressure, while others, such as certain keyboard parts, must be balanced to respond to the touch of a finger.

There aren't many like the 57-year-old Mr. Jellen who can do it all. In fact, some experts doubt that even he exists. "I never knew any one who could make a piano from scratch," says Ted McCarty, president of the American Music Conference, a Chicago-based organization of music associations. Henry Steinway, president of Steinway & Sons, a subsidiary of Columbia Broadcasting Co., says some steps in factory piano building are still done by hand by skilled craftsmen, but he adds that he, too, doubts that anyone can make pianos entirely by hand.

But Mr. Jellen can. While the dozen U.S. piano factories were turning out 200,000

pianos last year, he was building one upright console in his home workshop. It was number 40 in his 34-year career.

#### A BELLYING PRESS AND HOT BOX

His array of tools take up much of the two-room workshop that used to be the dining room, kitchen and one bedroom of his modest frame house here alongside Route 190. (The family moved upstairs 10 years ago to make room for the craft that fills most of Mr. Jellen's waking hours.) Saws, drills, chisels, hammers, wrenches, clamps, sanders and other tools cover the walls and fill the corners of the workshop. But those Mr. Jellen takes pride in are the ones he has built himself.

His massive homemade "bellying press," a wood-and-steel contraption that bends wood to form the precise "crown" of a piano soundboard, looks a bit like a canopied bed. It's so strong it once accidentally lifted the roof of his garage when he tried to use the roof as a brace. His closet-sized "hot box" is used to dry costly, hard-to-find hardwood lumber at precisely regulated temperatures.

Some of the tools, like the craft itself, are so varied and precise that they must be made to fit an individual piano.

The complexity of making pianos by hand and the difficulties of making a living doing it are the main reasons nearly all pianos have been made in factories since 1840 when Jonas Chickering, a Boston inventor, patented an iron frame to replace the wooden ones then used inside pianos. Casting the heavy frame, on which much of the quality of the instrument's tone depends, is the only step in the piano-making process Mr. Jellen hasn't yet attempted.

#### THE MOST SATISFYING PART

Another he can't do, however, is make a living making pianos. He sold last year's piano for \$1,400, about the price of a comparable factory-made piano, and he expects to get the same price for one of the two he's finishing up now (the other being earmarked as his wife's Christmas present.) His main sources of income, something over \$15,000 a year, are being a consultant to Pratt-Read Corp., an Ivoryton, Conn., maker of piano keyboards and actions, and rebuilding about a dozen old grand pianos a year in his workshop. Altogether, the three lines of work keep Mr. Jellen occupied about 12 hours a day, six days a week.

Building pianos is mainly a hobby, he concedes, but it's by far the most satisfying part of his work. "It's the part that keeps a man alive," he says.

Mr. Jellen got into the piano business partly by chance and partly because it was a trade he could learn free. He quit high school in 1933 at age 16 and went to work in a Stafford Springs textile mill. "I was always interested in mechanics," he recalls. "Once, while I saw a tuner working on a neighbor's piano he took the action apart and my eyes popped. I bought an old piano for \$5 and took it apart." (A dangerous undertaking, he learned later, for a piano can literally explode if anyone tries to disassemble it without first releasing the 20 tons of tension on its strings.)

He stayed in the mill only three years after taking that first piano apart. He quit in 1939, "determined to learn something well enough so that I'd never have to go back." He joined the Piano Technicians' Guild Inc. in order to attend its free seminars on tuning and repairing. He memorized piano books, "then read them again." He gradually taught himself cabinet-making.

After a four-year stint as an Army medic, Mr. Jellen spent five years as an apprentice in a Springfield, Mass., piano shop, where he learned refinishing, tuning, rebuilding and repairing techniques. He scrimped and saved to attend every guild seminar he possibly could, some as far away as Chicago and De-

troit. "I remember times when I couldn't see it," recalls his wife, Jeannette. "But he'd go to the seminars anyway. He'd say, 'If I learned one thing, it was worth it.'"

In 1951 Mr. Jellen opened his own shop in his parents' house here, and four years later he started building his first piano, a task that took him two years. He got a big assist from a former Pratt-Read consultant, the late Charles Frederick Stein, who was then a near-legendary figure within piano-building circles.

"Charlie helped me with the blueprints," says Mr. Jellen. "But I actually made the first one because he wanted to be sure I was serious about learning the trade." He was serious enough to invest \$7,000 in designing and building the tools he needed for his new trade.

Today, whether he's building a piano he has designed himself, rebuilding a battered old grand or teaching the fine points of tuning and regulating piano actions to younger craftsmen and apprentices at seminars sponsored by the guild, Mr. Jellen's pride of craftsmanship and meticulous attention to detail are evident in everything he does. "Details make the difference," he says. "When you cut a little corner here and a little corner there, you've cut a big hole."

He chooses every piece of wood he puts into a piano with the utmost care—hard maple for the bridge and pinblock, which must bear the tension of the strings; spruce for the soundboard, which must bend with precise uniformity to produce good tones. ("A relaxed board is like a drunken sailor—it's all over the place," he says.)

Mr. Jellen moves deftly through the workshop clutter, easing past three grand pianos and two old uprights that take up most of the floor space, and delving surely into the myriad boxes of screws, bolts and spare parts stacked by a wall displaying his framed grade-school diploma. On this particular morning, he's rebuilding an 1890 Steinway grand for a church. He spent more than four hours sanding its new soundboard and positioning and gluing the bridge (over which the strings pass) to the soundboard the previous week. Now that it has dried thoroughly and has been minutely checked for alignment, he's ready to put the casting—the iron skeleton that holds the piano's strings—into position around the soundboard.

But Mr. Jellen isn't quite satisfied with the fit. "The case should fit close to the bridge, but not close enough to touch," he says. "This one would probably never touch, but there's no probably with me. It has to be right." So, winching the 300-pound casting up and off the soundboard, he uses a razor-sharp chisel to take a paper-thin shaving of wood off the side of the bridge. He winches the casting back into place, reexamines it and is satisfied. "This one was easy," he says. "Sometimes I have to take the casting off several times."

Mr. Jellen finds the only tedious part of a rebuilding job is refinishing the wood. It's the least satisfying work to him. He can't say which of the steps in a rebuilding job he likes best. "A piano is like the human body, all of the parts are important," he says. "The soundboard, it's the heart of the piano. Yet if I do a good regulating job, I'm proud of that."

What he clearly enjoys most, however, is the challenge. "I like to take a crippled piano and put it into the best shape possible—especially if it has been condemned by others." He says his most satisfying project was "a one-in-a-million job" rebuilding a piano once owned by Mary Todd Lincoln—or perhaps it was the rebuilding of one Victor Herbert used to play. "At least I've had a part in keeping pianos like that going a little longer," he says.

#### AN 1865 STEINWAY

He's especially eager to get started rebuilding an 1865 Steinway grand in the back of his workshop because it has a zig zag pinblock—an unusual feature that will take him two and a half days to remake rather than the usual four hours. He'll get \$3,200 for that rebuilding job, compared to the usual \$2,800 for a complete rebuilding of a grand piano. (The price for rebuilding a grand is more than the price of a new Jellen piano because grands are more complicated.) Mr. Jellen figures it takes him three to seven weeks' work—often spaced over a much longer period—to rebuild a grand, and it costs him something over \$1,000 in materials and overhead. "And when any job goes out," he says, "a part of me goes, too."

He much prefers building his own pianos to rebuilding, however. Back when he was first learning the craft, he intended to make a career of piano building. But bankers "told me piano making was a dying business" and refused to lend money to furnish a shop.

He has had little encouragement in his chosen trade from the townspeople of Stafford Springs, his hometown as well as his wife's. "When I opened my shop in 1951 I held a reception, but only four friends came. Though it's customary for businesses to send flowers when a new one opens, no one except Jeannette sent flowers," he says. "Even to-day they don't understand what I'm doing. They ask, 'Are you still fooling around with pianos?'"

Mr. Jellen has sold several of his pianos to local residents, including the first piano he built, now owned by a music teacher. (Some day, he says, he'd like to try to buy it back for its sentimental value.) Most of his others have gone to customers within a radius of only a few hundred miles who have heard about his products from friends. Many of them, like Irene Remie, a Southbridge, Mass., secretary who bought a Jellen piano finished in antique maple five years ago, are accomplished piano players. She says: "I liked the idea of having my own custom-made piano. Mr. Jellen even put my initials in the corner."

#### A PIANO PARTS MANUAL

The Jellen family, however, doesn't own a Jellen piano—or any other kind. Neither Steve nor Jeannette nor any of their five children can play one—unless you count Steve's ability to "play 'Happy Birthday' with two fingers at Rotary Club parties," says Jeannette. "Steve gave me the first maple one he made," she adds. "But we sold it because we needed the money. Since then, it seems that 'my piano' is always the one someone else wants." (Mr. Jellen says one piano he's building now will be finished by Christmas, in time to be Jeannett's holiday gift, even though she can't play.)

Mr. Jellen is a bit disappointed that his sons haven't shown any interest in learning his craft. Young Steve, 21, is an auto mechanic. Mike, 16, a high school student, is learning to be an electrician. Pete, 11, a sixth grader, says he wants to be a truck driver. However, Mr. Jellen's youngest daughter, Kathy, 14, says she wants to be a piano maker. She watches her father intently while he works, helps him gather tools and materials, and recently wrote and illustrated a little parts manual for a grand piano, which she titled "From a Seed to a Piano." (The Jellen's older daughter, Diane, 18, is a secretary.)

Mr. Jellen hasn't fared very well in bringing apprentices into the trade in the 22 years he has been in business. He says he's had 15 to 20 paid apprentices in his shop over the years, plus "gobs" of students who paid him to teach them some aspect of piano making. "I hate to turn anyone away, be-

cause no one refused me when I wanted to learn," he said. "But I've found that most apprentices don't want to spend the time it takes to learn the trade. The first question they ask is, 'How long will it take to learn?'"

Over the past three years, since becoming Pratt-Read's top troubleshooter, Mr. Jellen has declined to take on any new apprentices. "I get requests every week, and I have to turn them down," he says. "But if I spotted a guy who was tops, who would be an asset, who really wanted to learn, I'd break my back to help him."

#### ONE DOOR REMAINING

Mr. Jellen is on call to Pratt-Read around the clock to iron out problems in its production or to go anywhere to provide consulting services to the company's customers. His actual time on consulting jobs, however, averages only about one week a month. Since he never knows for sure when he'll be in his shop, he gets by without any hired help except for one former student who comes in once a week when his own piano business permits.

Mr. Jellen says his "dream for the future" is to build a grand piano. "It's the one thing I haven't done yet and want to do. I'm not going to jump into it and go over my head, but sometime in the next few years I'll do it," he says.

But first he will have to build new tools. "The press stone (which shapes a continuous piece of wood into the grand piano's rim) will cost \$2,500, and I'll need new templates and jigs," he says. He's already started work on the blueprints.

"This whole business is a series of closed doors," he adds. "You learn one thing, and there's another closed door waiting to be opened. Let's just say this is one of the last closed doors I want to open."

#### GASOLINE PRICE CEILINGS

Mr. DOMENICI. Mr. President, I wish at this time to call the attention of my colleagues to an extremely unfortunate situation which I fear will adversely affect small businesses all across this Nation that are engaged in the retail sale of gasoline. I refer to the implementation of regulations devised by the Cost of Living Council for the control of retail sales of gasoline and No. 2-D diesel fuel which are now scheduled to take effect at midnight tonight.

Under these regulations, those retailers of gasoline who are not controlled by refiners will be limited in the price they can charge for gasoline. This limitation will apply regardless of how small the retail business is or how marginally it has been operating. In other words, small businessmen who are in the business of selling gasoline at retail will be excluded from the small business exemption applicable to other industries under phase IV and they will not be able to pass along the legitimate increase in the price they must now pay to get gasoline from the refiner.

I had hoped that the courts would defer implementation of these regulations until there had been a judicial decision on the exclusion of the small business exemption for the petroleum industry. Unfortunately, the courts have refused to do so and these regulations will go into effect at midnight tonight. An account of that court action and related matters is contained in an article in this

morning's Washington Post which I request to have printed by unanimous consent at this point in the RECORD.

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

#### GASOLINE PRICE LID IS UPHELD

(By Paul Hodge)

Chief Justice Warren E. Burger yesterday declined to change a lower court order upholding Phase IV price ceilings on gasoline that go into effect at midnight tonight for the nation's 218,000 service stations.

The Phase IV rules will force many service stations to roll back gasoline prices 1, 2 or even 3 cents a gallon. They also require all stations to post price-ceiling and octane-rating stickers on their pumps by midnight.

Burger's action came as Exxon, the nation's largest oil company, announced yesterday it is raising wholesale gasoline prices 1 cent a gallon to its 25,000 service station dealers.

Under Phase IV rules, the Exxon increase and recent 1-cent-a-gallon wholesale price boosts by BP and ARCO oil companies cannot be passed on to consumers but must be absorbed by service station operators.

"The dealers are up in arms. Many want to close down in protest. I've been getting calls from across the country all afternoon from dealers . . . especially Exxon dealers . . . who can't live with this. It will drive them out of business," said Charles Binsted, president of the National Congress of Petroleum Retailers.

His group, which represents 165,000 service station operators, brought suit last month to block the Phase IV gasoline price ceilings as inequitable "because they single out small businessmen, with maybe five employees, to put the brake on inflation," Binsted said. "The public and the government may think of us as extensions of the major oil companies, but we're not."

Binsted's group yesterday afternoon made a last-minute attempt to forestall the price ceilings by asking another Supreme Court justice, William O. Douglas, to do what the chief justice would not. Under court rules an individual justice may be petitioned and could act to reinstate an injunction granted Aug. 24 by U.S. District Court Judge Barrington Parker, which stayed the Phase IV rules until a full trial is held on them Sept. 17.

Parker's injunction was overturned on Aug. 29, however, by the Temporary Emergency Court of Appeals, set up by Congress to hear all appeals from decisions made under the Economic Stabilization Act.

Douglas was hospitalized yesterday in Seattle, however, leaving the fate of the petition unclear.

Gasoline prices have not gone up since June 14, when the President announced a 60-day price freeze. The freeze has been extended for gasoline since Aug. 14.

What motorists will find Saturday, besides lower prices at some gas stations, is that all pumps will have two new stickers, one giving the price ceiling for the gasoline and the other the octane of the gasoline.

However, the octane numbers may confuse motorists because they are different from the traditional so-called "research" octane numbers they are accustomed to and which appear on all Maryland gas pumps—under state law—and in most 1972 and 1973 new car manuals.

Octane is important to motorists as an indication of the grade of gasoline needed to keep a car engine from knocking. There are two methods of octane testing, "research" and "motor," with "motor" being designed to stimulate the latest automobile engines—with air pollution devices and lower compression ratios.

The Cost of Living Council is using an average of these two octanes and the numbers that will appear on their stickers are roughly four numbers below the "research" octane most motorists are familiar with.

Thus, regular gasoline that is 94 octane (research) will have a sticker saying 90 octane (research plus motor octane divided by two). Similarly, premium grade of 99 or 100 octane will appear as 95.5 and economy grade of 91 octane will appear as 87.

The octane picture is further confused by the fact that several major oil companies have lowered the octane of their gasoline in the past few months, and most have done so without any announcement of the fact on their gas pumps.

The price-ceiling stickers on the pumps will show the wholesale price a dealer was paying for his gasoline Aug. 1, plus the amount of markup (not less than 7 cents a gallon) as of Jan. 10.

What has upset dealers is that the recent wholesale price increases by Exxon, BP and ARCO (Atlantic Richfield) came after Aug. 1 and cannot be included—those dealers will thus be getting a minimum of only 6 cents a gallon. In addition, many dealers' markups were low last January because of gasoline price wars.

The Cost of Living Council disputes that 7 cents a gallon is low, pointing out that in 1972 service station markups nationally were averaging under 7 cents a gallon (although in 1971 they were just over 7).

Mr. DOMENICI. Mr. President, as pointed out in the Post article, the retailers will not be allowed to pass along increases in wholesale costs since August 1, 1973. It is a deplorable situation, Mr. President, when Government action places on small businessmen a greater part of the burden of holding down costs than it places on the giants of the industry, in this case, the integrated major petroleum companies. I am not saying that the refiners should not be able to increase costs to retailers. What I am saying is that if those wholesale cost increases are allowed, retailers should not be forced to make up that increase out of the retailer's margin allowed by the regulations, a margin which is already inadequate in many instances.

It is not a reasonable exercise of the authority of the Cost of Living Council to control consumer prices by imposing arbitrary controls on the very segment of a vitally important nationwide industry that can least afford economic disruptions and hardships. I am not alone in being so alarmed. My deep concern is shared by many Members of this body on both sides of the aisle.

This fact is emphasized by the bipartisan participation in a letter sent yesterday by nine other Senators and myself to the Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Director of the Cost of Living Council.

I request unanimous consent that this letter be reprinted at this point in the RECORD.

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

U.S. SENATE,  
Washington, D.C., September 6, 1973.  
Hon. GEORGE C. SHULTZ,  
Secretary of the Treasury,  
Washington, D.C.

DEAR MR. SECRETARY: We are writing to you to request that the Phase IV regulations

proposed for retail sale of gasoline and No. 2-D diesel fuel be modified in such a manner and for such reasons as are described below. Our concern is based on the fact that the people who will be most adversely affected by the proposed regulations are small businessmen who on their own initiative and at their own risk become a vitally important part of the Nation's fuel distribution system.

Specifically, in regard to modification of the proposed regulations, it is our feeling that the date of January 10, 1973, which is the date established for determining dealer markup, is a very poor date and should be changed. In that part of the country which we represent, severe price disturbances were prevalent on January 10th. Reverting to this date would mean almost certain economic disaster for the small independent jobber and dealer in our part of the country because the margin would be less than 7c per gallon and 7c is simply not enough to keep these small businessmen in business. A much more realistic date for this purpose would be June 8, 1973, and we urge that it be substituted for the January 10th date.

Finally, it is difficult for us to understand why these small businessmen should be treated differently under Phase IV than small businessmen involved in other industries. Why are they not entitled to the benefits of the small business exemption from price controls if they have less than sixty employees? We do not think the reasons thus far specified for such arbitrary treatment are sufficient to justify this discriminatory exclusion. Accordingly, we urge that the small business exemption be made applicable to the petroleum industry as it is to other industries under Phase IV controls?

In summary, then, we urge that the date of January 10th for determining dealer margin be changed to June 8, 1973, and that the small business exemption be extended to the petroleum industry.

We appreciate this opportunity to communicate our concerns and proposals to you in an effort to benefit an important segment of our business community in the short run and the entire nation in the long run.

Sincerely,

Pete V. Domenici, Paul Fannin, Jesse Helms, Gale McGee, John Tower, Clifford P. Hansen, Peter Dominick, Dewey Bartlett, Joseph Montoya, Lloyd Bentsen.

#### A NATIONAL SENIOR SERVICE CORPS

Mr. CHILES. Mr. President, one of the hallmarks of a great Nation is the compassion and respect shown to its aged.

Unfortunately in our busy and productive Nation, many older Americans are relegated to lead empty and frustrating lives.

Denial of job opportunities for the elderly constitutes a very real and personal tragedy. Quite clearly, many of these individuals want to work and must work to maintain a decent standard of living. But false stereotypes about the desirability of hiring mature workers have progressively limited their opportunities for gainful employment. At the same time, this attitude has contributed to the forced idleness of millions of aged and aging Americans.

Moreover, it is a national extravagance to waste urgently needed talent. No nation can ever hope to achieve its full productive capacity if some of its most

experienced and skillful citizens are shut off from participation.

To my way of thinking, our Nation should strive to eliminate employment barriers for older workers. Advancing age need not and should not be a time of neglect and despair. It can also be a time for continued self-development and fulfillment.

Ideally speaking, our Nation should also help to develop a wide range of meaningful choices for older Americans depending upon their desires, capabilities, and needs. At a very minimum these basic alternatives should include:

To work or be able to retire on a liveable income;

To work for pay or as a volunteer; or

To work as a part-time or full-time employee.

For many elderly persons, the later years can offer a new and rewarding second career.

Operation Mainstream, which is a community service employment program for low-income persons 55 or older, has already amply demonstrated that many older Americans are ready, willing, and able to serve in their communities.

One outstanding example in my own State of Florida is the Green Thumb program, which has not only been a success for the elderly participants but also the communities and government agencies being served.

An article in the July edition of Manpower describes the impact of Green Thumb for John Dunlap, who is 96 years old. His experience, I strongly believe, provides an excellent example that there is no upper age limit for an individual's productivity and worth.

Mr. President, I commend this article—entitled "Keeping Up with the 'Young Guys'"—to my colleagues, 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:

#### KEEPING UP WITH THE "YOUNG GUYS"

John Dunlap's mother told him he was born in February 1856. That would make him 117. According to official records Dunlap was born in 1877, making him 96. Either way, he's much too old to work—at least most people would think so. But Dunlap doesn't agree, so he works 3 days a week at the greenhouse of the Florida's governor's mansion in Tallahassee.

Working, Dunlap says, keeps him honest, "and besides, staying home is too dull." Dunlap, a Baptist minister for more than half a century, says, "I believe a man needs to work to be honest because if he doesn't work he's stealing from the Lord."

Dunlap is one of several elderly Tallahassee men employed through a Green Thumb project of the Manpower Administration's Operation Mainstream. Operation Mainstream pays low-income men and women to work at improving the communities they live in. Green Thumb enables older workers—mostly farmers 55 and over—to work in ecology-oriented public works projects.

A slight, white-haired man, Dunlap had little to do before entering the program last October. Occasionally, he would go to the local State employment service office looking for work, but before Green Thumb they always had to turn him away.

After passing a physical examination, Dunlap was assigned to work with four other

Green Thumpers at the greenhouse. There the men—the youngest of whom is in his seventies—work 3 days a week and earn \$1.60 an hour.

Greenhouse supervisor G. W. Trousdale likes the program because it allows the men to maintain their pride and self-respect. "They can supplement their social security and stay off welfare," Trousdale says.

Dunlap enjoys working in the greenhouse, even though he never can seem to remember the name of the nice fellow who lives inside the nearby mansion, Florida Governor Reuben Askew. The greenhouse, however, does more than supply flowers for the governor; its main purpose is to provide shrubs for beautification of the State capitol grounds.

When asked about the age disparity between his mother's reckoning and official records, Dunlap says: "I can't go against my mother, but it's a new time now so you should go by what the government says, I suppose."

Nevertheless, even at 96, the tobacco-chewing preacher still looks younger than his age. And, as one of his fellow Green Thumpers remarked, "He's always trying to keep up with us young guys."

#### LOUIS H. WILSON

Mr. HELMS. Mr. President, on Wednesday evening, death came to Louis H. Wilson, a remarkable man who was the treasured friend of many Members of the Senate, past and present.

Mr. Wilson's career was a varied and distinguished one. He was a respected newspaperman in my State. He moved on to national leadership in the field of agricultural journalism. He has served two Secretaries of Agriculture as special assistant.

He was a dedicated Christian, a loyal American, a loving husband and father, and a true friend to countless people in all walks of life whom he helped and inspired through the years.

I shall miss him, his splendid talents, and his constant cheerfulness. Mrs. Helms and I extend our deepest sympathy to his dear wife, Mildred, his daughter, Barbara Jean, and his other loved ones.

#### IMPERFECTION OF THE GENOCIDE CONVENTION IS NO REASON TO PREVENT ITS RATIFICATION

Mr. PROXMIRE. Mr. President, many criticisms have been raised against the International Convention on the Prevention and Punishment of the Crime of Genocide. I will readily admit that this treaty, like all else in the world, is not a perfect or flawless specimen. However, its imperfections in no way justify the almost 25-year delay by the Senate in ratifying the convention.

What is too often overlooked by opponents to this treaty is its purpose. As expressed in article I:

The contracting parties confirm that genocide, whether committed in time of peace or in time of war, is a crime under international law which they undertake to prevent and to punish.

In other words, nations are uniting to try to prevent such acts as Hitler's extermination of 6 million Jews from recurring. Can it be denied that this is a significant step forward in the interest of human rights? I say no.

Granted, the treaty has its shortcomings. No one disputes this. But it is no-

table that 75 nations have thought this convention important enough to become signatories to it, and I believe it to be essential that we join their ranks. We should have been among the first to ratify this treaty and set the pattern for others to follow. But we were not, and belated ratification is far more desirable than none at all.

Mr. President, I urge the Senate to advise and consent to the ratification of the Genocide Convention without delay.

**AMERICAN PEOPLE ARE BECOMING AWARE OF THE ENERGY CRISIS—NATIONAL BROADCASTING CO., PROGRAM PERFORMS A PUBLIC SERVICE**

Mr. RANDOLPH. Mr. President, the American consumer finally is becoming aware of the energy supply crisis facing our country. After several years of recognition of the potential problem by experts in Government and in industry alike the issue has burst into public view.

As with so many problems in the past, until the public becomes aware too little is done toward their solution. The greatest challenge is the lack of public knowledge. In this case, lack of awareness of the role of energy in our society and the dramatic consequences of an interruption of supplies.

A significant public service was provided by NBC News on Tuesday of this week by its 3-hour White Paper on the energy crisis. As I wrote in a communication to Julian Goodman, president of the National Broadcasting Co., the NBC presentation cogently described for the American public the extremely complex nature of our dilemma. It also dramatized how very small the world has become. Moreover, it aptly characterized the difficult task ahead if our standard of living is to be maintained. In addition, it characterized the close interrelationship between our consumer-oriented economy and the rest of the world as a supplier of energy.

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

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

WASHINGTON, D.C.,  
September 5, 1973.

Mr. JULIAN GOODMAN,  
President, National Broadcasting Co., Inc.,  
New York, N.Y.:

As a Senator and citizen who has long been concerned with assuring adequate energy supplies to achieve our national goals and aspiration, I believe last night's White Paper on the energy crisis was a major public service. I introduced in 1959 legislation to create a Joint Congressional Committee on Energy and in 1970 to create a National Commission on Fuels and Energy. Throughout this period our greatest challenge has been the lack of public knowledge of both the role of energy in our society and the consequences of an interruption of supplies.

Your White Paper cogently described for the American public the extremely complex nature of our dilemma and the difficult task with which we are faced if our standard of living is to be maintained.

It also dramatized how very small the

world has become. Moreover, it aptly characterized the close interrelationship between our consumer oriented economy and the rest of the world as a supplier of energy.

Our present society evolved because of abundant, cheap domestic sources of energy. Now we are being called on to internalize the full societal costs of energy supplies, for example, environmental pollution. This means that we must pay the costs associated with the environmentally acceptable extraction and usage of coal.

Our present standard of living was made possible by our capitalist system and it has done well for us in the past. Looking to the future, however, there must be a closer relationship between government and industry toward the achievement of mutually compatible goals.

Government—the Congress and the Executive branch—must provide direction and purpose to a national energy policy. A major effort is the Senate's National Fuels and Energy Policy Study, begun in 1971, two years ago, under legislation I authored. Significant policy initiatives also are being undertaken by the Executive branch. Their overall success, however, will depend on the private sector which now is being called on to operate in the interest of not just their stockholders but the American people as a whole.

In the years ahead, as we extricate ourselves from the energy crisis, a vital public service can be performed by NBC and other news media by their emphasizing the issues that must be addressed alike by government and industry. Solution rests not in the selection of polarized positions, such as those characterized by the energy or environmental debate, but in achieving an equitable balance of the interests of all affected parties. A partnership of understanding and realism is required.

JENNINGS RANDOLPH,  
U.S. Senator.

Mr. RANDOLPH. Mr. President, for many years I have advocated the establishment of a comprehensive national energy policy. Toward this objective, 14 years ago, in 1959, I introduced legislation to create a Congressional Joint Committee on Energy. In 1970, I introduced legislation to create a National Commission on Fuels and Energy. But neither of these proposals became a reality; perhaps, and unfortunately so, because they were ahead of their time.

However, major efforts toward the formulation of a national energy policy are now underway in the administration and in the Congress. In the Senate, this effort centers in the national fuels and energy policy study begun 2 years ago, in 1971, under Senate Resolution 45, sponsored by Senator JACKSON and myself. Under the able chairmanship of Senator JACKSON. This effort has produced an interim report to the Senate on the development of energy resources on the public lands in the Southwest and Senate-passed legislation, S. 1570, creating a mandatory fuels allocation program, which I support. In addition, the study staff is preparing for executive session consideration of legislation concerning energy conservation, strategic or emergency reserves, and a major joint Government-industry research and development program for the commercial demonstration of new energy technologies.

Significant policy initiatives also are being undertaken by the executive branch. A number of specific steps toward the formulation of a national en-

ergy policy are included in the President's two energy messages this year to the Congress. Both messages emphasize the close working relationship that must be achieved between the Congress and the executive branch if we are to extricate ourselves from the energy crisis facing our country. However, this will require compromise in the administration's present positions as well as those of the Congress.

It is not enough to simply transmit legislative proposals to the Congress; there must also be a commitment by the administration to work with the Congress toward enactment of legislation. As stated earlier this week by Senate Majority Leader MIKE MANSFIELD and Speaker CARL ALBERT:

The Congress does not perform at the best of this President or any other President.

So far this year any signs of a spirit of compromise toward common objectives has been disappointing.

Mr. President, considering the wide range of legislation that has actually moved in the Congress this year, with little cooperation from the administration, I believe my fellow Members are to be commended for their action.

Now is the time, however, for a joint initiative by the Congress and by the executive branch toward the formulation of a national energy policy. But Government actions alone will not be enough to extricate ourselves from the energy crisis facing our country. The overall success of Federal policy initiatives will ultimately depend on the private sector for their implementation and success.

Our current standard of living is directly attributable to the past performances of all sectors of the energy industry. While a number of questions can be raised on whether this industry is truly competitive, there is no question that it has successfully met our country's energy needs in the past. In fact, for several years the industry has warned Government of the possibility of energy shortages. However, all parties did not work together toward their effective provision. Now we are faced with an energy crisis.

Nevertheless, industry is now being called on to operate in the interest of not just their stockholders but the American people as a whole. Likewise, Government is being called on to operate in the interest of our whole society. This includes both the consuming public and the commercial and industrial sectors of our economy on which our standard of living depends.

Formulation of a National Energy Policy does not rest on the selection of polarized positions such as those characterized by the energy or environmental debate or those exhibited in the debates on whether the administration's proposals or Congress' proposals are the best, or in the schism between consumer advocates and industry spokesmen over issues of antitrust and monopoly.

Mr. President, a partnership of understanding and realism is required by all parties. Our country cannot afford the luxury of a continuing polarization of issues without their effective resolution.

## SENATOR HARTKE FIGHTS TO SAVE RAILROADS

Mr. BAYH. Mr. President, no matter what our individual views on the various proposals now before the Senate to revitalize railroad service in the Northeast United States, we are all agreed that revitalization is badly needed. Without it, we might well see the collapse and liquidation of America's largest transportation company; and that would be an economic catastrophe not only for the Northeast and Midwest but, eventually, for the entire country.

That is why the leadership of the senior Senator from Indiana (Mr. HARTKE) as chairman of the Subcommittee on Surface Transportation has been so vitally important in this area. He has fought untiringly to keep bankrupt railroads operating in the public interest and at minimum cost to the taxpayer. And the major bill he has drafted to restructure and revitalize railroad service in the Northeast and Midwest may well prove to be one of the landmark pieces of legislation in the history of American transportation.

Senator HARTKE's leadership recently received recognition in a fine article by Mr. John Gerry in the journal *The Money Manager*. An analytical report on the legislative situation, it highlights the great contributions Senator HARTKE has made to this crucial effort to save our railroads. 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:

[From the *Money Manager*, July 23, 1973]

PENN CENTRAL WILL LEARN SENATE VIEW OF FATE SOON

(By John Gerry)

WASHINGTON.—Whether the bankrupt Penn Central Railroad will continue to operate after next Oct. 1 or the assets of the nation's largest railroad will go under the auctioneer's hammer before next Winter, is likely to be decided by the Senate this week, very possibly by Thursday.

Scheduled to be reported to the Senate tomorrow by the Senate Commerce Committee is a four-pronged "life-saving" bill. If approved by both Houses of Congress, it could keep the financially badgered P.C. and at least six other rail bankrupts running through all of next year and possibly beyond.

The Senate bill to be reported, the "Midwest and Northeast Rail System Development Act of 1973," is largely the handiwork of Indiana Democratic Sen. Vance Hartke, who has emerged in the last half year or so, as the "railroad's best friend on Capitol Hill."

When nearly everyone else was willing to abandon all hope that the P.C. and the other hard-pressed rails serving the Northeast section of the country could be somehow salvaged, Sen. Hartke was the only one, or so it seemed, to retain publicly enough faith in the rails to believe they could be made to operate as "viable, for-profit companies."

A nimble and adroit parliamentarian, the chairman of the Senate surface transportation subcommittee has managed to win the support for his legislation of Senate Commerce Committee chairman Warren Magnuson and Connecticut's Abe Ribicoff, both regarded as Senate powerhouses in their singular spheres.

What's more, Sen. Hartke has managed to extract the best of many ideas offered in recent months by the waffling Nixon Admini-

stration, which apparently can't make and hold to a decision for much more than a week or so on whether the railroad industry ought to get more Federal financial aid or not.

The latest of numerous Administration proposals, put forward by Transportation Secretary Claude Brinegar, would have the Federal Government extending limited help, not to exceed grants or guaranteed loans of \$85 million, until one or possibly two "core" rail systems could be devised to service the heavily populated area stretching from Boston to Washington, and as far west as Chicago and the northern portion of the Mississippi Valley.

Sen. Hartke has seized upon the Brinegar plan—and has gone the Transportation Secretary one better in what often looks like an endless game of one-upmanship between the Administration and Congress with some extraordinarily high economic values at stake.

A key feature of Sen. Hartke's plan would retain the Interstate Commerce Commission, and give the Federal Government's oldest regulatory body (it was created in 1887) new powers, making it responsible for all future railroad modernization and surgery.

Under Sen. Hartke's scheme, a four-pronged affair, the Administration's plan to create a new profitable enterprise to take over the earning assets of the six major bankrupts, including the P.C., would be managed by a new division within the ICC to be called the "Rail Emergency Planning Office."

Another feature of Senator Hartke's bill would provide for a new system of "service contracts" which would permit the ICC to pay to the P.C. or any other bankrupt rail up to a maximum of \$210 million a year "to continue the operation of vital freight and passenger service."

This \$210 million would be "new" Federal money, Sen. Hartke's aides explained, in the sense that it would be "net above and exclusive of any money advanced to the Penn Central" through government-guaranteed bank loans.

Besides the \$210 million in contract service fees, the P.C., according to Sen. Hartke's bill, would receive an additional \$62.5 million this year.

This amount would include some \$13.5 million to cover damages suffered by the railroad from Hurricane Agnes, additional sums to compensate the company for higher workers' pay under government-sponsored work contracts and higher payments for operating Amtrak passenger trains.

The combined Federal payments, totaling nearly \$275 million, would, in Sen. Hartke's mind, satisfy the requirements spelled out by District Court Judge John P. Fullam of Philadelphia, the overseer of reorganization proceedings.

Two weeks ago, Judge Fullam ordered the start of the liquidation on Oct. 1, unless "substantial Federal assistance" is approved by Congress before that deadline.

The long-term provisions of Sen. Hartke's measure would have the new Emergency Planning Office make a study of Midwest and Northeast rail systems and report results of that study "within six months."

Forty-five days thereafter, the ICC would be required to produce its plan for setting up a "core network of rail systems" which would be fully operative eight months after the ICC proposals had been approved by the Transportation Department.

To help the new division in its long-range planning, Sen. Hartke would also create an advisory council representing management, labor, shippers, local communities and the general public. To cover the cost of this advisory council's deliberations, his bill calls for another annual Federal pay-out of \$7.5 million.

Although there is no "companion bill" to Sen. Hartke's measure pending in the House

of Representatives, Rep. Brock Adams, D-Wash., has offered an amalgam of various bail-out proposals that now includes the new Hartke plan, as well as the recently revised Administration proposal.

Notwithstanding all these efforts aimed at salvaging the Northeast rail system, the ICC today will begin, paradoxically, a review of other plans that could lead to the liquidation sale of the ICC's assets. These sale-of-assets plans the agency is required to consider by Judge Fullam's court order. Notwithstanding some sharp differences between his salvage scheme and that of the Administration, Sen. Hartke claims that the "ultimate goal is the same." It would be, he said, "... a program which will retain private enterprise operation of the train companies, and to maintain competition among carriers and different modes of transportation—the rails, inland waterway barges, the trucking industry and the airlines. . . ."

Even beyond nimbleness, Sen. Hartke is also exploiting another idea, one that is carefully calculated to win support from the always articulate environmentalists.

"A key thing to remember in the formulation of all these transportation plans," Sen. Hartke said, "is the nation's present and future energy crisis."

"If a gasoline and diesel shortage develops," he adds, "it would be as effective in cutting off trucking service as would be a nationwide strike by the Teamsters."

"Also, if it should be determined that clean air in the future will depend heavily on reduced or stabilized trucking service, only the rails would be able to fill the resulting void in service," the Indiana law-maker states.

Sen. Hartke may be juggling his statistics a trifle in an understandable effort to lend greater importance to his life-saving legislation for the rails.

Commerce and Transportation Department records indicate that the rails today move about 40% of all freight, inland water carriers and pipelines move another 40% and the truckers and airlines, combined, about 20%.

## THE 10TH ANNIVERSARY OF THE MARCH ON WASHINGTON

Mr. WILLIAMS. Mr. President, 10 years have elapsed since the massive and peaceful march on Washington in August, 1963. The 250,000 citizens who came to this city to participate in the greatest display of constructive protest this Nation has witnessed, had a justifiable and long-overdue message—"Freedom Now."

The march was much more than a simple outpouring of sympathy for a cause. It came at a time when Americans of every race, color and creed were beginning to recognize that all of us have a vital stake in combating injustice and inequality—that the needs of the unfortunate and the cries of the suffering are the needs and cries of each and every one of us.

The efforts of a great civil rights leader, the tragic loss of a compassionate President, and the continued determination and commitment of the succeeding President, all helped to lead the way to historic national achievements toward equality—the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

However, although the national recognition of these grave injustices is still very much prevalent in the United States, I am deeply concerned that we are moving back from those advancements and are falling to confront and work crea-

tively toward some solution to the grave and serious problems which continue to plague us.

Today, nearly 7 million black Americans, or about one-third of the total black population, live below the established poverty level. Of all black children, more than 40 percent live in hunger and poverty. Far too many of our black school children are still not receiving the proper education that should be offered to all our children, and the problem of job availability for all minority citizens continues to be critical. We must not retreat from our commitment to finding new approaches to these problems.

Those profound words of Dr. Martin Luther King still ring in our memory of that March, when he said,

I have a dream, a dream deeply rooted in the American dream—one day this nation will rise up and live up to its creed, "We hold these truths to be self-evident, that all men are created equal."

Mr. President, I believe that that march to this Nation's Capital 10 years ago served to reignite that dream. We must not let that fire die.

#### PROPOSED TASK FORCE ON FERTILIZER SHORTAGE

Mr. HUMPHREY. Mr. President, Midwest farmers in particular are concerned that adequate supplies of fertilizer may not be available for fall application.

Senator DOLE and I have arranged a meeting with Dr. John Dunlop, Chairman of the Cost of Living Council, for next Monday, with other members of the Committee on Agriculture and Forestry, to discuss some aspects of the fertilizer shortage. But as important as are the price questions in this shortage, a concerted effort is urgently needed.

On August 21, I urged the Secretary of Agriculture to create immediately an interagency task force on the fertilizer shortage.

The task force, as I said in my letter, should include representatives from both the Federal Government and the private sector. It would identify shortage areas; establish priorities for use of available transportation; provide rapid communication among concerned agencies, industries, and fertilizer users; examine export policies; review the effect of price control policies; and assure that farmers are informed and understand what effect the policies will have on them.

I also recommended that a special USDA office be established to handle appeals from farmers and distributors.

I reported that a local fertilizer distributor in southwest Minnesota told my office his suppliers have told him he will not have some 32 of the 40 carloads that local farmers have requested.

In addition, a major wholesale distributor for Minnesota reported his shipments received in the Twin Cities for area dealers were, by mid-August some 300 carloads behind last year's pace.

The railroads, which usually transport the fertilizer from barge terminals to local outlets, have been unable to make up their backlog in deliveries because of the hopper car shortage.

Although truck transports may be able to ease the delivery problems somewhat,

this is not at all certain. And, even if the trucks can handle the load in time, the cost per ton for the fertilizer will be increased by \$3 to \$5—or 5 to 10 percent.

Transportation is not the only problem. Inadequate production of fertilizer, high world demand at a runaway price higher than the controlled domestic price, and the fuel shortage have compounded the situation.

As I pointed out to the Secretary, these problems involve many elements of government and private industry, and require coordinated study and action now.

I again urge the creation of this task force.

Mr. President, I ask unanimous consent that the text of my letter to Secretary Butz of August 21, be printed in the RECORD.

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

AUGUST 21, 1973.

Hon. EARL BUTZ,  
Secretary of Agriculture,  
Washington, D.C.

DEAR MR. SECRETARY: I write to urge that you request the President to act, or that you act if you have the authority, to immediately create an interagency task force on the fertilizer shortage.

It is becoming increasingly clear in Minnesota and other states that grain farmers may be severely handicapped in securing the dry nitrogen and phosphate fertilizers they need for fall application. We do not have enough fertilizer to meet our domestic needs, and what we do have may not be delivered to the user in time.

A local distributor in southwest Minnesota has reported his suppliers have told him he will not have for local farmers some 32 of the 40 carloads of fertilizer they need.

A major wholesale distributor for Minnesota has reported their shipments received in the Twin Cities for area dealers are some 300 carloads behind what they had received by this time last year.

The railroads which usually transport fertilizers from the river barge terminals on the upper Mississippi to the Twin Cities depots confirm this backlog in deliveries to wholesalers and their inability, because of the hopper car shortage, to make up this backlog or to deliver ordered fertilizers to local outlets.

There is some hope, apparently, that truck transport from the barge terminals directly to local outlets may be able to step in in time to supplant railroad delivery. But this is not at all certain, and even if the trucks can handle the load in time, the cost per ton for the fertilizer certainly will be increased by \$3 to \$5 a ton—or by 5 to 10 percent.

Nevertheless, available information indicates transportation is not the only problem. Both inadequate production and high world demand at an uncontrolled price higher than the domestic controlled price are also alleged to be major factors limiting the ability of farmers to buy even the same amounts of fertilizer as they needed last year. Fuel shortages also may restrict production. And all these causes of the shortage to the farmer do not begin to take account of the vastly increased production of grains which we are encouraging and which requires great additional supplies of fertilizer.

I understand the ASC offices of the Department of Agriculture are charged with receiving the information relative to the fertilizer shortage, but staff inquiries from my office indicate USDA staff in Washington have acquired very little information and that no plan and mechanism exist for action by the Federal Government to fully secure the facts and to attempt assistance.

The problems here involve many elements of government and private industry. They require coordinated study and action now.

I, therefore, urge your leadership in the creation of a federal interagency task force, with invited representatives from private industry. Federal representatives surely would include the Department of Agriculture, the Department of Transportation, the White House Energy Office, the Department of Commerce and the Cost of Living Council. Private representation should include the railroads, the trucking industry, the barge transportation industry, agricultural organizations, fertilizer producers, and fertilizer exporters.

I also recommend that a special USDA office be established to handle emergency appeals from farmers and distributors. The task force and the urgent problems office are needed to identify shortage areas; establish priorities for use of available transportation; provide rapid communication among concerned agencies, industries, and users of fertilizer; examine export policies; review the efforts of price control policies, and make sure the farmer knows what to expect.

Only a few weeks remain before there is peak fall demand for fertilizer. Farmers need assurance now that their orders can be filled for all application. And they need to know soon that their spring orders can be filled.

I look forward to your views and action in this matter.

Sincerely,

HUBERT H. HUMPHREY.

#### FUEL OIL ALLOCATION

Mr. MUSKIE. Mr. President, as the summer draws to a close, public attention is now shifting from the relatively minor gasoline shortages of recent weeks to the prospect of far more severe shortages in heating oil this winter.

Newspaper reports in the last 2 days state the Federal Government has now prepared a confidential assessment of the next winter's supply which indicates, in the words of some officials, that the situation ranges from tight to miserable. I ask unanimous consent that an article in this morning's New York Times, discussing the implications of this issue, be printed in the RECORD at the end of my remarks.

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

[See exhibit 1.]

Mr. MUSKIE. Last week John Love, Director of the President's Energy Policy Office, met with New England Governors and, once again, refused to institute a mandatory allocation program to assure that limited supplies of heating oil will be distributed equitably. Equally significant, Governor Love indicated that his office has yet to develop a detailed plan for providing supplies to priority customers—schools, hospitals, homes—should a serious emergency arise this winter.

This delay is intolerable. I call upon Mr. Love to produce such a plan and open the issue to public debate and discussion.

The citizens of Maine, who live at the end of our national distribution system, will be the first to feel the effects of a shortage of heating oil. The Governor, local officials and retail dealers are prepared to develop and implement any reasonable contingency plan. But without prompt action at the Federal level, their hands are tied.

What arrangements are being made to set aside a national pool of heating oil

to meet emergencies? What steps are being taken to see that the oil producers provide information on production and distribution plans? What enforcement provisions are needed to assure compliance with an allocation program? These are only some of the questions which need discussion.

There will be no easy answers to the problem of supplying adequate heating oil if we have a cold winter. But, certainly, the planning for emergencies should not be kept behind closed doors. For New Englanders, closed doors have too often meant capitulation to the oil industry at the expense of the consumer.

If Governor Love is preparing a plan, let us see it.

#### EXHIBIT 1

[From the New York Times, Sept. 7, 1973]

#### NIKON AIDES SAY HOMES MAY FACE HEATING OIL CURB

(By Edward Cowan)

WASHINGTON, September 6.—Energy officials in the Nixon Administration disclosed today that the Government might have to restrict the amount of oil that could be burned by individual consumers, including that used in private homes.

Confidential estimates circulating within the Government put the potential supply gap this winter, particularly if the weather is colder than normal, at 10 to 15 per cent. Last winter the shortage was approximately 3 to 4 per cent.

John A. Love, director of the President's Energy Policy Office, said that the Government was drafting a tentative plan for the rationing of heating oil this winter.

In another development, the Exxon Company U.S.A. raised its wholesale gasoline prices today by a cent a gallon. Most service station owners will have to absorb the increase, however, because retail gasoline prices are frozen through tomorrow and will then be subject to ceiling prices already established under the Phase 4 economic controls.

#### UNEVEN IMPACT SEEN

Officials said that, like last winter, the impact of a heating oil shortage would be uneven, with outlying places, such as Maine and Minnesota, likely to be hardest hit. The shortage that developed in the Middle West last winter caused some dealers to run out of fuel briefly, and some schools were forced to close for a few days.

Because heating oil is distillate, essentially the same petroleum product as diesel fuel, the shortage then also threatened to curtail truck and bus operations. Service cutbacks on the whole were minor, but they could be more extensive this winter.

Mr. Love, in extemporaneous remarks to reporters, said that "the situation for this winter is very tight, although it is difficult to forecast because of the variables." Weather was described as the foremost variable, and availability of imports as a close second.

Mr. Love said that the Administration had not definitely decided to adopt rationing this winter but was getting ready just in case.

Another energy specialist in the Government who had studied the confidential supply appraisal summarized the situation by saying "The picture does not look bright. It's a real miserable mess."

#### PRESSURE IS APPLIED

Officials hoped that the announcement of the possibility of rationing would put pressure on Federal, state and local officials to relax air quality standards in big cities, particularly on the east coast, for the heating season. Such a relaxation would increase the oil supply by permitting the use of high-sulphur residual oil in power, utility boilers, thereby releasing the less-polluting

low-sulphur heating oil that utilities have been blending with residual in increasing volumes.

Officials asserted that any relaxation of the standards should be announced quickly to give oil importers time to line up additional supplies.

Another energy planner said that the potential problem looked too big to be cured by a system of priorities and supply allocations, the system the Administration adopted last spring on a voluntary basis for deliveries of crude oil and gasoline.

The heating oil supply outlook is "far worse than it was for gasoline," the planner said.

"Allocation just spreads around the available supply," he added. "We have to cut the consumption, not chase the shortage."

Analysts said that the principal elements of the supply uncertainty were the following:

Consumption is running ahead of last year. The steel industry, a big consumer, is operating at capacity. Utilities are using more distillate, which is low in sulphur, to meet air quality standards. Natural gas shortages this winter will be worse than last year, causing more shifting, or attempted shifting, to oil.

As was true last winter, imports must fill the gap between domestic supply and consumption. At a minimum, the country must import 500,000 barrels a day of distillate from October through March. That rate of importation was reached for a short time late last winter. A more realistic import need may be 700,000 barrels a day or more, particularly if subnormal temperatures occur.

Supplies are very tight in the Caribbean and may prove to be tight in Europe. Belgium already has restricted exports pending a reappraisal of her own supplies. Canada has said she may restrict exports. An early cold spell in Europe could cause further restrictions. So could crude oil shortages that may result from Libya's takeover of 51 per cent of several major oil companies or from cutbacks in other Middle East producing countries.

The sulphur content of crude oil refined in Europe is generally above the levels allowed by many East Coast cities.

#### BLUEPRINT FOR HEATING OIL CRISIS

Mr. McINTYRE. Mr. President, during President Nixon's recent press conference, he attempted to shift the burden for his total failure in handling the national economy to the Congress. This tactic, however, is clearly recognizable. The President's economic game plan has been a total failure. His unwillingness to commit the administration to meaningful price controls has resulted in shortages of hundreds of essential commodities. The inability to establish a meaningful economic program has resulted in runaway inflation, unconscionable interest rates, and record profits for the industrial giants of the Nation.

The complete failure of the President's program is clearly demonstrated in his handling of supplies and prices in the petroleum industry. The actions taken by the President's so-called energy experts and the Cost of Living Council have been a total fiasco.

It is becoming increasingly more apparent that the administration's attempt to provide an adequate supply of petroleum products have contributed to shortages rather than alleviate them. The same can be said with regard to the bungling and ineptitude displayed by the

Cost of Living Council in its petroleum pricing policies.

During the past year, we have witnessed shortages of home heating oil, propane, gasoline, and a number of other essential oil products. While few consumers of gasoline this summer were unable to obtain supplies, the shortages, however, did result in the closing of thousands of service stations forcing many small businessmen into insolvency while, at the same time, the major integrated companies even while supposedly under rigid price controls set new record profit levels.

The recently announced phase 4 pricing policies in the petroleum industry once again are apparently designed to continue this obvious favoritism to big oil at the expense of the small business marketer and ultimately the consumer.

What could be more unrealistic than a price policy that allows the major integrated oil companies to continue to increase prices at both the production and refining levels, while calling on the hundreds of thousands of small business marketers to absorb these increased costs.

Under phase IV rules, which will go into effect at midnight tonight, the marketing segment of the petroleum industry will be called upon by the Cost of Living Council to subsidize the enormous profits that are being made by the members of the international oil cartel. Before the rules have even gone into effect, three of the largest oil companies in the world—Exxon, British Petroleum, and Atlantic Richfield—have increased gasoline wholesale prices by 1 cent a gallon which cannot be passed on to the consumer but must be absorbed by the service station operators. What could be a better blueprint for the destruction of the independent small business marketer, both branded and unbranded.

These same phase IV rules not only cover gasoline but home heating oil, and price increases of the same magnitude have recently been announced by several of the integrated companies with regard to home heating oil.

Of particular concern now that the summer is ending is the question of the effectiveness of President Nixon's oil policy with regard to heating oil supplies this winter.

In early June of this year, I wrote to Dr. Dunlop, the Director of the Cost of Living Council; Secretary Simon, the Chairman of the President's Oil Policy Committee; and Mr. Charles DiBona, the White House energy specialist, urging that if early action was not taken to assure a sufficient supply of home heating oil that shortages of this essential product would be widespread this winter.

I continued throughout the summer to urge that actions be undertaken before the heating season started to assure that adequate supplies would be available. Apparently, however, the administration showed much more interest in the profits of the major oil companies than in the needs of the American consumer.

By the middle of July, it was becoming obvious that the administration was too absorbed in other matters to focus on the heating oil situation.

On July 17 and again on August 2 on

the floor of the Senate, I publicly called for the administration to begin to take action and warned that "if homes go cold this winter, I feel the administration must bear a heavy responsibility." The facts were clear then as they are now. Let us briefly take a look at the situation.

First. In early June of this year, the Senate by an overwhelming vote passed legislation establishing a mandatory fuel allocation system. As of this date, the President's energy czar, Mr. Love, still refuses to implement any such program. This failure to act, I fear, will result in dire consequences this winter. In fact, rather than establishing an allocation system of a mandatory type, it now appears that the administration is considering consumer rationing. The logic of this escapes me.

Second. The Cost of Living Council has issued a set of petroleum price regulations that in the words of the Federal Trade Commission "may hamper and reduce the independent sector of the petroleum industry." In a report I requested from the Commission on phase IV petroleum industry regulations, the Federal Trade Commission stated:

It is certainly not clear how the new regulations can prevent a new heating oil shortage this coming winter and quite possibly another gasoline shortage in the summer of 1974.

It is clear, however, that the regulations will destroy a substantial number of the small business marketers in the marketing segment of the industry.

Third. One thing that is certain, however, is that the administration's actions with regard to supplies of home heating oil have proved to be a total failure. As of the week ending August 24, 1973, national stocks of distillate fuel oil were 173 million barrels. On the same date in 1972, total national stocks were 171 million barrels. When you view these figures in contrast to 1971 stocks of 197 million barrels, the facts become readily apparent. We are beginning to enter the 1973-74 heating season with approximately the same level of heating oil supplies as last year and what did we experience last winter—shortages. Today, we have 24 million barrels less in supplies of distillate fuel oil than we had in 1971.

But what is the administration doing about this situation?

It has refused to adopt mandatory allocations; it has exhibited an apparent inability to increase supplies, it has threatened the existence of the small business marketing segment of the oil industry; but it has assured the big multinational oil companies record profits.

One must ask what is the true concern of this administration—profits for the major oil companies or supplies for the consumer?

What will the President tell the American people this winter when schools are closed, factories are shut down, and homes go cold. Will he once again point the finger elsewhere and blame the Congress, or the weather.

Mr. President, I ask unanimous consent that the letters I referred to in my statement be printed in the RECORD.

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

U.S. SENATE, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS,  
Washington, D.C., June 7, 1973.

Dr. JOHN T. DUNLOP,  
Director, Cost of Living Council,  
Washington, D.C.

DEAR DR. DUNLOP: As you will recall, on May 11, you appeared before the Committee on Banking, Housing and Urban Affairs to discuss the relationship of oil prices and oil supplies. At that time, you announced a revision in Special Rule No. 1 which governs price adjustments for the sale of crude petroleum products. In your statement to the Committee, you described the revision as follows:

"The rule allows a company to purchase product or crude (foreign or domestic) at an increased cost and to resell that product or crude at a price which reflects that higher cost plus the company's customary initial percentage markup (CIPM) without that increase in resale price counting against the company's price limitation under Special Rule No. 1."

You went on to state that the purpose of the revision was to allow companies to pass on to consumers increased costs which they have incurred and over which they have no control. You told the Committee that:

"The Council anticipates that this rule, while clearing up base price definition problems, will be significant in encouraging the importation of increased foreign crude oil and product supplies to help alleviate the very tight supply situation the nation now faces."

Unfortunately, because of an apparent failure of the Cost of Living Council to clarify the revision you announced on May 11, the results have not been as anticipated. It is my understanding that several of the 23 covered companies have expressed a willingness to sell foreign supplies of gasoline and No. 2 fuel oil to New England marketers; however, the covered companies have been unable to obtain clarification from the CLC as to whether the added foreign costs, under the new rule, must be added to the imported oil alone and charged to the consumers of that particular product, or "rolled into" the covered companies' entire cost structure and averaged into the prices charged to consumers throughout the nation.

Obviously, this is of critical importance to New England and other areas of the country, such as the East Coast, which are, and will be, heavily dependent on imported product. If the higher foreign costs are to be borne only by consumers of the imported product, the Northeast will be forced to bear a much greater inflationary burden.

I do not believe that such an interpretation and result are justified as a matter of equity or are permitted under the Economic Stabilization Act. The added foreign costs must be borne throughout the national price structure of the major oil companies. Further, as a practical matter, it would be impossible to place all the added costs on the consumer of the imported foreign product. As you are aware, imported oil becomes quickly commingled with domestic. If you were to interpret the rules in this manner, it would require importers to keep the oil segregated and might force consumers living on the same street in a New Hampshire town to pay sharply different prices for the oil to heat their homes.

Therefore, I urgently request that, by June 8, the Council provide this Committee with a response to this simple question:

Under the revision in Special Rule No. 1 announced on May 11, must higher foreign costs for product be passed on to the consumer of the imported product alone, or

should they not be averaged into the price structure of the covered company and shared by consumers of all products sold by the company?

I would appreciate your prompt attention. This is a matter of critical importance to New England and the nation.

Sincerely,

THOMAS J. MCINTYRE,  
U.S. Senate, Chairman, Subcommittee on  
Financial Institutions.

ECONOMIC STABILIZATION PROGRAM,  
COST OF LIVING COUNCIL,  
Washington, D.C., June 29, 1973.

Hon. THOMAS J. MCINTYRE,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR: The rush of events has both changed and delayed my response to your letter of June 7. I apologize for my tardiness. As I am sure you know, announcement of the current Freeze by President Nixon on June 13 and subsequent publication of the Freeze regulations has rendered your inquiry somewhat moot. However, I want to answer your question in the context of both Phase III and the Freeze.

Under Special Rule No. 1 during Phase III, a covered company could import higher cost foreign crude oil and petroleum products, average those costs into its entire cost structure and reflect those increased costs in single prices for individual products. A company could do this under the basic standard of Special Rule No. 1 which limited price increases for covered products to a weighted annual average increase of 1 percent above base price for the year beginning January 11, 1973. Increases above 1 percent up to 1.5 percent on a weighted annual average basis must have been supported by new cost justification. New cost justification referred to allowable costs incurred after March 6, 1973.

It was left up to the company to determine whether increases up to 1.5 percent were justified prior to implementation of such increases. However, increases beyond 1.5 percent required approval of the Cost of Living Council prior to their implementation and at that time, the company became subject to the profit margin test.

As you noted in your letter, while testifying before the Committee on Banking, Housing and Urban Affairs on May 11, I announced an amendment to Special Rule No. 1 which contained a subpart entitled the "Reseller Rule." I explained: "The rule allows a company to purchase product or crude (foreign or domestic) at an increased cost and to resell that product or crude at a price which reflects that higher cost plus the company's customary initial percentage markup (CIPM) without that increase in resale price counting against the company's price increase limitation under Special Rule No. 1. However, if a company increases its customary initial percentage markup on resale transactions, that increase in CIPM does count against its price increase limitation under Special Rule No. 1."

The Reseller Rule was written to avoid working a serious hardship on companies or subsidiaries of companies subject to Special Rule No. 1 which resell products they purchase from both domestic and foreign sources. Under the rule, those companies could physically commingle the products they purchased from various sources, apply their CIPM to the cost from each source, and establish a single resale price for each product. There is nothing in the definition of a resale operation that contemplates manufacturing products. Consequently, there is nothing in the reseller rule that contemplates, nor allows, the averaging of the cost of products purchased for resale with the costs of products manufactured by the purchaser to establish a sale price. However, this is contemplated and allowed under the basic

1.5% standard which was written to govern price increases by manufacturers for products they manufacture and price increases by manufacturers to recoup increased costs they incur by augmenting their manufactured supplies with purchased products (domestic or foreign).

Because companies subject to Special Rule No. 1 are large enough to have both resale and manufacturing operations, they were allowed to physically commingle their purchased products with products they manufacture. This facilitated the transportation and storage of products purchased for resale under the Reseller Rule.

There is a sound regulatory reason for not allowing the averaging of the costs of manufacturing products with the costs of products purchased for resale under the Reseller Rule. Under the Reseller Rule, companies were allowed to add their Customary Initial Percentage Markup to the increased cost of purchased products. Manufacturing companies, operating under the basic 1.5% standard of Special Rule No. 1, are not allowed to add a Customary Initial Percentage Markup to their increased costs, since it is only the amount of increased costs—not that amount plus their Customary Initial Percentage Markup—which they were allowed to recover through price increases under that rule. If a manufacturer elected to act in the capacity of a reseller, then the Reseller Rule applied to such sales.

In your letter, you noted that I testified that the Council anticipated that the Reseller Rule would be "significant in encouraging the importation of increased foreign crude oil and product supplies to help alleviate the very tight supply situation the nation now faces." You said, however, "unfortunately . . . the results have not been as anticipated." I have attached a copy of a survey recently completed by my staff which indicates the contribution the Reseller Rule has made in the first month since it was issued by the Council on May 14. The survey indicates that a minimum of 51,066,000 gallons of gasoline and 774,774,200 gallons of residual, No. 2 home heating oil or diesel fuel have been purchased which, without the rule, might not have been acquired. I respectfully request that the Reseller Rule survey be treated as highly confidential with respect to individual company data.

The announcement of the Freeze, of course, substantially modified Special Rule No. 1. Specifically, during the Freeze, the higher cost of imported crude oil will have to be borne by refiners because, under Freeze regulations, the higher cost of imported material can be passed through the distribution chain on a dollar-for-dollar basis only so long as the imported material is not transformed nor becomes a component of another product. The refining process is a major transformation of crude oil. Consequently, refiners can not pass through increases in costs for imported crude incurred after June 12. Increased costs for imported products are governed by the same rule, but products are rarely transformed before reaching the ultimate consumer. Therefore, only those operating as resellers can pass through increased costs but their dollar markup is frozen at the amount it was during the Freeze base period, June 1 through 8.

It should be noted, however, that Freeze regulations will not operate to permit prices higher than permitted under Phase III. Consequently, an increase in the selling price of domestically refined gasoline to reflect increases in the cost of imported gasoline which is commingled with the domestic gasoline is a price increase for purposes of Special Rule No. 1. Therefore, a firm which has increased prices on a weighted annual average basis of 1.5% may not pass through the increased cost of imports by averaging pursuant to Freeze regulations unless the firm has pre-notified and received approval for the price

increase from the Cost of Living Council. For purposes of prenotification under Special Rule No. 1, the firm must show that the price increases above 1.5% will not cause the firm to exceed its base period profit margin.

I hope this letter is satisfactory response to your query and, if I or any member of my staff can be of further assistance, please call on us.

Sincerely,

JOHN T. DUNLOP,  
Director.

U.S. SENATE, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS,

Washington, D.C., June 22, 1973.

Hon. WILLIAM E. SIMON,  
Deputy Secretary of the Treasury, Department of the Treasury, Washington, D.C.

DEAR BILL: I am extremely concerned about information I have recently received regarding several possible changes that are being contemplated at the present time by the Oil Policy Committee in connection with the petroleum allocation program.

During the first few weeks after your announcement of the voluntary allocation program, there were hopeful signs that the program would be successful. At first a number of refiners indicated to both of us their willingness to cooperate, and your quick actions in issuing regulations and establishing an administrative structure was, in my opinion, a clear indication of the willingness of the Administration to assure that the voluntary program would be workable.

The initial promises of cooperation given by a number of refiners, however, have not been followed up by cooperative action. A large number of independent marketers, both branded and unbranded, still are receiving a lack of commitment by their suppliers to live up to the spirit of the program. While there have been a number of signs of a spirit of cooperation by several major companies, this has been overshadowed by a continuing effort by several companies to thwart, delay, and diminish the effectiveness of the program you announced on May 10, 1973.

Numerous independent marketers are still continuing to go out of business solely because of a lack of supply of gasoline and other petroleum products. In the way of an example of this, I have recently received information indicating that stocks of No. 2 fuel oil currently held by independent marketers in New England represent 50% of what they had on hand during the same period in 1971.

The Office of Oil and Gas in the Department of the Interior has also shown little disposition to enforce the regulations issued by your office, and a shortage of staff and funds has apparently contributed to their inability to handle the present situation. As I understand it, there are presently pending before the Office of Oil and Gas in the neighborhood of 2,000 complaints concerning gasoline supply and that this number is continually increasing.

A further complicating factor is the position taken by several major companies in refusing to comply fully with the voluntary program.

I have been informed that these facts have convinced you that a mandatory oil allocation program must be established in the next few weeks, and I commend and support that decision. I am deeply concerned, however, with reports I have received that the Oil Policy Committee is giving serious consideration to changing the basic structure of the program in a manner in which I am convinced will have a very serious detrimental impact both to the marketing segment of the industry and the consumer.

I understand that you are considering implementing a mandatory allocation program that will, among other things, change the present base period from October 1, 1971

through September 30, 1972 to calendar year 1972, and also redefine the eligibility requirements under the program so that only those marketers purchasing from their supplier on or after April 1, 1973 would be covered under the allocation base period.

I am convinced that if you make these two changes the program will be disastrous. Any mandatory program, if it is to be successful, must be a logical extension of the voluntary allocation system. If the new program is a radical departure from the current one, it will be used by the major suppliers as another excuse to postpone compliance.

I can promise you right now that if you change the allocation base period and redefine by setting a cut-off date who will be eligible for allocations that the same companies who are urging this action now will be the ones to use these changes as an excuse for the destruction of thousands of independent marketers. It is apparent that a number of refiners are attempting to delay and postpone the effective implementation of any workable allocation system. If basic changes in the present program are made, it will only result in more uncertainty and less compliance and more delay.

I am sure that you have been told by a number of representatives of major integrated companies that the present base period for allocations is either unreasonable or difficult to comply with. However, there is great justification in the base period you originally chose in that it was the last period in which so-called normal marketing practices were in evidence. In fact, there was sufficient justification for the base period originally chosen by the Oil Policy Committee to convince the Senate to adopt that same period in S. 1570. One of the major changes in that legislation was a shift of the base period to conform to the voluntary program. This was consciously done so as to avoid any confusion, delay, or non-compliance based on the excuse that a change in the allocation base period required a time period for the industry to readjust.

I also understand that you have recently stated that you are considering the possibility of even eliminating any base period. Such a step in my opinion would be totally unworkable in that it would create chaos in the market-place, destroy confidence in the program, and result in serious competitive injury. A base period is essential to the workability of the allocation program, and it is also essential that after six weeks of operation that the original base period not be changed.

I appreciate and understand your expressed desire to adopt an allocation system which minimizes the Federal government's role. I am firmly convinced, however, that any allocation system not having a base period will be an administrative nightmare that will prove totally unworkable.

Of just as serious concern is the question of establishing a cutoff date relieving refiners from the obligation to supply marketers even though they were purchasing during the base period. As I understand it, serious consideration is now being given by the Oil Policy Committee of establishing an eligibility requirement wherein only those marketers purchasing product as of April 1, 1973 would receive product as entitled under the base period. Action such as this is incomprehensible.

The destruction to competition as a result of such action is immeasurable. What you are doing in attempting such an approach is such a clear and blatant favoritism to the refining segment of the industry that I find it difficult to even believe that such a course of action is even being seriously contemplated.

The major producers in this country had every reason to realize as early as 1970 that serious supply problems would develop. In August of 1971, the Department of the In-

terior issued a study on refining capacity in this country clearly documenting the fact that we were developing an enormous deficiency.

In September of 1971, I held hearings on the question of refining capacity, the adequacy of supplies of heating oil, and on the Mandatory Oil Import Quota System. That hearing record documents the fact that there are a number of knowledgeable oil experts in this country and one Senator, having no detailed background on the oil industry, who realized that product shortages would develop in the near future.

In April of last year, I wrote to the Director of the Office of Emergency Preparedness indicating then that fuel oil shortages would develop during the 1972-1973 heating season. And, in fact, it is becoming increasingly more apparent now that the heating oil shortages we will experience during the 1973-1974 heating season will be substantially more severe than last. The point is the refining segment of the industry had knowledge of the impending shortages several years ago and, in anticipation of these shortages, began cancelling large numbers of petroleum product contracts as early as last fall.

The designation of the April 1, 1973, date is no mere coincidence. I am sure that any cursory investigation will show that many large heating oil contracts in this country expired on March 31 of this year. Also, during this period, a number of major suppliers were withdrawing from several marketing territories and retrenching in others.

If you adopt a cut-off date such as April 1, 1973, this single act will encourage more concentration in this country's domestic petroleum industry than all other Federal policies combined. Our lack of Federal anti-trust enforcement with regard to the petroleum industry is a national disgrace. The Oil Import Quota System has now been proven to be a failure almost from the beginning, and, if the Federal government now establishes an allocation program with a safety valve provision such as an April 1, 1973, cut-off date, our present petroleum marketing system will be totally unrecognizable within the next few years.

I cannot emphasize too strongly my feelings with regard to this contemplated action.

In closing, I can only add a personal word of commendation to you for your past actions as Chairman of the President's Oil Policy Committee, and I am sure that when you examine the impact of changing an already established allocation base period and the possibility of a cut-off date that you will agree that these two actions are neither justifiable nor in the public interest.

Sincerely,

THOMAS J. MCINTYRE,  
U.S. Senator, Chairman, Subcommittee  
on Financial Institutions.

THE DEPUTY SECRETARY OF

THE TREASURY,

Washington, D.C., June 28, 1973.

Hon. THOMAS J. MCINTYRE,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR: Thank you for your letter of June 22, 1973. I will be out of town for several days and wanted to respond to your letter as soon as possible. For this reason, I am having this letter hand delivered to you.

I recognize your concern about the operation of the voluntary allocation program. We, too, feel that the program is not working as effectively as it should and are now drafting a mandatory program to take its place. This mandatory program will draw upon our experiences with the voluntary program, as well as the Hearings that were held two weeks ago. Surprisingly, many of the major oil companies have favored a mandatory program, while some independents prefer to keep the program voluntary.

One reason why some refiners have not

been able to comply with the voluntary program for the allocation of products is the shortage of low sulfur crude oil. This appears to be a critical bottleneck. Many of the smaller, independent refiners have been unable to obtain low sulfur crude oil, which they must have if they are to operate. A mandatory allocation program will help. However, it will not increase total output, and may actually reduce output. The Nation is faced with a serious shortage of low sulfur crude oil and until we do something about relaxing air quality standards, or slowing the implementation of these standards, this shortage will continue.

The Office of Oil and Gas has very literally been deluged with complaints. It is impossible to start up overnight a major undertaking like the allocation program. It will take time to create the administrative apparatus required by an allocation program whether it is voluntary or mandatory.

Let me turn to our current plans for modifying the program. Please bear in mind that what I say is subject to change.

It is clear that one of the basic problems with which we are faced concerns the appropriate base period. A base period relatively distant in the past will assure an adequate level of crude oil and product to the independent segment of the industry. However, at the same time, it causes extraordinary administrative difficulties. There are many instances where, for example, retail outlets which sold the product of one major oil company are now selling the products of another. To require producers to go back to a distant period to re-establish out-of-date supply relationships could create administrative chaos. This is one reason why several major oil companies have refused to adhere to the voluntary allocation program.

In our current thinking, we have tried to resolve this problem by defining two base periods. First, the base period which shall determine the amount of product supplied to marketers and wholesale customers not affiliated with the major oil companies would be the Calendar Year 1972, and not the last quarter of 1971 and the first three quarters of 1972 specified in the voluntary program. We have made this change for several reasons. Most oil companies, whether majors or independents, have used the calendar year for bookkeeping purposes. Moreover, most companies have chosen to use the calendar year rather than the slightly different period specified in the voluntary program.

Use of the calendar year would involve minimal change from what actually has taken place. It would also involve minimal delay in implementing the mandatory program. There will, however, be a major difference in the way the allocation programs of the major oil companies will operate. Instead of curtailing the 1972 allocations of major company outlets by, let us say, 10 percent and the 1972 allocations of the independent outlets by 80 to 100 percent, the major companies will now be required to curtail evenly across the board. I cannot stress too strongly, however, that use of the 1972 base period rather than the 1971-1972 base period specified in the voluntary program is an essential improvement in the program. It enables the program to better reflect industry practices.

The 1972 base period will determine the level of allocation for independent marketers and other consumers not associated with the major oil companies. We are also considering another base period that would determine which suppliers would be responsible for distributing products to marketers. The date which we have chosen tentatively is March 1973, not April or the period following April which you mention in your letter. In fact, at no time have we considered a post March period precisely for the reason you mention—after April 1, a number of long standing contractual relationships were suspended.

Companies which supplied a particular marketer in March 1973 will be required to continue to supply that marketer for the duration of the allocation program and at levels equivalent to 1972 purchases. It is important to choose as late a date as possible for determining supplier-consumer relationships in order to avoid widespread disruption in the industry.

In addition, we are expanding our list of priorities to include those marketers, distributors, jobbers, and other nonaffiliated purchasers who, for some reason, are inadequately supplied under the allocation program. If it turns out that a particular marketer had no supplier in March 1973, he will be able to apply to the Office of Oil and Gas for a priority allocation.

This, in nutshell, is the program we are considering at present. I hope that this description removes some confusion about the proposed program.

Let me address myself to another matter. Allocation will not solve our nation's energy problems over the long run. In allocating crude oil and product, we have a situation not unlike the passengers on a sinking ship fighting for top position on the mast head. Unless we increase production, we shall all sink sooner or later.

This is why it is so important that the Administration and Congress work together to solve the long-run difficulties, particularly the shortfall in production of oil and gas, with which our nation is faced.

As you know, during the past two months there have been a number of announcements by major and independent oil companies of plans to build new refineries or to expand existing refineries. Unfortunately, several recent developments may jeopardize some of these plans. One of these developments is proposed legislation that would require divestiture by integrated oil companies of their marketing operations. This legislation is particularly likely to cause difficulties in New England where a number of independent marketers now plan to build refineries, in effect becoming integrated oil companies. We have received an expression of deep concern from one of these marketers that this legislation would, in effect, prevent him from entering the refinery business. I would hope that the Congress would consider carefully the adverse impact that such legislation would have on needed expansion of the industry.

In closing, let me restate my firm conviction that the independent segment of the industry must be preserved and that an allocation program must be established, whether voluntary or mandatory, that assures that this segment of the industry obtains the crude oil and products that it needs. Let me also restate my firm conviction that allocation alone is not the answer. We must expand our output of crude oil and products, as well as all other energy sources, if we are to supply the energy needs of the country, and we should not act in ways that may redistribute oil in the short-run, but which will worsen the oil shortages that now confront the nation.

Sincerely,

WILLIAM E. SIMON.

U.S. SENATE, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS,

Washington, D.C., July 17, 1973.

Gov. JOHN A. LOVE,  
Director, Energy Policy Office,  
Washington, D.C.

DEAR GOVERNOR LOVE: It has now been established through a series of recent Congressional hearings and in testimony received by Secretary Simon during the President's Oil Policy Committee's consideration of the issue that mandatory allocation procedures for petroleum products are essential.

On June 22, 1973, I wrote to Secretary

September 7, 1973

Simon concerning the delay by the Administration in converting the present voluntary system to a mandatory procedure. On June 28, Secretary Simon responded to my letter stating: "We, too, feel that the program is not working as effectively as it should and are now drafting a mandatory program to take its place."

Needless to say, the Secretary's letter was well received both by myself and other Members of Congress who for some time now have urged that the voluntary system be replaced with a mandatory one.

The day after I received Secretary Simon's letter, however, you were appointed by the President as the Director of the newly created Energy Policy Office, and your first public statement was in opposition to the mandatory allocation of petroleum products.

I cannot be too emphatic over my concern with the position you have taken on this matter. It is becoming increasingly more apparent by the day that while this country may well be spared a gasoline shortage this summer, heating oil shortages varying in magnitude in different sections of the country will develop during the winter of 1973-74. Of extreme concern to me is the fact that the refining segment of the petroleum industry is apparently meeting the demand for gasoline this summer at the expense of heating oil supplies that will be so critically needed this winter.

In my opinion, the decisions made during the next few days will determine the extent of this country's home heating oil supply difficulties during the upcoming winter. Your decision with regard to whether mandatory allocation procedures are established will be the pivotal point on whether there will be home heating oil stocks hopefully sufficient to meet this winter's demand.

A gasoline shortage as it relates to the average consumer is a question of possible inconvenience resulting from the limited use of personal automobiles. Heating oil shortages, however, from a consumer's standpoint, brings into play such factors above and beyond convenience, such as, health and safety.

Under the present voluntary allocation program, the Federal government has the power to urge the petroleum industry but cannot require necessary action. If the refining segment does not shift its emphasis from gasoline production to heating oil production during the next two weeks, severe heating oil shortages will develop this winter. I base this statement on the following evidence.

In June of this year, Shell Oil Company prepared an excellent report entitled "The National Energy Problem—The Short-Term Supply Prospect". In this report, Shell Oil Company stated that: "It is easy to see that there is a real danger of fuel shortages next winter if for any reason output falters or consumption rises more than expected." The report goes on to state that demand for distillate oil east of the Rocky Mountains increased at the phenomenal rate of 10.2% in 1972 as compared to a 3.9% increase in demand for 1971. Distillate stock figures prepared by the American Petroleum Institute for the week ending June 29 show that on that date in 1971 total United States stocks for distillate fuel oil were 149.4 million barrels; on the same date in 1972, 129.3 million barrels; and for the week ending June 29, 1973, 139.0 million barrels. With regard to petroleum District I, the entire East Coast of the United States, stocks of distillate fuel oil on June 29, 1971 were 67.6 million barrels; for the same period in 1972, 50.7 million barrels; and on June 29, 1973, 52.2 million barrels.

It is obvious from these figures that unless immediate action is taken to increase home heating oil production that shortages of this essential product will develop this winter. As of June 29 of this year, total

United States stocks of distillate fuel oil were 10.4 million barrels less than at the same time in 1971 and during the last 24 months demand for this product has increased substantially.

In a recent statement issued by the President of Northeast Petroleum Industries, Inc. of Boston, Massachusetts, Mr. John Kanab, stated that the Northeast part of the United States faces a fuel oil catastrophe this winter unless refined products are allocated on a mandatory basis.

A recently released survey made by the Independent Fuel Terminal Operators Association which serves 25% of the consumers along the East Coast and 40% in New England shows that of a total distillate fuel oil storage capacity of 14 million barrels that this Association's members had on hand as of June 1, 1973 less than 1.1 million barrels of this product as compared to 3.1 million at the same time in 1971 and 1972.

I feel that unless corrective action is taken immediately a heating oil shortage of crippling magnitude will develop this winter. Only through the establishment of mandatory allocation procedures will the government be able to handle a situation of this proportion. The crucial problem is that each day of delay only makes my dire prediction that much more of a reality.

It will be impossible in October or November to take the actions necessary to avert serious shortages. Those actions must begin immediately and they must be of a mandatory rather than a voluntary nature. If the refining segment of the petroleum industry is not required before the first of August of this year to shift from maximum gasoline production to maximum distillate production the shortages that were experienced, particularly in the upper and far Midwest, last winter will be greatly magnified during the upcoming winter.

I urge that you immediately adopt and implement a mandatory petroleum product allocation procedure.

Sincerely,

THOMAS J. MCINTYRE,  
U.S. Senator, Chairman, Subcommittee  
on Financial Institutions.

THE WHITE HOUSE,  
Washington, August 28, 1973.  
Hon. THOMAS J. MCINTYRE,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR MCINTYRE: Thank you for your letter of July 17, 1973, concerning possible shortages of home heating oil in New England and recommending the adoption of a mandatory petroleum product allocation program. I regret that there has been some confusion in dealing with energy related correspondence since my appointment. I can assure you that I will endeavor to respond more promptly to your letters in the future.

I very seriously considered your letter as well as a number of other communications, both written and oral, with various members of Congress in making my decision not to adopt a mandatory fuel allocation program at this time. My decision was announced August 9, 1973, and I am enclosing a copy of my statement which provides a summary of our best estimates of the current supply situation as well as the rationale for not adopting a mandatory system at this time. Essentially, I did not believe that the supply situation warrants the degree of government intervention inherent in a mandatory program. I have studied a great number of mandatory programs in some depth and have concluded, contrary to what may be a popular misconception, that a mandatory system would be neither simple nor a panacea. I have very strong reservations that a mandatory system may actually worsen, rather than improve, this winter's fuel situation.

Although I am generally satisfied with the response of the oil industry in complying

with the general provisions of the voluntary allocations program and actually quite pleased with the increased domestic refinery production, I am extremely concerned about two issues. First, I am disturbed by what appears to be some regional imbalances in the availability of fuels, primarily in New England, but also in Missouri and in my home state of Colorado. Second, I consider it essential that we maintain a viable independent sector throughout the controlling industry.

I am attempting to make the voluntary allocation program work. I believe that virtually all companies in the petroleum industry can and will act in a responsible way to meet regional needs and to distribute available supplies equitably among all historical purchasers. I am working vigorously at this time, with other members of the administration to achieve these goals within the framework of the voluntary allocations system.

I sincerely appreciate your great concern for your constituents, and for a number of hard working business men who have had difficulties in obtaining adequate supplies of fuel. As you can imagine, I too, was faced with the same types of problems as recently as a month ago in Colorado. Whereas I recognize that you may not agree with my decision at this time, I ask at least for your continued patience as I attempt to achieve the goals to which we all subscribe. I have developed and published a mandatory petroleum products allocations procedure and am pursuing efforts to further develop this program. Should implementation of a mandatory program be necessary, I will be prepared to act expeditiously.

Sincerely,

JOHN A. LOVE,  
Assistant to the President.

U.S. SENATE, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS,

Washington, D.C., July 24, 1973.

Re Proposed Phase IV Docket: Comments on 6 CFR Part 150, Subpart L Petroleum and Petroleum Products.

Dr. JOHN T. DUNLOP,  
Director, Cost of Living Council,  
Washington, D.C.

DEAR DR. DUNLOP: The Administration's decision on July 18, 1973 in establishing Phase IV before the end of the current freeze was a commendable action and hopefully will accomplish the desired results of establishing a sound national economic policy.

I particularly applaud the Cost of Living Council's decision to require ceiling prices and octane ratings to be posted on gasoline pumps. This allays concerns that I expressed to you in earlier correspondence regarding the lowering of octane by oil companies without corresponding price decreases or disclosure.

I do have serious reservations, however, regarding the proposed rules that your agency has released for comment with regard to the pricing of gasoline, heating oil, and diesel fuel at the marketing level. Under the proposed Phase IV petroleum product regulations, as I understand them, gasoline and heating oil wholesalers and retailers would be permitted to sell these products based on their costs as of August 12, 1973, plus their actual dollar for dollar mark-up, applied to that product on January 10, 1973. At the same time, the COLC has proposed that crude oil producers and refiners would base their prices as of May 15, 1973. Furthermore, lease arrangements between a refiner and a retailer would be established on the terms and conditions as of May 1973.

While I am sure that we all have the same desire to control present inflationary pressures, I am concerned that the proposed petroleum product rules will severely discriminate against the marketing segment of

the petroleum industry and, in the long run, work to the detriment of the consumer rather than to his benefit. I base this observation on the following:

By using separate base period dates for separate segments of the industry, the result will be that the marketing segment of the petroleum industry will be called upon to absorb substantial price increases for their product while, at the same time, denied the opportunity to increase their mark-up margins.

From the period between January 10 and May 15, there were substantial price increases at all levels within the industry on the three products on which the COLC has imposed price controls. Hearings held by this Committee on May 5-11 clearly established the fact that prices on gasoline, heating oil, and diesel fuel were being increased by as much as 30% over the previous year. The problem with the proposed rule, as I see it, is that by holding the mark-up margin to a January date but allowing increased costs at the production and the refining levels to be passed on at the marketing level, is that the marketer is being called upon to carry a disproportionate share of the burden.

I find it difficult to understand why the COLC has chosen to treat the marketing segment of the industry differently from the other two, mainly production and refining. The ultimate effect of this is that the marketing segment of the industry must absorb any cost increase above the August 12, 1973 price level with the result that increased costs will reduce their profit margin.

When you couple this with the present supply situation regarding the three products covered under the proposed rule, the independent marketing segment of the industry will be singled out in a manner that will make it difficult if not impossible to remain in business.

As you well know, during the past several months, there have been serious supply problems with regard to heating oil, gasoline, and diesel fuel. By imposing a January profit margin rule to companies who, at the same time, cannot obtain supplies of these products will obviously force these companies to discontinue business. This, I find, is in conflict with the attempts that Congress and other Federal regulatory agencies are currently undertaking in assuring a meaningful level of competition in the marketing segment of the petroleum industry.

A recently released Federal Trade Commission staff study on the petroleum industry demonstrates that the major integrated companies have an oligopolistic grasp on the industry and are now reaping the benefits of high profits.

The proposed COLC rules, in my opinion, will only encourage further economic concentration by major integrated firms and exacerbate the problems the independent marketers are having at the present time. Thousands of these marketers have been forced to either suspend operations or go out of business because of their inability to obtain adequate supplies.

I strongly urge you to reconsider the impact that your proposed rule will have on competition in the marketing segments of the industry.

I am also writing to the Federal Trade Commission, asking that they conduct a study on the impact that the Cost of Living Council's regulations will have on the marketing segment of the petroleum industry with particular emphasis on possible antitrust implications.

Your assistance in this matter will be most appreciated.

Sincerely,

THOMAS J. MCINTYRE,  
U.S. Senate, Chairman, Subcommittee on Financial Institutions.

CXIX—1821—Part 22

U.S. SENATE,  
COMMITTEE ON BANKING,  
HOUSING AND URBAN AFFAIRS,  
Washington, D.C. July 24, 1973.

HON. LEWIS A. ENGMAN,  
Chairman, Federal Trade Commission,  
Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the Cost of Living Council has recently submitted proposed Phase IV regulations to the public for comment. A portion of these regulations control the cost of crude oil and petroleum products.

Specifically, these regulations call for price controls on gasoline, heating oil, and diesel prices as of August 12, 1973 with a mark-up margin equivalent to that for January 10, 1973. In addition to this, these regulations also permit crude oil producers and refiners to pass through their increased costs of operation to the retailer whose mark-up margin is fixed. The impact of these rules, therefore, will be to reduce the profit margin of the marketing segment of the industry. It is obvious that those who will be hardest hit will be the independent wholesaler and retailer whose profit margins are usually 2 to 3 cents lower than the major branded companies. Indeed, the Cost of Living Council guidelines seem to have the net effect of putting these small independents out of business, thereby increasing the market share of the large integrated companies in the wholesale and retail markets.

As the Federal Trade Commission has already demonstrated in its July 2, 1973 staff study on the petroleum industry, the majors have secured an oligopolistic grasp on the free market and are now reaping the benefits of high profits. Nevertheless, instead of trying to stop this trend towards further economic concentration by the integrated companies, the Cost of Living Council regulations regarding petroleum appear to actually encourage further domination by the majors in the marketing segment of the industry.

Consequently, I formally request that the Federal Trade Commission initiate a study of the probable impact of the Cost of Living Council regulations on the marketing segment of the oil industry and submit your findings to me no later than July 31, 1973. Your assistance on this matter will be most appreciated.

Sincerely,

THOMAS J. MCINTYRE,  
U.S. Senate, Chairman, Subcommittee on Financial Institutions.

FEDERAL TRADE COMMISSION,  
Washington, D.C., August 9, 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 letter of July 24, 1973.

Upon receipt of your letter our staff began discussions with staff members from the Cost of Living Council regarding the impact of proposed Phase IV regulations on independent petroleum marketers. I am advised by my staff that these discussions have borne fruit and that the Cost of Living Council staff has been extremely cooperative. In that connection, I am enclosing a copy of a letter from Mr. Halverson to Mr. Charles Owens for your information.

I am also sending you a copy of an FTC staff Report on this subject. The report, of course, does not represent the views of the Federal Trade Commission. I am advised, however, that the Cost of Living Council staff is giving full consideration to the points raised by the FTC staff Report.

Thank you for your interest in this matter.  
Sincerely,

LEWIS A. ENGMAN,  
Chairman.

FEDERAL TRADE COMMISSION,  
Washington, D.C., August 8, 1973.

MR. CHARLES OWENS,  
Special Consultant to the Director, Cost of Living Council, Washington, D.C.

DEAR MR. OWENS: Thank you for your courtesy in discussing the problem areas which we have indicated to you and your staff with respect to the effect of Phase IV on competition in the petroleum industry. From our discussion today, I understand that substantial changes have been made in those aspects of the Phase IV program which relate to the petroleum industry and which were originally announced in the document issued on July 19, 1973, by the Cost of Living Council. The changes which you have made in the program go a long way toward alleviating problems identified by our staff to your staff.

Nevertheless, for your information, I am enclosing a copy of a report on the effect of the proposed Phase IV regulations on the petroleum industry prepared by the staff of the Federal Trade Commission. As you know, this report was prepared on the basis of review of the July 19 announcement and before we were told by you of substantial changes in the program relating to the petroleum industry.

I am thankful to you and your staff for your cooperation.

The enclosed report does not constitute an official statement by the Commission, but is merely a staff position. Because Senator McIntyre first asked that the Commission's staff look into this matter, we are sending a copy of this report to him.

Very truly yours,  
JAMES T. HALVERSON,  
Director, Bureau of Competition.

REPORT ON THE EFFECT OF PHASE IV REGULATIONS ON THE PETROLEUM INDUSTRY  
(By the staff of the Federal Trade Commission, August 6, 1973)

The Cost of Living Council's (CLC) Phase IV regulations are scheduled to go into effect on August 12, 1973. The purpose of this report is to assess the likely impact of these regulations on the continued competitive viability of the independent sector of the petroleum industry, with particular attention being directed toward gasoline retailing.

#### I. PHASE IV REGULATIONS FOR PETROLEUM PRODUCTS

Prices at four different levels of petroleum production are to be regulated: domestic crude production; manufacturing (refining); resellers (wholesalers); and retailers. Domestic crude will have a ceiling price equal to its May 15, 1973, price.<sup>1</sup> The base price of refined products is the price charged on May 15, 1973.<sup>2</sup> Wholesalers are allowed to pass on actual inventory costs, plus the actual markup as of January 10, 1973.<sup>3</sup> Retailers will have a ceiling price equal to "the actual price paid by the seller for the product sold . . . on August 12, 1973, plus the actual markup applied by the seller . . . on January 10, 1973 . . .".<sup>4</sup>

The foregoing regulations are designed to restrict price increases. Since the nation is experiencing a petroleum shortage, an incentive plan has been constructed to induce output increases. The "Special Release Rule" is comprised of two parts which (1) frees "new crude petroleum" from the ceiling price, and (2) for each barrel of "new" oil produced, a barrel of "old" oil is also freed from the controls.<sup>5</sup> Oil in both these categories may be sold "without regard to the ceiling price," i.e., at free market prices.<sup>6</sup> Clearly, there will be two prices in the same market at the same time. Very strong incentives exist on the part of crude producers to generate "new" oil, perhaps at the expense of "old" oil.

Footnotes at end of article.

## II. THE LIKELY EFFECTS OF THE CLC PHASE IV REGULATIONS

In the view of the staff of the Federal Trade Commission, given the information currently available, there are several problems with the proposed Phase IV regulations. Particularly severe difficulties may exist for the independent gasoline retailer if certain conditions exist. The root of the problem for the retailers appears to be the January 10, 1973 rollback date. Comments from independent gasoline retailers in certain areas have been received from the FTC staff, arguing that the retailers were embroiled in price wars during January, and that the January 10 date provides them with particularly small margins.

Whether or not price wars existed in January 1973, depends on definition. One of the commenters to the CLC defined "price war" as a situation where . . . suppliers (major companies or perhaps wholesalers) are giving voluntary rebates to their retail distributors. As an example, suppose a retailer buys directly from the major company, and the retailer's January 10 cost was \$.35 per gallon. With a retail price of \$.37 per gallon, the ostensible markup is \$.02. If the major company were underwriting the "price war" with a voluntary rebate of \$.05 per gallon, then the true markup is really \$.07 per gallon. That is, without the rebate from the parent company, the retailer would not offer the price of \$.37. If the majors reduce the price of branded gasoline, the independent must cut prices also to remain competitive. If the CLC counts the "markup" as just \$.02 in this case, then a large segment of the retailing industry could be in trouble.

Setting aside the definition problem, there are several other reasons for suspecting that "price wars" were prevalent during January 1973. Ignoring for the present the various phases of the Economic Stabilization Program, demand for gasoline is typically down during January.<sup>8</sup> It is possible, although by no means proven, that price wars are more common during January because of the demand decrease. Further, if seasonal demands do influence markups, then whole groups of service stations in different geographic areas will have different margins. Freezing margins which exist in one month over all months seems risky.

The Economic Stabilization Program itself may have led to price cuts in January 1973. When Phase I froze prices on August 15, 1971, it caught fuel oil at a seasonal low and gasoline at a seasonal high. Though Phase II, refineries responded to the relative fuel oil-gasoline price difference and produced larger than usual quantities of gasoline. This actively, coupled with the environmentally provoked switch from coal to oil by public utility companies, contributed to the fuel oil shortages of the past winter. When public pressure forced an increase of fuel oil production, gasoline output was cut, and this contributed to the present gasoline shortage.

The relevance of this is that in January 1973, gasoline may still have been in its surplus stage, and some major refiners could have been giving discounts to move the output, causing markups per gallon to be relatively low. Forcing retailers to sell all year long at lowest seasonal markups will undoubtedly reduce their numbers, with a disproportionate decline likely to occur among the independents. That is, the position of the independent seller is particularly precarious for cash flow reasons. The January margins were established on the premise of unlimited supplies. The August margins reflect the new reality of restricted allocations. The low margins of January coupled with the restricted supplies of August and thereafter will produce substantial problems for the retailer. Low margins on a small volume will not generate sufficient cash to meet fixed, contractual obligations, i.e., mortgage payments or rent.

It should be noted here that the major oil companies have a way of insulating their dealers from the profit squeeze. In many instances, the parent company owns the property and leases it to dealer. The rents are frequently expressed in terms of a number of cents per gallon of gasoline sold. By reducing this fee, the major companies would, in effect, be increasing the branded dealers' margin without violating the CLC regulations. The independent dealers have no such cushion, and theirs is simply a cash flow problem.

In general, the CLC appears to be repeating the same mistake in Phase IV that was made in Phases I and II with respect to the necessary seasonal price changes. While section 151.203 allows for seasonal patterns, Subpart L—Petroleum and Petroleum Products states that "to the extent this subpart may be inconsistent with other provisions in this part, the provisions in this subpart govern." Consequently, it is not clear whether or not petroleum prices will be allowed to fluctuate. Furthermore, even if they are allowed seasonal adjustments, the adjustment "may not take place at a time other than the time at which the fluctuation took place in the preceding year . . ." (Section 151.203). Since the relative prices were maladjusted in "the previous year" (i.e., 1972), it is certainly not clear how the new regulations can prevent a new heating oil shortage this coming winter and quite possibly another gasoline shortage in the summer of 1974.

In addition to the above difficulties, there is still another problem faced by the retailers. While their selling prices are pinned at a ceiling, their costs will undoubtedly rise. The CLC program has specifically built in price increases of refined gasoline through the new vs. old oil pricing system and the allowed cost pass-throughs for refiners and wholesalers. Retailers, however, are not allowed to pass along cost increases. Over time, as costs increase, retailing profits will be further depressed.

While the CLC intends to periodically increase the retail price of gasoline to reflect the increased costs, the independent retailer may not survive the interval. If the period between adjustments is short, then damage could be minimized. If the adjustments do come quickly, and if they do fully reflect the increased crude oil prices, then one wonders why we have a price control program at all. In order for the CLC program to actually hold down gasoline prices, it appears likely that retail price adjustments will be both infrequent and incomplete. If either of these outcomes actually occurs, then many independent retailers may disappear from the market.

The view of the Federal Trade Commission Staff is that the Cost of Living Council is gambling that the January 10, 1973, retail gasoline markups are sufficiently high to give reasonable assurance of the continued viability of the independent sector. There are sufficient reasons to believe, despite the absence of hard data, that abnormally low markups may have been prevalent during January 1973. Freezing gasoline retail markups to their January 10, 1973 levels will impose harsh pressure on profits and may severely and permanently damage the most significant source of competition in the gasoline retailing business—the independents.

Gasoline wholesalers will be faced with essentially the same markup problems as the retailers. If January 1973 was in fact a period of depressed margins at the retail level, then margins were also depressed at wholesale. Wholesaler's profits will be reduced and they, too, may encounter a cash-flow problem.

Wholesalers are allowed to pass on "the actual cost of the particular inventory of product being resold. . . ." This aspect of the program removes much of the wholesaler's incentive to seek out the cheapest supplies. Whether he buys expensive gas or in-

expensive gas, the program allows him to pass on the full cost. His margin per gallon remains the same. His only incentive to be an "efficient" wholesaler is to avoid pricing his buyers out of their markets. If independent wholesalers start buying the most conveniently available gasoline, instead of the cheapest, then even greater cost pressure will be exerted in the independent retailers. Only if the wholesaler loses customers (i.e., retailers) he cannot replace will he have an incentive to search the market for the best deal. After the customers are lost, it may be too late.

Timing and profit incentive problems also exist with respect to the importation of foreign petroleum products. Foreign product prices are currently higher than domestic prices (by 6¢ per gallon or more), and to the degree that the CLC is successful in holding down domestic prices, the importation of foreign products will be even less likely.

Therefore, the opportunity of relieving the domestic shortage with foreign imports will be gone. The CLC regulations allow the importation of gasoline and fuel oil, but because of the relatively high prices, there is no incentive to do so. No wholesaler will be able to sell foreign gasoline which cost him \$.40 per gallon if the pump price is frozen at \$.37. Unless domestic prices are allowed to rise to the world level, the shortage cannot be alleviated by resort to importation and independent marketers who have been most seriously affected by the shortage will be unable to increase volumes by turning to foreign supply sources.

Independent refiners may also be adversely affected by the CLC regulations because the existence of two prices will encourage shifts from "old" to "new" oil production. Crude producers should be expected to employ every stratagem they can develop to have as much oil as possible fall into the "new" category. Independent refineries, over time, may find themselves buying very substantial quantities of new oil.

In addition, if a mandatory oil allocation program is enacted the basic aim of such legislation is likely to involve a redirection of oil and refined products from the major producers to the independents. Such a mandatory program will not be able to accomplish its goals if the independent retailers are forced to close due to abnormally low margins. This is, the CLC regulations, with their enforced low margins, may defeat the heart of a mandatory program. By the time refined gasoline is available for distribution through the independent network, the number of retail outlets may be rapidly shrinking.

## III. CONCLUSION

The economy currently faces a petroleum shortage at existing prices. There is no reason to believe the shortage will not be alleviated by allowing prices to move toward their equilibrium levels.

A recent estimate of the elasticity of demand for gasoline, done by Hendrik Houthakker for the Brookings Institute suggests that the decrease in the quantity demanded resulting from a small price increase is larger than was previously thought. Houthakker's short-run demand elasticity estimate is .43, implying that a rise of only \$.03 to \$.04 per gallon may eliminate the shortage even if one hypothesizes no short-run supply adjustments. The CLC, in contrast, operates on an assumption of a very low demand elasticity.

In addition, the CLC tends to ignore the supply elasticity which is unfortunate because the chief supply response in the short-run would be from imports. Thus, the CLC believes that it would be necessary for gasoline prices to more than double in order to clear the market.

The Cost of Living Council has been given the responsibility of dealing with the economy's current severe inflation. In order to both dampen price increases and deal with

the petroleum shortage at the same time, an elaborate program has been proposed to limit the increases of retail prices while encouraging the production of more petroleum. The FTC Staff's view is that this is a very difficult if not impossible task. We believe that the regulations promulgated by the CLC may hamper and reduce the independent sector of the petroleum industry. We recommend that the greatest care be taken in setting gasoline retailer's markups and that the price should be allowed to rise to a level which permits the importation of significant quantities of gasoline. Further, we recommend that any system adopted permit independent retailers to reflect their superior distributing efficiency through price levels which are lower than those charged by the majors. A system which forces independents to charge the same price as majors threatens the viability of independents and denies those firms their chief competitive weapon, i.e., the ability to sell gasoline at lower prices than their unbranded rivals.

It would be unfortunate if in the process of protecting American consumers from the hardships of rapid inflation, measures were adopted that inadvertently endangered the competitive viability of the vital petroleum industry.

## FOOTNOTES

<sup>1</sup> Section 150.358 specified that "the ceiling price for a particular grade of domestic crude petroleum in a particular field is the highest posted price at 7:00 a.m., e.d.t., May 15, 1973 for that grade of petroleum at that field. . . ."

<sup>2</sup> See Phase IV Announcement, July 19, 1973, p. 73.

<sup>3</sup> Section 150.355 specified that "No reseller of a product to which this section applies may charge a price in excess of the actual cost of the particular inventory of product being resold plus the actual markup the reseller applied to that product on January 10, 1973."

<sup>4</sup> Phase IV Announcement, July 19, 1973, section 150.358, p. 73.

<sup>5</sup> New crude petroleum is defined in section 150.354 of the *Phase IV Announcement* as "the total number of barrels of domestic crude petroleum produced from a leased or owned property in a specific month less the base production control level for that property." The base production control level is defined as, in general, the level of production for a particular property in the same month of 1972.

<sup>6</sup> All "new" oil is sold separately in a free market. All "old" oil is sold at a single, and presumably lower, price which equals the weighted average of the May 15, 1971 ceiling price for the regulated oil and the free market price for the deregulated oil. See *Phase IV Announcement*.

<sup>7</sup> The example is over-simplified in that price reductions are usually not fully supported for the retailer. Generally, for each \$.01 decline in the retail price, the retailer is subsidized by \$.006 to \$.008 per gallon by the parent company.

<sup>8</sup> See *The Oil Daily*, July 23, 1973, p. 18.

<sup>9</sup> Section 150.355, *Phase IV Announcement*, July 19, 1973, p. 72.

the United States must not permit itself to be blackmailed by these threats, at the same time it must develop new energy sources.

My own recent discussions abroad with European government and oil industry officials reinforce Mr. Rowen's conclusions.

Some major oil companies, who are seeking to panic this country into unwise changes in policy would be well advised, in Rowen's words, to "play it cool."

There is a growing awareness among many observers that the United States is not entirely helpless in dealing with these problems.

I ask unanimous consent that the article, "Arab Oil Threats Need Calm U.S. Response," be printed in the RECORD.

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

## ARAB OIL THREATS NEED CALM U.S. RESPONSE

(By Hobart Rowen)

If the Nixon administration doesn't watch out, it will stumble needlessly into making Israel the scapegoat for the prospective shortage of oil in the years ahead.

Increasing American dependence on Middle East oil, and hopes that Saudi Arabian production can be stepped up from 9 million barrels a day to 20 million barrels a day, have clearly given the Arab states a powerful new weapon in bargaining with their oil customers.

But this government should not let Saudi Arabia blackmail the U.S. into a sudden change of posture on the Arab-Israeli conflict.

The fact is that there is no real connection between the energy crisis and the Middle East conflict between Arabs and Jews. As Assistant Secretary of State Joseph Sisco observed, these "constitute in fact two separate sets of problems, each of which should be viewed primarily in its own context."

But the Arab countries, acting for themselves—and using the public relations power of their American oil company partners, are turning on the heat.

King Faisal of Saudi Arabia publicly responded to Sisco in a July 5 interview with Washington Post correspondent Jim Hoagland, in which he said that if American support of Israel continues as it is, the Saudis would find it "difficult" to cooperate with the United States.

Hoagland said Faisal's remarks were intended to underscore suggestions made by his petroleum minister, Sheik Yamani, that Saudi Arabia might be compelled to keep its oil in the ground because of rising Arab resentment over America's pro-Israel policy.

But how serious is such a threat? Nothing could be more confused or confusing than the complicated politics of the oil-rich Arabian Peninsula-Persian Gulf area. Thus, Prince Saud el Faisal of the Saudi oil ministry admitted to a Beirut editor last week that cutting off oil to the U.S. was unlikely to hurt America until the late 1970s.

But the King and the Prince, according to the Beirut report, are willing to use some of their huge oil revenues for a \$1.2 billion program to re-arm the Egyptian air force, with Kuwait, Abu Dhabi and Qatar putting up the rest.

The threat conveyed to Hoagland, thus, is that if the U.S. doesn't change its Israeli policy, it won't get all the oil it wants. The refinement suggested in Beirut is that money from oil sales to the U.S. would be devoted to strengthening Arab arms for the ultimate victory over Israel.

The problem is how best to react to threats of this kind, and many read into the design-

nation of James E. Akins as the new U.S. ambassador to Saudi Arabia a shift in American political and military support for Israel. In "Foreign Affairs" for April, Akins said that because of U.S. "vulnerability," the Arabs' threat "to use oil as a political weapon must be taken seriously."

The first and proper response should be a massive effort to develop new energy sources—oil from shale, the use of abundant low-sulfur coal, atomic and solar energy.

Gov. John Love, the head of the new energy office, told a group of Washington Post editors recently: "I don't think there's any doubt that we'd be in a better bargaining position (with the Saudis) if we developed our own sources of energy."

Looking at the situation realistically, both Love and his oil expert, Charles DiBona, doubt that the U.S. will ever get as much oil as it might like to have out of Saudi Arabia.

"I find imports of \$25 to \$35 billion (projected for 1980) impossible to accept," Love said. "There are sound economic reasons for the Saudis to say oil is better in the ground, apart from what Faisal says about Zionism. . . . For many reasons, we have to take a closer look at what we must do to make it to their advantage (to export oil to us) and we need a greater sense of urgency in finding different sources."

It is clear to DiBona and other Middle East watchers that with or without Israel there would be a Middle East oil problem. And in fact, as DiBona points out, without Israel, it might be a much less stable area than it is.

The "sound economic reasons" for Saudi reluctance to increase oil production relate to the problems of what an economy still in a near-feudal state can do with all of its oil revenue. And like other big producing countries, the Saudis recognize that their reserves are not limitless.

As the Wall Street Journal observed in a perceptive editorial Aug. 21, "the idea that to crush Israel they (the Arab nations) would ignore their economic interests, or would turn charitable if Israel were sacrificed, strikes us as a view tinged with romanticism which has so often fogged the Western view of the Middle East."

In all probability, much of the Saudi Arabian rhetoric is intended to satisfy radical and militant pressures internally and from other Arab states.

In the long run, as Prof. Oded Remba of the Staten Island Community Center pointed out in a letter to the New York Times, the Saudis will need the friendship of the United States if Soviet influence grows in neighboring lands.

So there is little reason for the U.S. to panic. Playing it cool would suggest that the U.S. try to help the Saudis to find ways of investing their cash other than the Egyptian air force. It suggests, as well, a big push behind research and development for alternate energy sources—and a willingness to follow Love's recommendations for serious curbs on energy usage here, especially by big cars.

And for those who complain that development of oil from shale, or energy from the atom or from the sun is too far off, one might recollect what France's Marshal Lyautey is supposed to have told his gardener, who argued against planting a new tree, because it wouldn't flower for 100 years.

"In that case," Marshal Lyautey said, "plant it this afternoon."

## ARAB OIL THREATS NEED CALM U.S. RESPONSE

Mr. RIBICOFF. Mr. President, the possible effects of the energy crisis on U.S. foreign policy in the Middle East have generated comment recently. However, many commentators over simplify what is a very complex subject, and miss the nub of the issue. This is not the case with Hobart Rowen's perceptive article in Sunday's Washington Post calling for a calm U.S. response to Arab oil threats. Mr. Rowen warns that while

## FRENCH NUCLEAR TESTING

Mr. HARTKE. Mr. President, on the 2d of August 1973, I introduced Senate Resolution 155 calling upon this distinguished body to express its consensus that the President of the United States should strongly condemn the Govern-

ment of France for atmospheric nuclear testing in the Pacific Ocean irrespective of and without regard for the countries and the peoples of that area. I expressed the need for expeditious handling of that resolution, as it was speculated that France would detonate another nuclear device in the early part of September.

We did not act with sufficient expedition. On August 19, 1973, while the Senate was recessed, France detonated their third in an unknown series of nuclear devices in defiance of law and morality in the words of Australian Prime Minister Gough Whitlam, without the slightest protest from the U.S. Government. This senseless disregard for the lives, liberty, and the pursuit of happiness, by the Government of France, for the countries and the peoples of the Pacific Ocean, is unbefitting a major nation of the free world.

Mr. President, I call upon my distinguished colleagues of the Committee on Foreign Relations to report my resolution to the floor of the Senate for debate, and hopefully passage. This is the very least we can do for the millions of people throughout that area of the world who are defenseless against the dangers of radioactive contamination.

Mr. President, I ask unanimous consent that an article appearing in the August 20, 1973, Washington Post be printed in the RECORD.

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

**FRANCE IS DENOUNCED FOR THIRD ATOMIC TEST**

CANBERRA, August 19—Australian Prime Minister Gough Whitlam denounced a reported French atmospheric nuclear test today—the third since July—as a "defiance of law and morality."

The New Zealand government said France exploded a nuclear device over the Muro-rra Atoll, 720 miles southeast of Papeete, Tahiti. Prime Minister Norman Kirk said that "all New Zealanders will deeply regret this news."

The French radio in Paris quoted New Zealand reports indicating the force of the explosion was between 5 and 10 kilotons—the equivalent of between 5,000 and 10,000 tons of dynamite.

The reported small force of today's explosion indicated the French army had again tested the trigger for a hydrogen bomb.

There was no official information from the French government on today's test. France has refused all official comment on its current series of nuclear tests which have generated intense controversy in South Pacific nations worried about radioactive fallout.

"The previous French tests attracted worldwide opposition," Whitlam said. "I am sure that this latest test will be equally condemned. The Australian government will take all appropriate steps to bring to a halt these dangerous experiments which are carried out in defiance of law and morality."

In Tokyo, the Japan Council against Atomic and Hydrogen Bombs charged the tests were in defiance of a ruling of the International Court of Justice and international public opinion.

Mayor Setsuo Yamada of Hiroshima cabled a protest to French President Georges Pompidou. Mayor Yoshitake Morotani of Nagasaki was expected to follow suit.

**ACTION TO PROVIDE ADEQUATE PROPANE AND NATURAL GAS FOR CROP DRYING**

Mr. HUMPHREY. Mr. President, the grave possibility of a shortage in the availability for crop drying of propane and natural gas became apparent early in August, during the congressional recess.

Following discussions with Minnesota farmers who would be affected, I urged Energy Office Director John A. Love and the Secretary of Agriculture Earl Butz to participate in immediate discussions to arrive at a firm decision on the priority and the allocations of propane for crop drying.

I earlier appealed to Governor Love for appropriate Federal action to see that this shortage in the availability of propane in particular did not occur. On August 7, I had written on an urgent basis requesting a survey of the needs for and supply available of propane gas used for the drying of corn and soybeans.

My second appeal to Governor Love and Secretary Butz, of August 16, followed the receipt of an interim reply to my earlier letter which I rejected as wholly inadequate attention to this serious problem.

I appealed to these officials to recognize the seriousness of this problem for farmers and, ultimately, for consumers who will pay higher prices if propane and natural gas is not available to dry grain.

In particular, I urged the establishment of a mandatory allocations system for propane as well as other fuels so that the high priority energy needs of this country are met. The drying of crops is clearly one of these high priority needs. I pointed out that the administration's delay in establishing a mandatory allocations system will be directly responsible for the loss of millions of bushels of badly needed corn and soybeans.

I wish to share with my colleagues my correspondence with the officials mentioned and a recent telegram reply indicating that a mandatory allocations system for propane is being established.

The proposed rules on mandatory allocation of propane are subject to hearings today, in Washington, D.C., by the Office of Oil and Gas, Department of the Interior.

According to the statement of the Office of Oil and Gas, under the proposal, all propane suppliers would be required to provide for the needs of priority customers, namely those who used propane for agriculture production, food processing, residential cooking and heating, mass transit and the housing of medical and nursing patients, before selling to nonpriority customers. Authority for the proposed programs stems from section 203(a)(3) of the Economic Stabilization Act of 1970.

I will be watching with great care the hearings today and subsequent efforts to implement this allocation policy.

Mr. President, I also noted in the St. Paul Dispatch of Wednesday, September 5, the encouraging report that the Northern Natural Gas Co. has filed an application with the FPC to provide a high priority status for gas utilized by

its utility customers in drying of seed, grain and other crops.

This action should also be of assistance in making sure that the fuels needed for the drying of crops are available to farmers in sufficient quantity and at the right time.

Mr. President, I ask unanimous consent to print in the CONGRESSIONAL RECORD copies of my letters of August 16 to Governor Love and Secretary Butz, my letter to Governor Love of August 7, the report of Governor Love's office of August 15 under cover of a letter signed by Charles J. DiBona, Governor Love's telegram to me of August 31, 1973, and the article from the St. Paul Dispatch of September 5.

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

AUGUST 16, 1973.

Hon. JOHN A. LOVE,  
Assistant to the President, The White House,  
Washington, D.C.

DEAR GOVERNOR LOVE: On August 7th I wrote to you on an urgent basis requesting a survey of the needs for and supply available of propane gas used for the drying of crops, particularly newly harvested corn and soybeans.

I have received, under cover of a letter of transmittal signed by Mr. DiBona and dated August 15th, what purports to be an interim response to my request.

I respectfully suggest that this report does not at all meet the concerns I have expressed to you about the shortage of propane for the drying of crops. In fact, it contains neither any specific information about the availability or shortage in propane for the drying of crops, nor any indication that the study I requested is underway.

I recognize that the use of propane for the drying of crops constitutes a small percentage of the overall nation-wide use of propane, but I submit that this use is of the highest priority.

The situation is grave. Again today, I have been in touch with the Minnesota Director of Civil Defense. He reported that in Southwest Minnesota there is a definite shortage of at least 40% in the propane needed to dry crops. The production in these areas of soybeans and corn is up 30 percent over last year, but not even the supplies of propane available last year are available now.

My office is beginning to receive urgent calls from farmers who are being advised that they can have less than half the propane they need, or none at all.

I am sharing this letter with the Secretary of Agriculture along with a special request to him that he participate in immediate discussions with you to arrive at a firm decision on the priority and allocations of propane for crop drying.

Again, as I did in my letter to you of August 7, I request that your office make an immediate determination—by area and each weekly time period during the crop drying season of: (a) the demand for propane or other fuel for crop drying, and (b) the amount and location of the supplies of this fuel available for crop drying.

Moreover, I again urge your leadership in the establishment of a mandatory fuels allocation system, particularly for fuel oil, diesel oil and propane gas.

It is now clear that Administration delay in establishing a mandatory allocation system for fuels is going to result in severe damage to high priority needs of this country. The drying of crops is clearly one of these needs. In other words, the Administration's delay in establishing a mandatory allocation system will be directly responsible for the

loss of millions of bushels of sorely needed corn and soybeans because the propane needed to dry them is not made available.

I have asked the Office of Oil and Gas to seek action by major oil companies under present programs to direct to these propane short areas some of the priority-uses reserve of propane. But there is very little hope this will meet our needs.

In summary, I appeal to you to recognize the seriousness of this problem for farmers and, ultimately, for consumers who will face higher prices if the propane is not there to dry the grain. We need immediate information and action. I look forward to receiving assurances from you that the request I have made for the survey of propane needs and supply is underway.

Sincerely,

HUBERT H. HUMPHREY.

AUGUST 16, 1973.

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

DEAR MR. SECRETARY: I wish to share with you a copy of my letter of today to Governor Love concerning the shortage in propane gas for the drying of corn and soybeans.

I respectfully urge you to participate in immediate discussions with him to arrive at a firm decision on the priority and the allocations of propane for crop drying.

I know you share my concern, and I look forward to your response.

Sincerely,

HUBERT H. HUMPHREY.

AUGUST 7, 1973.

Gov. JOHN A. LOVE,  
Assistant to the President, The White House,  
Washington, D.C.

DEAR GOVERNOR LOVE: There is deep concern in the Midwest over the possibility of a critical propane and fuel oil shortage which could have a serious effect upon the supply of newly harvested corn and soybeans.

The Minnesota Civil Defense Director, James Erschul, has stated recently that Minnesota farmers will face a shortage of propane gas necessary for the drying of these crops by over 50 percent. In other words, it is estimated that farmers will have available less than 50 percent of last year's supply of propane, despite the fact that substantial additional acreage has been planted this year, which of course means a greater supply of corn and soybeans.

I respectfully request that your office make an immediate determination—by area and each weekly time period during the crop drying season of a) the demand for the fuel oil and/or propane to be used for crop drying purposes; and b) the available supplies of this fuel.

I recommend that your survey include consultation with the Governors, the Civil Defense Directors and the Commissioners of Agriculture in the Midwestern states, as well as with responsible officials of the U.S. Department of Agriculture and the Office of Oil and Gas.

The situation is sufficiently critical to demand your immediate attention. I request that your report of this information be forwarded to me, in my capacity as Chairman of the Consumer Economics Subcommittee of the Joint Economic Committee and also as a member of the Senate Committee on Agriculture and Forestry. If your report will take more than 10 days, I would like to have an interim report not later than August 15th.

I further request that, if significant shortage of this fuel for crop drying is confirmed, you advise me of the steps being taken by the Federal Government to see that the fuels needed are allocated to fully meet the

needs of the corn and soybeans farmers and dryers.

Sincerely,

HUBERT H. HUMPHREY.

THE WHITE HOUSE,  
Washington, D.C., August 15, 1973.  
Hon. H. HUMPHREY,  
U.S. Senator, Russell Senate Office Building,  
Washington, D.C.

DEAR SENATOR HUMPHREY: As you requested in your letter of August 7 to Governor Love, the enclosed report on the propane situation is for your perusal.

This is an interim report, and we are continuing to work on the problem. We will, of course, keep you posted.

I hope this will be helpful to you.

Sincerely,

CHARLES J. DiBONA,  
Special Consultant to the President.

#### PROPANE

The term "LPG" is an abbreviation of "liquefied petroleum gases." LPG covers a variety of petroleum products with similar chemical and physical characteristics but which are also different in many ways. The two principal gases of the LPG family are propane and butane. These are the only LP-Gases that are marketed at retail for use by the fuel-consuming public. They can be sold and used separately or as mixes.

Sales of butane are only about one-sixth as great as those of propane, and about 85% of butane sales are for the manufacture of chemicals and synthetic rubber. Mixes comprise only about 7% of LPG sales.

Discussion beyond this point relates to propane only.

Propane product specifications, set by the industry, limit the volume of other gases that may be present in a propane gas stream. There are two general propane specifications. "HD-5" is designed primarily for motor fuel use but can be used for other purposes as well. It must consist of at least 90% propane and not more than 5% propylene. "Commercial" propane permits larger volumes of other gases in the gas stream. Both must be free of contaminants. Somewhat broader specifications could increase the supply of propane by a modest amount. Implications of such a change are being explored with industry.

#### SOURCES OF SUPPLY

About 70% of U.S. domestic supply of propane is derived from natural gas, which is processed in some 850 gas processing plants, located mostly in the gas producing regions of the Gulf Coast and Southwest. In 1972, production from gas plants amounted to 218.5 million barrels. The recovery rate from natural gas is about 9 to 10 barrels of propane for million cubic feet of marketed production of gas. This recovery rate is expected to decline because new gas supplies, most of which will come from deep reservoirs, tend to be leaner in gas liquids content.

Refineries account for the remaining 30% of propane production. In 1972, this source accounted for 93.4 million barrels. The yield of propane at refineries is about 22 barrels per 1,000 barrels of crude oil processed. Propane recovery at refineries is a marginal operation and is governed primarily by propane prices and its alternative value as a refinery fuel. In the latter instance, it is left commingled with other gaseous products. Propane is also an important source of fuel for refinery operation, amounting to 6.8 million barrels in 1972. Curtailments of natural gas supplies to some refineries have increased the demand for propane as a refinery fuel.

#### CONSUMPTION

Total propane consumption in 1972 amounted to 324 million barrels. Propane is consumed primarily as a household and commercial fuel and as a feedstock for chemical

plants. Over 75 percent of the propane consumed in fuel markets is used for residential and commercial applications. Of the total residential and commercial use, over 60 percent is consumed as space heating. Thus, weather conditions play a significant role in the demand for propane.

Propane, along with ethane, is a major raw material for the production of ethylene.

The shortage of natural gas and curtailments of natural gas deliveries have increased the demand for propane, disrupting the normal markets for propane and creating shortages to satisfy the needs of traditional users. Propane is being used as a substitute or standby fuel by gas customers and by some gas distribution companies to meet their peak send out requirements.

Certain demands for propane, such as crop drying, are for short duration. Such demands are normally satisfied by spot purchases. The expanding demand for other purposes has limited the availability of supplies for this purpose.

Table I summarizes the various category of propane usage.

#### TRANSPORTATION

Propane moves to market in three primary ways—pipeline, railroad tank cars and tank trucks. In addition, small quantities move by barge. Pipelines account for over 70% of propane shipment. Figure 1 shows the major pipeline system operating in the U.S. Pipelines operate as common carriers and allocation of pipeline capacity, as necessary, is normally based on customers' uses of the line shipment during the off season summer months.

#### STORAGE

Propane consumption is highly seasonal, requiring inventory build-up in the summer off-peak season and withdrawals to meet winter market requirements. Storage is primarily in underground caverns and salt domes. U.S. underground storage capacity for all LP and LR gases in 1972 totaled 255 million barrels, an increase of 85 million barrels from 1971. About 100 million barrels of the current capacity is for propane. Storage capacity is not a problem, except at import terminals where storage facilities are needed to handle expanding volumes of offshore imports.

Statistical data on storage and inventories do not include storage in the marketing and consuming segments. Such storage is not volumetrically significant compared to total storage capacity but it represents storage that is readily accessible and important for certain consumers.

#### STOCKS

Stocks of propane at plants, terminals, underground storage and refineries were 48.6 million barrels as of June 30, 1973, 14.7 million barrels less than on the like date of the previous year. By September 1973, when stock levels normally peak, it is estimated that 60 million barrels of propane will be in storage, down 17 million barrels from the previous year.

#### EXPORTS AND IMPORTS

Exports of propane in 1972 reached 6.5 million barrels, up from 4.6 million barrels in 1971. These exports go mainly to Mexico.

Imports of propane, prior to the lifting of restrictions on Eastern Hemisphere sources, were confined to Canada and Venezuela. In 1972, these amounted to 15.0 million barrels and 3.8 million barrels, respectively.

Imports from Eastern Hemisphere have begun to arrive at U.S. terminals in limited quantity and are expected to expand rapidly in the near future as new production facilities in Algeria and the Persian Gulf go on stream and as terminal facilities in the U.S. are expanded. One estimate places 1974 imports from the Middle East at 17.5 million barrels or about one-half of all propane imports.

## PRICES

Pricing of propane during this summer has been erratic and abnormal. Though posted at 8 to 10 cents/gal., buyers report that they are unable to obtain supplies at these prices. Spot prices have been ranging from 16 cents to 20 cents/gal. and higher. One reason for such high prices is the entry into the market of nontraditional large users of propane, who were willing to pay "any" price to secure supplies. The price controls imposed by the Cost of Living Council under Phase III have also been cited as a major cause of dislocations in prices and distribution channels.

## PROGRAM OF ACTION

The Office of Oil and Gas has undertaken these measures in anticipation that propane will be in short supply this winter:

1. Established an interagency task force to assess the propane situation and determine the level of expertise that exists within

the Federal agencies with respect to LPG. The task force will issue a report about September 1 which will focus on the magnitude of the problem, principle problem areas and measures which can be taken to increase supplies and improve delivery capabilities.

2. Held a meeting on August 10, 1973, of the Emergency Advisory Committee for Natural Gas. This Committee consists of 44 members, made up of high-level management people, representing a cross-section of the natural gas and LPG industry. These industry leaders indicated that natural gas will be curtailed, of varying degree, in most areas this coming winter. The most severe problems can be expected in the Northeast, Midwest, and Pacific areas. Some companies indicated that they will be able to satisfy their customers' firm requirements, but curtailments of interruptible sales will be widespread. Weather conditions will strongly offset the degree of curtailments.

In propane, the primary problem appears to be the diversion of supplies from traditional markets and expanding requirements for propane caused by shortages of other fuels. A number of propane dealers report that their contracted supplies for the coming winter fall short of last year's sales. Some do not expect to be able to cover their winter requirements. In the course of the meeting some suggestions were made for improving the supply situation and avoiding problems. These will be followed up with the Committee members for possible implementation.

3. Contracted for a study on the supply/demand of propane for the 1973-1974 heating season with a professional consultant. His report will be completed by August 20.

The Office of Oil and Gas is also developing alternative proposals for coping with supply shortages as they materialize.

TABLE I.—PROPANE DOMESTIC DEMAND, 1972<sup>1</sup>

[Thousand barrels]

| February            | March               | April               | May                 | June                | July                | August              | September           | October             | November            | December            | Total                    |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
| 8,800<br>12,550     | 8,800<br>8,340      | 8,800<br>4,450      | 8,800<br>1,460      | 8,800<br>450        | 9,680<br>270        | 9,680<br>240        | 9,680<br>990        | 9,680<br>5,508      | 9,680<br>9,600      | 8,680<br>17,000     | 110,880<br>79,660        |
| 21,350              | 17,140              | 13,250              | 10,260              | 9,250               | 9,950               | 9,250               | 10,670              | 15,260              | 19,280              | 26,680              | 190,540                  |
| 4,489               | 5,039               | 5,996               | 6,207               | 6,024               | 5,080               | 6,165               | 6,378               | 6,378               | 6,776               | 6,537               | 69,461                   |
| 600<br>1,095<br>300 | 600<br>1,105<br>300 | 600<br>1,115<br>400 | 600<br>1,120<br>400 | 600<br>1,145<br>400 | 600<br>1,160<br>500 | 600<br>1,160<br>500 | 700<br>1,160<br>500 | 700<br>1,165<br>600 | 700<br>1,170<br>600 | 700<br>1,175<br>600 | 7,600<br>13,660<br>5,400 |
| 1,995               | 2,005               | 2,115               | 2,120               | 2,145               | 2,260               | 2,260               | 2,360               | 2,465               | 2,470               | 2,475               | 26,660                   |
| 2,025<br>1,000      | 2,025               | 2,025               | 2,025               | 2,025               | 2,025               | 2,025               | 2,025               | 2,025<br>1,000      | 2,025<br>1,500      | 2,025<br>1,500      | 24,300<br>6,000          |
| 30,589              | 26,209              | 23,386              | 20,612              | 19,444              | 19,715              | 21,170              | 22,833              | 28,128              | 33,851              | 40,617              | 323,761                  |

<sup>1</sup> January omitted, but included in total.

## [TELEGRAM]

HON. HUBERT H. HUMPHREY,  
U.S. Senate,  
Capitol Hill, D.C.:

A mandatory allocation system for propane is being established pursuant to section 203 (A) (3) of the Economic Stabilization Act of 1970, as amended. Specifically this regulation aims to redirect available supplies of propane back to high priority users, encourage refiners to maximize available supplies of propane, and restrict end use consumption of propane by non-priority users.

The Energy Policy Office has requested that the Cost of Living Council consider the possible amendment of the regulations to (1) provide that (A) sales of propane redirected from one purchaser to another purchaser may be made at the current sales contract price to the first purchaser and (B) the second purchaser may roll this purchase price into his selling price for all propane sales, and (2) allow (A) sales of propane embargoed from shipment from storage to be made at a price not to exceed the purchase cost plus applicable transportation, storage, handling, and sales expense and (B) the purchaser of such propane to roll this purchase price into his selling price for all propane sales. It is our intent that this will alleviate the problem in agriculture and homes heated by propane. We will be pleased to have your comments.

JOHN A. LOVE,  
Assistant to the President.

[From the St. Paul Dispatch, Sept. 5, 1973]  
GAS FIRM TO HELP ELEVATORS—FUEL PRIORITY  
SOUGHT FOR CROP DRYING

(By Harry Hite)

A major move was announced today by Northern Natural Gas Co. to alleviate the fuel shortage this fall for seed and crop dry-

ing in Minnesota, Iowa, Nebraska and South Dakota.

The company said it has filed an application with the Federal Power Commission (FPC) in Washington, D.C., to provide a high priority status for gas utilized by its utility customers in drying of seed, grain and other crops.

A company spokesman said the emergency allocations of natural gas would be made available to local utility customers for distribution to 20 county elevators on its entire system, including eight in Minnesota.

Most of the Minnesota county elevators are located in the southern part of the state, where the shortage of propane for crop drying is most acute.

State Civil Defense director James Erchul said the move by Northern Natural will provide a significant amount of help in alleviating the shortage of propane for drying crops.

Erchul has estimated that there is a shortage of 20 to 30 per cent of propane needed for drying crops in southern Minnesota. He said the shortage could run as high as 40 per cent in southwestern Minnesota.

Northern said it proposes to make natural gas available for crop drying on a day-to-day basis "when to do so would not adversely affect high priority classes of service such as residential, commercial and small industrial customers."

The company said the natural gas made available for crop drying would come mainly from an exchange agreement between Northern and other pipeline companies.

James Moylan of Omaha, vice president of marketing for Northern, said the program will not make gas available in quantities that will solve the entire problem, "but it will aid the supply situation with respect to requirements for seed, grain and crop drying."

The proposal by Northern would free additional supplies of propane for crop drying

because propane is a secondary fuel at the 29 elevators, according to Erchul.

A company spokesman said up to 1.2 billion cubic feet of natural gas could be made available through the program during the months of September, October and November. The 1.2 billion cubic feet of natural gas is the equivalent of 13 million gallons of propane.

Still another favorable development in meeting the propane shortage was Erchul's report that a northwestern Minnesota propane supplier with large reserves in underground storage has indicated he will make fuel available to farmers and agribusiness.

## REAL PENSION REFORM

MR. HARTKE. Mr. President, real pension reform is long overdue in this Nation. Germans, both East and West, have had superior pensions with 100 percent immediate vesting, portability rights, and survivors benefits since 1881. Great Britain has just passed laws regulating private pension plans to provide full vesting after 5 years and to pay a widow 50 percent of her husband's pension. In Holland, the private pension system provides for immediate vesting. Why should Americans settle for pension plans that pay most participants no pension at all?

Civilized countries shield their populations against want, illness, old age, and other problems arising out of socioeconomic conditions. I am personally committed to seeing that Congress meets its full responsibilities to the working men and women of this country to improve their pension system.

In a few days, the Senate will consider two bills, one a product of the Committee on Labor and Public Welfare—S. 4—and the other produced by the Committee on Finance—S. 1179. These bills are only a shallow attempt at reform. They would not correct the major deficiencies in the present private pension system.

The provisions of the Finance Committee bill concerning vesting, funding, and participation are simply inadequate to assure the worker that he will collect the benefits that he expects and deserves.

As I point out in my "Additional Views" to the report of the Finance Committee on S. 1179, I reject the notion that pensions are a form of insurance in which most must lose so that some may benefit. A pension should not be a game of chance. It should be a just reward of hard-earned benefits.

Because of my disappointment over the shortcomings of both the Finance Committee's bill and S. 4, I intend to propose several amendments when the Senate debates the pension issue.

The heart of pension reform is vesting. One of the amendments I plan to offer will provide 100 percent vesting after a worker has acquired 10 years of service, and this service standard will decline to 5 years over time. Another amendment will strengthen the termination insurance provision of the bill to make certain that if a plant shuts down, the worker will receive the benefits he expects and needs. We cannot tolerate any more tragedies in which a worker retires penniless after decades of service.

Increasingly, the question of retirement, rights to pensions, and the role of social security will be more consciously meshed with the needs for a mobile labor force and rapid technological innovation. We must assure that the private pension system will meet this challenge. True reform of the system will restore confidence and guarantee the continued growth of pension plans. For these reasons, I hope that you will reject the illusions of reform and join me in my efforts to create a pension system which alleviates the injustices done to over 34 million workers under pension plans, as well as providing hope for those who are not covered.

Mr. President, I ask unanimous consent that my "additional views" be printed in the RECORD.

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

#### ADDITIONAL VIEWS OF MR. HARTKE

Today over 34 million working men and women are subject to great inequities in the private pension system. These inequities cause the intolerable situation in which only one out of ten employees enrolled in pension plans will ever receive benefits. It is fortunate that the Senate Finance Committee has reported out a bill on the private pension system. It is unfortunate that their proposal falls short of a viable and comprehensive reform. The committee is taking steps in the right direction at a time when large strides are necessary.

Over the past 9 years, I have introduced a number of proposals aimed at providing a degree of security for the millions of workers enrolled in pension plans. Beginning with a termination insurance legislation and now

with the inclusive Federal Pension Plans Protection Act (S. 1858), which I introduced this year. I have been motivated by the conviction that every working man and woman in this country deserves the dignity and security of adequate means of support for his or her retirement years. I am greatly distressed that so many people still consider pensions a form of insurance in which most must lose so that some may gain. The committee proposal seems based on this concept. In rejecting this notion, I maintain that a pension should not be a game of chance.

Some may be satisfied with the committee's minimal proposals on vesting, funding, portability and termination insurance. I am not content. The committee solutions aid only a few, leaving millions who need adequate and secure pension coverage wanting. Let me specifically explain my points of difference with the Committee.

#### I. ADMINISTRATION AND ENFORCEMENT

##### A. The committee proposal

Principle responsibility would be placed in the Treasury Department. The Secretaries of Labor, Treasury and Commerce would be the trustees of the termination insurance program and the voluntary central portability program, and the Secretary of Treasury would be the managing trustee.

##### B. Objections

While I agree that the Treasury Department should be responsible for enforcement of the provisions of the bill, I believe that the Labor Department should be the principal agency for administration. Rather than playing political games over questions of committee jurisdiction, our principal concern should be safeguarding the rights of workers. I do not believe that the principal administration of this bill should be given to an agency whose primary interest is tax collection.

##### C. The Hartke approach

Under my proposal, the Secretary of Labor would administer the vesting standards and termination insurance program. The Treasury Department would administer funding standards and would be responsible for the enforcement of the bill. The Labor Department is charged historically with the protection of workers' rights and collects and analyses annual information on assets, costs, and actuarial liabilities under the Pension and Welfare Plans Disclosure Act.

#### II. PARTICIPATION

##### A. The committee's proposal

A qualified pension plan would require, as a condition of eligibility, service of no more than 1 year, or attainment of age 30, whichever occurs later.

##### B. Objections

Most workers begin their jobs in their late teen years or early twenties. A fair and equitable reform should not exclude these early years of service. Age 30 is too late a date for participation because it delays the acquisition of vesting rights.

In many cases the committee's proposal is only slightly more progressive than the administration's vesting standards—the so-called "rule of 50," i.e. a worker gains 50 percent vesting when his age and years of participation equal 50, and 10 percent additional each year thereafter. (See table below under vesting.) Under the committee proposal a worker who started at age 20 would have to work 15 years until age 35 before he attained his full vested rights. The committee proposal would make attainment of full vested rights difficult or impossible for millions of part-time and part-year workers. Examples of these groups of workers excluded by the committee bill are given below under vesting.

##### C. The Hartke approach

Pension benefits should not be considered an exclusive privilege of the fortunate few;

rather they should be made a right for all. My reasonable approach provides for a more quickly attainable eligibility: participation would commence after a period of service no longer than 2 years or age 25; whichever occurs later.

#### III. VESTING

##### A. The committee's proposal

A qualified plan must provide at least 25 percent vesting after 5 years participation, 5 percent additional vesting for each of the next 5 years, and 10 percent each year for the next 5 years thereafter. This formula would provide for at least 25 percent vesting after 5 years participation, 50 percent after 10 years and 100 percent after 15 years.

##### B. Objections

Progressive vesting rights are the heart of pension reform. Weak vesting clauses make for ineffectual and superficial pension legislation. The committee's proposal gives the illusion of reform without the substance. The vesting provisions are extremely weak and inadequate. Such a scheme would discriminate against women, seasonal workers, and workers in mobile or faltering industries. A recent Senate Labor Subcommittee study found that, for plans requiring 10 years participation or less for vesting, 78 percent of those separated did not qualify for benefits. Under these same conditions, the committee proposal would provide 50 percent vesting after 10 years participation for only 22 percent of those who separate. I do not consider such an approach acceptable.

Achieving vested rights for women is also difficult under the committee's proposal. Most women work at a job for shorter periods than men, and often work part-time or part-year. The committee has made no provision for part-time or part-year work. While men in manufacturing have a median of 14.3 years of service, women in their later years, have only 8.3 years of service. And in retailing, women over 45 had an average of 4.9 years. As a result, a woman would achieve only 40 percent of her vested rights. This is not a decent retirement benefit.

A moderately good benefit will give \$5 a month for each year of credit service. A normal retirement for a woman would be 8 years of credited service or \$40 a month. But the committee's proposal would provide only 40 percent of this or \$16 a month—less than \$4 a week. And that benefit is subject to erosion by inflation between the time it vests and the time it becomes payable.

Aerospace is an example of a faltering industry in which many plants have shut down and many more will shut down in the future. A recent study found that 80 percent of the employees in this industry had completed fewer than 10 years of service. At the very best, the committee's proposal would provide 50 percent vesting for these workers—too minimal a standard.

With no provision for part-year work, it will be virtually impossible for the seasonal worker to attain vested rights. Many cumulative years of service will add up to nothing in retirement.

The committee vesting proposal would provide for little or no benefits for the majority of workers in this country. It ignores the overwhelming evidence which demonstrates that the weaker the vesting requirements, the less likely it is that the participant will ever receive his needed pension benefits.

##### C. The Hartke approach

I propose that eventual 100 percent vesting be achieved after only 5 years of service. These more progressive rules on vesting will open the way for more frequent job changes, increases in work satisfaction, a more mobile and a more effective labor force. We owe this to the working men and women of this country. In order to graphically demonstrate the superiority of the Hartke approach, I submit the following table:

VESTING TABLE

| Age | Percent vested committee | Percent vested administration | Percent vested Hartke |
|-----|--------------------------|-------------------------------|-----------------------|
| 20  | 0                        | 0                             | 0                     |
| 25  | 0                        | 0                             | 100                   |
| 30  | 50                       | 0                             | 100                   |
| 35  | 100                      | 0                             | 100                   |
| 40  | 100                      | 50                            | 100                   |
| 45  | 100                      | 100                           | 100                   |

The table shows what would happen to a worker beginning his job at age 20. Under the committee proposal, this worker would not qualify for participation until the age of 30. After 10 years of work he would be only 50 percent vested. This worker would be 35 before he was fully vested under the committee bill, 45 under the Administration's bill; but only 25 under the Hartke proposal.

#### IV. FUNDING

##### A. The committee's proposal

The committee agreed to a minimum funding standard which requires the payment of current or normal pension costs and the level payment of current or normal pension costs and the level payment, or amortization, over a 30 year period of unfunded accrued liabilities, without regard to whether such past service liabilities are vested or unvested. A plan amendment resulting in a 5 percent increase in unfunded past service cost existing at the time of the amendment is to be regarded as a "substantial" increase in unfunded past service costs which may be treated as a new plan and funded over 30 years.

##### B. Objections

Inadequate funding is the primary reason that thousands of workers yearly lose their benefits when a plan terminates. In 1964, when the Studebaker plant in South Bend, Indiana, shut down, over 8500 employees lost their pensions because there was not enough money to fund them. *The Committee's bill would not have prevented this tragedy.* Studebaker had a 30 year funding schedule. Tragedies like the Studebaker case occur every year and in all parts of the country. Only strong funding requirements will prevent them from occurring.

##### C. The Hartke approach

My proposal would require past service liabilities to be funded over a 25 year period, and substantial increases in liabilities due to amendments would also be funded over 25 years.

#### V. TERMINATION INSURANCE

##### A. The committee's proposal

Vested rights of participants would be insured up to a maximum of 50 percent of the average monthly wage over the past 5 years and not to exceed \$750 a month. For the first 3 years, the termination insurance would be financed by a 50 cents per capita payment for each participant in the pension plan. After such time premiums would be set at a level based on cost experience.

##### B. Objections

On the average, 20,000 workers a year are affected by pension failures. The participants hit hardest by these closeouts are those between the ages of 40 and 60. This group is usually paid little or nothing in pension benefits for many years of service.

I am gratified that the Committee's proposal would establish an insurance program to protect these thousands of workers, but I am disappointed that the proposal would provide such inadequate benefits. Fifty percent of expected benefits is simply not an adequate means of support for the average worker. When a worker enrolls in a pension plan he has the right to expect adequate benefits regardless of whether the plan folds, whether his department is phased out,

whether his company goes out of business or merges with a larger unit.

##### C. The Hartke approach

My plan would insure vested benefits to a maximum of 80 percent of the highest average wage over a 5 year period or \$500 a month, whichever is less. The insurance premium rate would be no higher than 0.5 percent of unfunded liabilities.

#### VI. PORTABILITY

##### A. The committee's proposal

A voluntary central portability fund would be established as a private corporation under the trusteeship of the Secretaries of Labor, Commerce and Treasury, with the Secretary of Treasury being the managing trustee. If the employer and employee both agree, the departing employee could transfer his vested benefits to the fund.

##### B. Objections

Voluntary portability will do very little for the employee. There is little reason to expect that an employer would give away dollars to a departing employee which he could give to a retiring employee who remains with his company. The trusteeship of the fund by three Secretaries causes needless confusion and duplication of effort. It is much simpler and more reasonable that the Secretary of Labor alone be the managing trustee of the fund.

##### C. The Hartke approach

I will propose the establishment of a compulsory portability fund into which an employee's vested benefits would automatically be transferred. The employer would have a minimum of 5 years to pay these vested benefits into the portability fund.

The private sector should be given an initial opportunity of at least 18 months to develop plans for the organization of a portability fund. If they fail to act, the Secretary of Labor would establish the plans for portability funds. I strongly believe that these efforts should be made to keep pension monies within the private sector.

The central portability fund should also have the option of offering basic plans of pension coverage to companies that do not have any. Such plans would be limited to employers with 300 employees or less. This service would be particularly beneficial to smaller companies who cannot afford the high costs of establishing and operating pension programs. We must make a strong effort to expand the private pension industry to cover the millions of Americans not presently enrolled.

#### CONCLUSION

These are among the changes to the committee's proposal which I propose to bring real reform to the private pension system in this Nation. I emphasize that we should not accept any illusions of reform but rather we should have the courage to help the 34 million working men and women who are enrolled in pension plans. When the Senate begins debate on pension reform, I intend to initiate a full discussion of the issues which I have raised in this statement.

#### CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; SPACE, SCIENCE, ET CETERA, APPROPRIATIONS BILL, 1974—CONFERENCE REPORT

Mr. PROXIMIRE. Mr. President, I submit a report of the committee of con-

ference on H.R. 8825, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. 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. 8825) making appropriations for the Department of Housing and Urban Development; for space science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for the fiscal year ending June 30, 1974, and for other purposes, having met, after full and free conference, having agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. 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 28, 1973, at pp. 26523-26524.)

The ACTING PRESIDENT pro tempore. The time on this measure is limited to 1 hour, to be equally divided and controlled between the Senator from Wisconsin (Mr. PROXIMIRE) and the Senator from North Dakota (Mr. YOUNG), with 20 minutes on any debatable motion or appeal.

Mr. CRANSTON. Mr. President, I ask unanimous consent that during the consideration of the conference report, two members of the staff, Louise Ringwalt and Jon Steinberg, be granted the privilege of the floor.

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

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. PROXIMIRE. Mr. President, I ask unanimous consent that my administrative assistant, Howard Shuman, be permitted to remain on the floor during the votes on this measure.

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

Mr. PROXIMIRE. I yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I ask unanimous consent that my staff assistant, Mr. Jarry Buckley, be permitted to remain on the floor during the consideration of this measure.

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

Mr. PROXIMIRE. I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I ask unanimous consent that my staff assist-

ant, Mr. Michael Smith, be accorded the privilege of the floor during the debate on this measure and the vote which follows.

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

Mr. PROXMIRE. Mr. President, the pending conference report on H.R. 8825 provides new budget—obligational—authority of \$19,056,500,000. This sum is \$1,827,723,000 less than the amounts made available last year for the Department of Housing and Urban Development and other independent agencies and commissions contained in this bill.

It is also \$14,454,000 less than the sum recommended by the House and \$61,873,063 less than the amount contained in the Senate version of the bill. However, the amount recommended in \$439,047,000 more than the budget estimates.

Mr. President, on the surface it would seem that this is a budget-busting bill. However, that is not actually the case. Just prior to the subcommittee markup in the Senate, estimates were submitted by Secretary Lynn of the Department of Housing and Urban Development calling for \$75 million for the model cities programs and an additional \$185 million for the urban renewal programs. These estimates had the concurrence of the Office of Management and Budget. Nevertheless, official estimates were never submitted to the Congress. When these additional estimates, aggregating \$260 million, are considered, the amount in excess of the original budget estimate is \$179,047,000, which is less than 1 percent of the total sum recommended. The outlay impact on the budget of the conference action is even less than the effect of the additional new obligational authority. In fact, depending on who prepares the estimate, it could be \$5 million more or less than the sum initially estimated in the President's budget. Thus, it is safe to say that the conference action will have no effect on the outlay ceiling.

As with all conferences, the end result of this one was little different from any other. There was the necessary give and take on both sides. However, this particular conference was a most pleasant experience for me and much different from many of the appropriations conferences in which I previously participated because our differences were resolved in an atmosphere pervaded by amiability and rationality.

Mr. President, most of the items contained in the bill covered by this conference report are below the budget estimates. In fact, the amounts allowed for the items contained in the budget of the Department of Housing and Urban Development are below the budget estimates in all but three instances. In these three instances the recommended appropriations are in excess of the budget estimate by \$637,500,000.

The first of these is the \$150 million recommended for the model cities programs, for which no official estimate had been submitted to the Congress, but for which, as previously mentioned, \$75 million was requested by Secretary Lynn. The second one is the \$600 million recommended for the urban renewal programs, for which an official estimate of

\$137,500,000 had been submitted to the Congress and for which Secretary Lynn unofficially requested an additional \$185,000,000. The third item is open space land grants for which \$25 million is recommended and for which there was no official budget estimate. In this instance the Secretary of the Department of Housing and Urban Development did not submit an additional unofficial estimate.

In the other major programs for the Department of Housing and Urban Development the recommendations in the conference report, as I have indicated, are below the January estimates. For housing payments the committee on conference recommends \$2,020,000,000, which is \$80 million below the budget estimate. In addition, the conferees agreed to a floor amount of \$280 million to be made available for the payment of operating subsidies to local housing authorities. For comprehensive planning grants the sum of \$75 million is recommended, which sum is \$35 million below the budget estimate. However, it was \$50 million greater than the sum recommended by the House and \$35 million less than the amount contained in the Senate bill.

For Urban Research and Technology the committee on conference recommends \$65 million, which is \$5 million greater than the sum contained in the House bill and \$6,450,000 less than the estimate and the sum recommended by the Senate.

In title II of the bill, which covers the budgets for the National Aeronautics and Space Agency, the National Science Foundation, the Veterans' Administration, the Selective Service System, the Securities and Exchange Commission, the Federal Communications Commission, and the Renegotiation Board, the committee on conference considered 10 money amendments that were appended to the House bill by the Senate.

The first of these covered construction of facilities for the National Aeronautics and Space Agency. The committee on conference agreed with the Senate recommendation of \$101,100,000 instead of the \$87,800,000 recommended by the House. These sums compared with \$112 million, which was contained in the budget estimate. For the National Science Foundation the Senate had recommended an amount of \$571,600,000, while the House bill contained the sum of \$561,600,000. The conferees on the bill agreed on the sum of \$566,600,000, which was an even split and provided that the sum recommended include funds to commence construction of the Very Large Array radio telescope in New Mexico.

For the Selective Service System the conferees agreed on the sum of \$47,500,000, which was the same as the amount contained in the House bill and \$12,500,000 greater than the Senate recommendation. Nevertheless, the conferees concurred with the Senate language amendment, which provided that none of these funds shall be made available for the purpose of inducting any person into the Armed Forces of the United States.

In the budget of the Veterans' Administration the committee on conference accepted a number of additions that were

made to the House bill by the Senate. For medical care, the conferees agreed on a total of \$2,676,261,000. This amount was \$5,911,000 above the sum contained in the House bill and \$20,261,000 above the budget estimate. It included funds for the 1,000 additional positions initially added by the House and concurred in by the Senate and also funds that were added to the House bill by the Senate for the activation of closed wards in 7 VA hospitals, for the establishment of 10 new and the upgrading of 4 existing alcoholic dependence treatment centers, and for the activation of 15 new and the upgrading of 16 existing hospital-based home care programs.

For medical care and prosthetic research the conferees agreed on the sum of \$75,500,000 of new budget—obligational—authority, which was \$4,500,000 greater than the sum contained in the House bill and in the budget estimate. When a carryover balance of \$4,818,000 and reimbursements of \$2,600,000 are added to this recommended appropriation, a total of \$82,918,000 will be available for medical and prosthetic research in fiscal year 1974.

The committee on conference has also included in the budget of the Veterans' Administration \$25 million for assistance for new State medical schools. This amount compares with the \$55 million which was recommended by the Senate and a zero amount contained in the House bill and the budget estimate.

Mr. President, the committee on conference has included in the pending measure for construction of major projects of the Veterans' Administration \$68,343,000, which sum is \$7,044,000 above the budget estimate which was added by an amendment on the Senate floor to provide air-conditioning for projects at Gulfport, Miss.; Huntington, W. Va.; and Salisbury, N.C. The conferees also agreed to an increased appropriation for the construction of minor projects of \$1,002,000, which resulted from an amendment on the Senate floor to provide air-conditioning for VA hospitals in San Juan, Puerto Rico, and Waco, Tex.

For the loan guaranty revolving fund of the Veterans' Administration the committee on conference recommends a limitation on obligations of \$500 million, which is \$100 million above the budget estimate and the amount contained in the House bill. The Senate increased this limitation when it considered the bill because it was informed by the VA that there was an increasing number of claims and property acquisitions being processed that were related in part to the substantial increase in GI loans which were closed during the past couple of years.

Mr. President, unfortunately the conferees reached an impasse on amendment No. 44 and 45, which relate to the use of vehicles by Government executives. I have made my views known on this subject in news releases, speeches delivered on the Senate floor, and through the interrogation of all the top executives who appeared before our committee during the course of our hearings.

The Senate amendments with which the House conferees disagreed do not

take all vehicles that are used for official purposes away from the Government executives of the department and agencies covered in this bill, but they do prohibit them from using these vehicles for transportation between their dwellings and their places of employment. In this respect, the amendments are merely a restatement of existing law which has, over the years, been more honored in the breach than in the acceptance.

I refer specifically to the Administrative Expenses Act of 1946, which provides that no funds can be expended for any Government-owned vehicle except for use "for official purposes," and that law states, further, that

Official purpose shall not include the transportation of officers and employees between their domiciles and places of employment.

There are two exceptions spelled out in the law, one dealing with Government doctors on outpatient duty and the second dealing with those who are serving in remote areas hundreds of miles away from their agency offices or on what is termed "field service."

In testimony before the subcommittee, it was made clear that this prohibition in the law is violated daily by most of those who have government limousines and who operate them on the basis of the appropriations made in this bill by this subcommittee and by the Appropriations Committee.

Mr. President, the motion was offered in the House to insist on its disagreement to the aforementioned amendments of the Senate that would impose restrictions on the purchase, hire, and operation and maintenance of passenger motor vehicles, and unfortunately, the House, by a vote of 222 to 189 is insisting on this disagreement.

Mr. President, I know that many consider this a very small matter, and they wonder why I am so persistent in my efforts to have this vehicle amendment included in the bill. Many think it is ridiculous and absurd to hold up a \$19 billion appropriation bill for the purpose of reaching my objective of restricting the use of vehicles by Government executives. However, I cannot agree with them. It is a matter of principle with me, and I do not feel that any law on the statute books should be cavalierly violated with impunity. Consequently, Mr. President, I am going to request that the Senate go along with me and support my position.

Therefore, later on, I am going to move that the Senate insist on its amendment Nos. 44 and 45 and direct that the conferees return to a conference with the House for the purpose of resolving the disagreement on the aforesaid amendments.

I might point out, Mr. President, that the vote in the House is a remarkable vote when we consider the fact that the leadership supported the House position and strongly opposed my amendment. In spite of that, it very nearly passed because so many rank and file Members of the House recognize this as a serious abuse.

I must say that the people in my State, by mail, by direct comment give more emphasis and outspoken support to my

opposition to use of chauffeured government limousines by so many administrative executives, than to virtually any other issue.

Mr. HELMS. Mr. President, would the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. HELMS. Mr. President, I certainly want to give my full endorsement to the efforts of the distinguished Senator from Wisconsin (Mr. PROXMIRE) to eliminate the excessive and completely unnecessary use of Government-owned limousines which has been a chronic affliction within the executive branch for at least a generation. There has never been any justification for this rather pompous raid on the taxpayers' pocketbooks, and it ought to be stopped.

I see no reason why the American taxpayer should be called upon to support these luxuries. Several months ago, at my request, the General Accounting Office began a review of the use and cost of limousines throughout the departments and independent agencies in the Federal Government. This information is now being compiled in its final form for my information and for the use of other members of Congress.

Mr. President, prior to coming to the Senate, I often attended various functions in Washington, and there seemed always to be a long line of waiting Government-owned limousines, with motors running and Government-employed chauffeurs waiting. Since January, the spectacle has been the same.

This is the sort of thing that makes the taxpayers bitter and cynical. They have every right to be.

Mr. PROXMIRE. Mr. President, I want to thank the distinguished Senator from North Carolina for his consistent, strong, able, and effective opposition to waste in our government. I very much appreciate his support.

Mr. HELMS. I thank the Senator from Wisconsin very much.

Mr. BROOKE. Mr. President, I should like to speak briefly on the motion now before us and then offer a motion in place of it, if I may, if it is appropriate at this time.

When this appropriations bill was before us—

Mr. PROXMIRE. Mr. President, if the Senator will allow me to interject there, I have not made that motion. There are several other motions we would like to make first that relate to other provisions in the bill. We will come to the Senator's motion later in the morning, if that is acceptable to him.

Mr. BROOKE. Let me make my statement now and then at the appropriate time I will make the appropriate motion.

When this appropriations bill was before us the first time, we adopted language prohibiting the use of limousines by anyone in the agencies covered other than the Secretary of Housing and Urban Development and prohibiting the Secretary from using a limousine to and from his residence. The conferees were unable to agree on this prohibition and, accordingly, the conference report contained this disagreement. The House has already voted on the appropriations bill, approving the conference report and re-

jecting this prohibition. Following its action, the House discharged its conferees.

The issue we now face is whether we are going to insist on this prohibition or whether we are going to pass an appropriations bill for HUD, space, science and veterans. If we insist on this amendment, the effect will be to delay passage of these agencies' fiscal year 1974 appropriations until even later in the fiscal year. Even after this delay, there is no assurance that we shall ultimately prevail. There are a number of reasons why the House may insist upon its own position. Thus, we may find that we have delayed passage of this bill only to face this same situation several weeks from now.

We are all aware of the misuse of limousines by various Government officials. The Senator from Wisconsin has done an outstanding job in bringing these abuses to the attention of Congress and the public. I have supported the Senator on this issue as a member of the Subcommittee on HUD, Space, Science, and Veterans; and I believe that we are right.

I have also discussed this matter as recently as this morning with the chairman of the Appropriations Committee, who is seriously considering the appointment of an ad hoc committee to study the use of limousines by agencies and departments of the Government.

Second, the General Accounting Office is presently conducting an investigation, at the request of the distinguished Senator from North Carolina (Mr. HELMS), into the use and misuse of limousines throughout the Government and is expected to issue a report shortly. The restriction in the bill we are considering today applies to only one group of agencies, not the entire Government, and to only one Cabinet officer out of 12. By waiting until the reports of the ad hoc committee, which I believe the chairman of the Appropriations Committee will appoint, and the Comptroller General are available on this subject, we can insure that a sound and consistent policy with respect to the use of limousines is developed for all Government agencies.

I think we have made our point on the limousine issue. We have served notice on those who have misused Government limousines. We have begun to develop guidelines on the use of limousines which can apply throughout the Government.

Again, I want to commend the distinguished Senator from Wisconsin for his leadership in this effort. To press our point further at this time, until we have the report of the ad hoc committee, which I trust will be appointed by the chairman of the Appropriations Committee, and the GAO report, would only invite considerable delay in the passage of this important bill.

So, Mr. President, at the proper time, I intend to move that the Senate recede on amendments Nos. 44 and 45.

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

Mr. PROXMIRE. I yield to the distinguished chairman of the committee.

Mr. McCLELLAN. Mr. President, I was seeking recognition at the time the distinguished Senator from Massachusetts was recognized. I had in mind to state what I have discussed with the distin-

guished chairman and manager of this conference and with the distinguished Senator from Massachusetts.

I supported the Senator's proposal in committee and commended him for it. I think he is due full credit for having raised this issue before Congress, particularly before the Senate. I had hoped that it would prevail in conference. I realized at the time, however, as I do now—and I think all of us realize—that this is not just a one-agency problem. It runs across the board with respect to executive departments. Therefore, our remedy—whatever remedy we apply, whatever action Congress takes—in all fairness and equity, should be across the board, so as to deal with each agency alike and to deal with them equitably with respect to this problem.

Since the House has rejected the amendment in this bill and we are here dealing now with the approval of a conference report, it occurred to me that probably the best solution and course of action we should take would be not to insist—although I am not trying to dissuade the manager of the conference report from changing his position—but, from the standpoint of the Senate, perhaps we should not insist upon our position with respect to this particular bill—I doubt whether the House would pass it—and thus cause the delay to which the Senator from Massachusetts referred.

I thought there was an obligation upon us to do something about it, and it occurred to me that it would be well for us to appoint an ad hoc committee, members of the Appropriations Committee, with instructions to proceed to examine and evaluate this situation immediately and report back to us as to what would be a proper course of action and the proper number of limousines to allow for each agency or each department of Government.

The situation has been abused, and I think the responsibility is upon us to correct it. This is my thought of the best way to approach the problem. I hope we will do justice and equity.

I yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. Mr. President, I agree wholeheartedly with the distinguished chairman, but I hope that nothing will happen this morning that would indicate that the Senator from Wisconsin, the manager of this particular bill, has been defeated in his attempt to expose these abuses and to cure them. I think he has been instrumental in bringing the abuses to the surface. What really should motivate us here is to cure the abuse in its totality rather than in one agency. I think the Senator has set the stage for the investigation.

I would hope that in view of the fact that the House has already discharged its conferees, and the word is that everything is going to be stalemated—we have in the bill funds for medical care of veterans, including 303,622 permanently wounded veterans from Vietnam alone—I would not want to see that item held up. It is too important.

I hope that the Senator himself would take the initiative and act on a plan

whereby an investigation would be conducted to cure the abuses, or have somebody move in contradistinction to that matter, so that it will not look as though the Senator from Wisconsin was defeated.

Mr. PROXMIRE. I thank the Senator from Rhode Island and also the committee chairman (Mr. McCLELLAN); and I wish also to thank the Senator from Massachusetts for his advice.

I do think we are now in a position to drop this. The committee has agreed to the proposal. The Senate has passed it, the other body very nearly accepted it. This action affects not only one agency; some nine agencies are involved in the provisions of this bill.

I think we should make a beginning. The chairman has indicated that he would not have objection to this kind of procedure. He may vote against me, but we ought to have a vote up or down on this measure. I think we can win it. But win or lose, the fact is that we have other appropriation bills, for other agencies that are yet to come before us. The ad hoc committee, I think it would be a very appropriate way to attack the situation from this point on.

But having gone this far, at this juncture—and I appreciate very much the advice of the Senator from Rhode Island—our position may be defeated—but having gone this far, I want to persist; I want to proceed.

Mr. PASTORE. Of course, that is the Senator's prerogative. But in that position we get into a stalemate with the House.

Mr. PROXMIRE. I agree; but we can meet with the House. In view of the close vote in the House, we can work something out in a very few days. The continuing resolution does fund this agency at a level very close to what we have in the bill. As a matter of fact, the bill we are passing is below the level of last year for most of the agencies, without providing more funds for them.

Mr. PASTORE. That is the Senator's problem: He is going to reach a stalemate in the last quarter. That is the point. The Senator ought to know at this juncture how much he will get for the veterans—how much money they will have. If we are going to provide the same amount as for last year, what is going to be carried forward by the continuing resolution? Then what will the Senator do?

Mr. BROOKE and Mr. COOK addressed the chair.

Mr. McCLELLAN. Mr. President, I do not know if I have the floor. I shall yield but first I would like to make this observation.

The Senator from Wisconsin will recall that yesterday I made this suggestion to him. This is not something that developed on the floor. Realizing the seriousness of the problem and wanting to contribute toward the solution of it, the right kind of solution, I suggested to the Senator yesterday that we should take some action, whatever happens to this, to correct the situation across the board.

I know of no better way that I can perceive, as chairman of the committee, other than to move immediately, and I will irrespective of the outcome of the matter on the floor today.

I propose early next week to appoint an ad hoc committee of the Committee on Appropriations to examine this issue and bring to the Senate a recommendation that will deal with the situation equitably across the board.

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

Mr. PROXMIRE. Mr. President, if I may interrupt for a moment, there is a procedural problem. My time is almost used up. I would like to ask the Senator from Maryland if he would be recognized and yield to other Senators.

Mr. BROOKE. Mr. President, will the Senator from Maryland yield?

The PRESIDING OFFICER. The Senator from North Dakota (Mr. YOUNG) has control of the time.

Mr. BROOKE. Mr. President, will the Senator from North Dakota yield some time on this issue?

Mr. YOUNG. I would like to say a few words myself and then I will be glad to yield.

The PRESIDING OFFICER. The Senator is recognized.

Mr. YOUNG. Mr. President, I support the position taken by the distinguished chairman of the committee (Mr. McCLELLAN).

I wish to commend the Senator from Wisconsin for digging into this entire matter of abuses, and there are abuses in many agencies of the Government. This was a worthwhile service. But there are other agencies than those involved in this bill where there may be more abuses than there are here.

I believe the approach presented by the Senator from Arkansas is a better approach; that is, to study this matter and come up with an amendment later, perhaps in a supplemental bill dealing with all agencies of Government after a careful study has been made.

Therefore, reluctantly, I will vote against the motion, but I hope a committee will be appointed to deal with the matter in connection with every agency of Government.

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

Mr. YOUNG. I yield.

Mr. BROOKE. Mr. President, I am sorry about this impasse, because I think the Senator from Wisconsin knows that I was a very strong supporter of this amendment in the subcommittee and I was hopeful that he would adhere to the counsel of the distinguished Senator from Rhode Island that we would not bring this matter to a vote. We certainly do not want to lose it, and I am not saying we will lose it, but we may. We have made such progress on the floor; it has been introduced; and the Senator from North Carolina (Mr. HELMS) has been able to get GAO to commence its study of this matter. Now, we have the concrete proposal by the distinguished chairman of the Committee on Appropriations that we will have appointed an ad hoc committee to study all agencies of Government as far as the use of limousines is concerned.

I wonder if a substitute might not be in order that would include in this bill, to go back to the House, the appointment of an ad hoc committee by the

chairman of the Committee on Appropriations to make a study of the matter and report back, at which time Congress might take action.

Mr. President, if that is in order, I would want to make that motion. I do not want to make the motion I referred to earlier, namely, that the Senate recede, because it gives the impression that the Proxmire amendment could be defeated, and I do not think it should be defeated. It is too important a piece of legislation. No one doubts there has been an abuse in the use of limousines in Federal agencies and departments. We want to stop it, but we want to stop it with respect to all agencies. I am sure the Senator from Wisconsin wants to do it with respect to all agencies and departments, but this is without our jurisdiction.

Therefore, Mr. President, I would like to know if a substitute would be in order at this time.

Mr. PROXMIRE. I understand no motion is pending at this time.

The PRESIDING OFFICER (Mr. CLARK). No motion is pending. The question is on the adoption of the conference report. The conference report itself is not amendable.

Mr. PROXMIRE. Mr. President, I will move the adoption of the conference report in just a moment. I do wish to say that I can see the sentiment that is developing on the floor. There is nothing that speaks louder than action. Appoint a committee to study it? We do not know what they will come up with, what the committee will do, or what the report might be. We have before us a specific and definite provision that nobody, except the only Cabinet officer involved, is going to have a chauffeur-driven limousine. That is understandable, it is clear, and this will cut off 14 limousines as soon as this passes the House and the Senate.

I have no objection to a committee studying the matter. What could be better than to have one appropriation bill to begin with dealing with the cutoff? Then, we have the precedent, the breakthrough, some real progress.

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

Mr. PROXMIRE. I yield.

Mr. BROOKE. Does not the Senator think that is discriminatory against those agencies under our jurisdiction?

Mr. PROXMIRE. There is no question it is discriminatory. It seems to me the most effective way to make this have some consequence, some bite, and to mean something; otherwise we will be debating some kind of study and compromise for years.

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

Mr. McCLELLAN. I yield.

Mr. COOK. Mr. President, this Senator would intend to vote to support the Senator from Wisconsin for one very simple reason. I am delighted the Senator from Rhode Island is here. One of the reasons there is a hangup on this matter is because of the pressure that has been brought by the people who misuse those automobiles.

We are talking about the fact that we can hold up these funds, and these funds

may be in a state of limbo in relation to the continuing resolution and appropriating the funds we have in this conference report. But if we want to get to the heart of it, it is not the Senator from Wisconsin holding this up; it is the people in the agencies who misuse these facilities that have exerted pressure to get them taken out of the bill.

When the Senator from Massachusetts talks about discrimination, when I drive home every night I see those fellows in the back of automobiles reading the Wall Street Journal. I have tried my best to drive by and see if I know one of them, and I have not found one that I know yet.

I intend to support the Senator from Wisconsin, because a start has to be made. If we should compromise, an ad hoc committee would be appointed which would report back to this body in 30, 60, or 90 days or perhaps a year. But if actions is what we want, that is what we will get.

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

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

Mr. PASTORE. It should be 10 days.

Mr. COOK. Fine.

Mr. PASTORE. There is nothing here that is not so simple that it cannot be easily understood. The Senator talks about the man in the back of the chauffeur-driven automobile reading the Wall Street Journal and smoking a cigar. The worst offender is the White House. If one goes to the White House he finds people who step aside when a Senator walks in, but the next morning we find that same fellow being chauffeur driven from his home to the White House, with a telephone in the back of the car. Mr. President, you say to yourself, "What gives here?"

I think we set the specifics here. With respect to the arguments the Senator from Wisconsin is making here, he made them in that conference and the House rejected them. Whether it was close, I do not know. All I am saying is that if we want to do the job right we should stop it next Monday, and in a week or 10 days they could come back with a bill or resolution to kill the whole thing.

Mr. COOK. My point is that it is the individuals in the departments, the many that lie in the framework of this conference report, exerting pressure to keep and misuse these facilities, and they are the ones at fault in this impasse. I think we really ought to put the blame where it belongs, and not on the Senator from Wisconsin.

I must say, in all fairness, it is getting a little tougher for this Senator when somebody's chauffeur in his neighborhood goes to a ladies' dress shop to pick up a dress for a Cabinet member's wife. I get to the point where this is really beyond the realm of reason.

I think the Senator is on the right track. I think he ought to stay on it. I think, whatever compromise he makes, it ought to provide that action is forthcoming. I will even agree with the suggestion of the Senator from Rhode Island that it be done in 10 days. Other than that, I am completely in support of the Senator from Wisconsin.

Mr. McCLELLAN. Mr. President, will the Senator yield me 1 minute?

Mr. YOUNG. I yield 1 minute to the Senator.

Mr. McCLELLAN. Mr. President, I want to observe for the record that no one has put pressure on me or tried to. I talked to the distinguished Senator from Wisconsin yesterday, trying to find a solution. I have not tried to dissuade him from any course he is going to pursue today. I think we should recognize the problem here and recognize the need to do something about it. I think we are not doing the job when we do what he asks. We will be doing only part of the job.

I said, irrespective of what happens to this measure today and the issue before us, it was my purpose—and I do not think anybody on the Appropriations Committee would object to it—to appoint a committee. I do not know whether it can do it thoroughly in 10 days, but many of these agencies have surplus automobiles and chauffeurs that are not needed and can be dispensed with. That would be my purpose, irrespective of what action is taken here today.

I want to make the record clear that no one has contacted me from any agency or the White House or anywhere else.

Mr. YOUNG. Mr. President, could the Senator require that that report be made available prior to the final appropriation bill being acted on?

Mr. McCLELLAN. We could do that. I do not think there is any need to set a time limitation on it. I intend to appoint to that committee some Senators who are most interested in this subject matter, and I am sure they would do their job expeditiously.

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

Mr. MATHIAS. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. CLARK). One minute remains to the Senator from Wisconsin; 15 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I yield such time as the Senator from Maryland may require.

Mr. MATHIAS. I appreciate the distinguished ranking minority member of the committee's yielding some time to me on this matter. I want to speak on the great limousine issue, as well as say a few words on the conference report itself.

Mr. President, I am concerned with the way this issue has now crystallized before the Senate. I have agreed with the Senator from Wisconsin in his approach to this question. I think he has shown unusual persistence in pursuing it with each agency as that agency brought its budget before the committee.

I think his questions have revealed to the Senate and to the public the fact that there is abuse of the privilege granted certain high officials of Government, and some not so high, of having chauffeur-driven limousines. Really, that is what we want to get at. We want to get at the abuse, not at the proper use of these vehicles, which can be machines in the proper discharge of official functions. We want to get at the abuse.

What I am concerned about is that, the

way the debate has developed, we are going to stop it at the bung and let it run out the faucet. The day before yesterday we approved the Treasury-Post Office appropriation bill, and there were a number of limousines involved in that. There was a whole fleet of limousines approved in that report. The Senator from Rhode Island referred to limousines in the White House. Just yesterday, or the day before, we all voted to give them another lease on life. There was not one word said about that day before yesterday. I am sure that deserved just as much looking into as any other group of limousines. There was a whole fleet of them there.

One of the problems is that there are sometimes misunderstandings about the use of these cars. There are legitimate misunderstandings. The press has sometimes misinterpreted some of the testimony.

Mr. President, the issue of bureaucratic overuse of chauffeured limousines has been the focus of considerable comment in this Chamber this morning, and I am one who strongly believes that such abuses must be halted—promptly and effectively.

The issue was discussed in some detail during the appearance of HUD Secretary James Lynn before the HUD-Space-Science-Veterans Appropriations Subcommittee. It has come to my attention that some of the Secretary's remarks before the subcommittee have been taken out of context by the press and misinterpreted in recent weeks. And while I have not hesitated to express my differences with Secretary Lynn on some issues, I do know him to be a dedicated and hard-working public servant.

Therefore, I would like to submit for the RECORD the full text of the appropriate dialog between Secretary Lynn and the subcommittee on this issue. I ask unanimous consent that this portion of the transcript be reprinted at this point in the RECORD.

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

#### USE OF LIMOUSINES

Senator PROXMIRE. Let me get into something else, and tomorrow we will resume this. I want to end on a happy note.

On January 12, I wrote to HUD inquiring about the number of limousines. On January 26, I received a reply that stated that HUD leases one Cadillac limousine, HUD leases 4 Chrysler medium sedans, HUD leases two light sedans from the GSA motor pool. The only officials of the Department that use the Government vehicles to transport them between their residences and offices were the Secretary and the Under Secretary. The cost of this was given as \$86,303 including \$5,800 for lease and rental costs; \$4,344 for maintenance, gas, and oil and \$76,159 for the salaries of the seven drivers, including overtime.

Those are the facts. Now, let me ask some questions: (1) Mr. Secretary, this letter came to us before you were appointed and confirmed at HUD. Do you use the limousine to transport you between your offices and your home?

Secretary LYNN. Yes, I do.

Senator PROXMIRE. Mr. Hyde, do you use your limousine between your office and home?

Mr. HYDE. Generally, but not always.

Senator PROXMIRE. On what occasions do you not use it?

Mr. HYDE. Well, when the weather is good, I walk. You notice I didn't say "jog." I walk very leisurely.

Senator PROXMIRE. Well, walking is great. Walking is really better than jogging and safer, too. Joggers fall dead of heart attacks. Walkers, you know, go on and on, so I hope you keep walking.

Mr. Lynn, I would suggest you might try that, too. Now how far do you live, incidentally, from your office?

Secretary LYNN. I live in Bethesda. I don't know the exact mileage, but it is substantial.

Senator PROXMIRE. A great walk.

Secretary LYNN. That would be a great walk, but the results would be less time in the office than the time I actually spend there.

Senator PROXMIRE. Is this policy not a clear violation of the law, that is, the policy of using your limousine to take you from your work to your home? I am citing 31 U.S.C. supplement 2638(A) which reads:

"The use of a car for official purposes shall not include the transportation of officers and employees between their domiciles and places of employment."

Secretary LYNN. Are you referring to my car?

Senator PROXMIRE. Yes, sir.

Secretary LYNN. As I understand it, the use of my car to take me back and forth from my home to the office is perfectly legal and recognized as such in the statutes you are talking about.

Senator PROXMIRE. Do you have a written opinion from the General Counsel of HUD?

Secretary LYNN. I do not have a written opinion. I have an oral one. Mr. Mitchell, who is here, may elaborate on it, if you would like him to?

Senator PROXMIRE. Well, I would like him to do that and I would also like him to submit for the record the opinion as to why this law shouldn't apply to Secretary Lynn.

Mr. Mitchell, will you give us your response orally, now, and then produce it later in writing, if you like?

Mr. MITCHELL. Yes, Mr. Chairman. The last sentence in the provision says that the limitations of the subparagraph do not apply for executive heads of the Departments enumerated in section 101 of title V.

Section 101 of title V has among those Departments listed, the Department of Housing and Urban Development. So that the official duty limitation would not apply to the head of the Department.

#### ADMINISTRATIVE EXPENSES ACT OF 1946

Senator PROXMIRE. I hope you review that very, very carefully because our staff doesn't construe it that way. Let me read it to you. This is the Administrative Expenses Act of 1946, which provides:

"That unless otherwise specifically provided, no appropriation available for any department shall be expended for the maintenance, operation and repair of any government owned passenger vehicle or aircraft, not used exclusively for official purposes."

It also provides that:

"Official purposes shall not include the transportation of officers and employees between their domiciles and places of employment except in the case of medical officers and outpatient medical services and except in the cases of officers and employees engaged in field work, whose character of their duties makes the transportation necessary and then only when such latter cases are approved by the head of the Department concerned."

I understand that the exclusion said that the limousine can be assigned exclusively to the head of the Agency but it does not provide an exclusion from this particular clause, which says that: "It shall not be used to transport the head of the Agency to his home or his domicile."

Secretary LYNN. I understood just the opposite, Mr. Chairman.

#### LEGAL OPINION ON MOTOR VEHICLE USE

Senator PROXMIRE. Well, give us a written legal opinion on that. Will you instruct your Counsel to do that for the committee.

Secretary LYNN. Yes, sir.

[The information follows:]

#### USE OF MOTOR VEHICLE ASSIGNED TO YOU

"You have asked whether it is legally permissible in the light of 31 U.S.C. 638a for you to use the limousine assigned to you for transportation between your domicile and the HUD Central Office.

"Paragraph (c) (2) of the statute referred to limits the use of Government-owned or leased passenger motor vehicles to official purposes and specifically defines such purposes as not including transportation of officers and employees between their domiciles and places of employment except in certain defined cases. However, this and other limitations of the paragraph are specifically made inapplicable to motor vehicles for official use of the President, the heads of the executive departments enumerated in section 101 of Title 5 of the Code, and certain other officials.

"Since you are the head of an executive department enumerated in section 101 of Title 5 of the Code and are, accordingly, within the exemption of the cited paragraph, it is my opinion that there is no legal prohibition on your use of the Government limousine assigned to you for transportation between your domicile and the HUD Central Office."

#### USE OF LIMOUSINE BY THE UNDER SECRETARY

Senator PROXMIRE. Now, Mr. Hyde, how about your position?

Mr. HYDE. Well, as I indicated, Mr. Chairman, generally, my vehicle does provide transportation to the office from my home. I might say in that connection—

Senator PROXMIRE. Let me just say the reason I asked you is because Mr. Lynn's argument and the argument of the counsel is that he is the head of the Agency and, therefore, there is a specific exception for him. Now, we questioned that but we will have to determine that later.

You are not the head of the Agency although you occupy a high position—

Mr. HYDE. Let me add to that, and perhaps Mr. Mitchell can elaborate. A good part of my time, both to and from the office, is spent either engaged in work of the office or, many times, when leaving the office at late hours and going to meetings with those involved with the work of our Department. So, generally, when I am in that car it is with an armload of paperwork, and I am working on matters relating to the Department. But, aside from that, as I indicated, it is a matter, I guess, General Counsel would have to elaborate on.

Senator PROXMIRE. Do you have a comment on Mr. Hyde's use of this vehicle to take him from his home to work in view of the specific exception in the law?

Mr. MITCHELL. The law provides—well, they use the words, "the head of the Department." Now, in the past, at HUD, the delegation of authority regulations gives the Under Secretary, then Mr. Van Dusen, concurrent authority with the Secretary. I think there is a question here as to whether the head of the Department—well, I might add the Under Secretary is the only one with concurrent authority, he is the only other departmental officer—so, if there is some question as to whether the head of the Department could mean Mr. Hyde, as well. Secondly—

Senator PROXMIRE. You concede on your first point. However, there is at best an ambiguity, and I think it would be very hard for the typical taxpayer to view the man who is not the head of the Department as the head of the Department, because there is delegation of authority to him as the head.

I presume when both Mr. Lynn and Mr.

Hyde are out of town, they have a third official, who might be also delegated authority, and when those three are out of town there is probably a fourth. Just as you go down the list of Presidential succession, you even come as far down as the senior Senator from Wisconsin. If enough people are wiped out in some disaster, I could be President. It would have to be a real disaster in more ways than one.

Where do you stop with that type interpretation?

Mr. MITCHELL. Well, as I said, Mr. Chairman, under the previously existing order about the concurrent authority, this does not have an exception for absence. For example, most authority says that in the absence of the Secretary, the Under Secretary shall act. In the absence of the Under Secretary another officer shall act.

The way the order does read is that at all times, whether absent or present, the Under Secretary has concurrent authority along with the Secretary. And a second point, in answer to your question with respect to Mr. Hyde's situation, the statute as you have read, talks about "between domicile and place of employment." And, as Mr. Hyde has testified, and as I have personally observed, both he and the Secretary sit down in that car, turn on the light, open their briefcase and begin to work, both from and to the place that they live. I am not so sure but what "place of employment" doesn't include that car, which they use as an office morning and night.

What I think that the Congress was trying to do back in 1932 when this legislation was enacted, was to cut out joy-riding, luxurious movement of high government officials through the city, while they sat and listened to the radio or read the paper or whatever. Now, that may have been true, then, it certainly isn't true with respect to these two.

Senator PROXMIRE. Well, I think both of these men are very hardworking men. I don't mean any ridicule at all, but I am sure there have been occasions when both of these gentlemen have read newspapers. I see the light on and off in the back of these limousines, but whenever I get a chance to see what they are reading, whether it is the chairman of the FCC or whomever I encounter, they seem to be reading the newspaper.

Secretary LYNN. It is too bad you haven't encountered me, Mr. Chairman. You would have found that is not the case. This is where I read the memoranda that I don't have time to read at the office. This is where I sign off mail, including mail to the Congress, which I consider to be very important, and I'm trying to get on top of by having a shorter time span than I think there has been in the past in this regard.

#### SALARY OF HUD SECRETARY

Senator PROXMIRE. Let me ask you this: What is your salary, Mr. Secretary?

Secretary LYNN. \$60,000.

Senator PROXMIRE. And Mr. Hyde?

Mr. HYDE. \$40,000.

Senator PROXMIRE. How do I justify to the average family in Wisconsin that makes \$10,000 a year or less that they should be taxed to pay for a limousine and chauffeur for someone making four to six times as much?

Secretary LYNN. I would think the way you would explain that, Mr. Chairman, is to explain the total amount being paid, both directly and indirectly, to the Cabinet officer and compare that with what his opportunities were and what he foregoes—what he gave up when he came to the Government. If you do that, I think it should be very clear to the people in Wisconsin.

Senator PROXMIRE. If you ran for office in Wisconsin, you wouldn't make that kind of statement.

Secretary LYNN. Well, that may or may not be; and that may be a problem you have in this area, Mr. Chairman. The truth of the

matter is that if you take a look at the hours that are devoted to this work—which in my case, runs between 13 and 14 hours a day and most Saturdays, practically all of the time, 4 to 6 hours on Sunday, most Sundays—and if you take a look at the opportunities in the outside world, I think that any fair-minded taxpayer looking at that situation would find nothing wrong with this whatsoever. Let me say in that connection that we have no opportunities in the executive branch to supplement our income at all.

#### COST OF LIMOUSINES COMPARED TO HOUSING SUBSIDIES

Senator PROXMIRE. Well, let me just proceed this way, and indicate what is in the minds of some of the people in this country who would object. The administration has frozen all new public housing in section 235 starts as well as a number of other programs, as we mentioned. I don't have the precise figure on the annual average subsidy per unit of section 235 housing but I believe it is between \$600 and \$800 a year. In other words, one family can be subsidized for an entire year for \$600 or \$800. The HUD limousines, chauffeurs, maintenance costs cost \$86,000 a year. With that amount of money, somewhere between 10 and 14 section 235 homes, could be subsidized for an entire year.

I would like to have your comments on the relative priorities involved. What do you think of a government which at the same time, it provides limousines and chauffeurs to its high-ranking and, in some cases, not high-ranking officials, while at the same time, fails to provide any new funds for the poor or near-poor for new housing starts. Isn't that an upside down form of subsidy, namely, subsidy for those least in need instead of those most in need?

Secretary LYNN. I think there is absolutely no linkage between the two at all. You could run your same argument against my \$60,000 salary. Do you want to pay me \$10,000?

Senator PROXMIRE. No, I think that the Cabinet officers deserve \$60,000.

Secretary LYNN. The point is what difference does it make whether you pay me \$60,000 a year or pay me \$75,000, and have me obtain my own limousine? I have no opportunity whatsoever to supplement that income. I cannot do that as other people in the government do. I have to live on what I am paid. What difference does it make if you conclude that the limousine is useful for me to do my work, whether or not you do it separately through the expense route or put it in my salary?

Senator PROXMIRE. Well, Mr. Lynn, I don't know whether that limousine is necessary for you to do your work or not. I am sure you are an honest man and, if you say you work in the limousine, I would accept that. But, at the same time, if you don't work in the limousine, you could do your work at home or in the office.

Secretary LYNN. Sure. I could spend an additional 45 minutes in the office in the morning and I could go home at 8:30 or 8:15 instead of eight o'clock or a quarter to eight at night. I could do that. I am saying to you, to spend an hour and one-half with my family before I go back to the briefcase isn't asking too much.

Senator PROXMIRE. Well, this is a painful year in which we have to ask for sacrifices. There are hundreds of thousands of people who aren't getting adequate housing who have to live under conditions that are unsafe, unsanitary, downright disgusting and unhealthy, and this is the sacrifice that is being imposed on these people.

I think that government officials can set a real example by making sacrifices wherever possible.

#### FINANCIAL SACRIFICES IN GOVERNMENT EMPLOYMENT

Secretary LYNN. I am saying to you, Mr. Chairman, that I have made substantial financial sacrifice to take this job.

Senator PROXMIRE. I am sure you have.

Secretary LYNN. What I am being paid in

this job is nothing compared to what I could get outside. The sacrifices that I am making as to my family by way of having little time with them, as little as I have, is also a huge sacrifice.

The President and I, both of us, have the same goal; to provide decent housing and a decent living environment to all Americans. That is why I am down here. I am not down here for any personal glory. I am here to try to get the job done. All this is doing is making it a little easier for me to try to do that job. I find no distinction between that car and my salary. You ought to look at the two together, and if you conclude that that is too high a price to pay for the kind of talent you got, then you ought to cut the totality of the two of them, but you shouldn't separate the car from the salary. Look at the two. If you take the total amount of that money, plus my salary, and if you think it is too high, then recommend a reduction further than it is from what I could be getting in almost any other job in America.

Senator PROXMIRE. Well, I think you could make more than \$60,000 a year, I don't know whether I could or not.

Secretary LYNN. I can tell you, Mr. Chairman, that I can make far more than double that money.

Senator PROXMIRE. I think none of us are in public service because we get a salary of \$60,000 or \$40,000 or whatever we get.

Secretary LYNN. Of course we are not.

Senator PROXMIRE. We are in public service because we want to serve our country.

Secretary LYNN. Exactly.

Senator PROXMIRE. And because we believe in the job we do. If we are in public service, and what I am asking is that you recognize the kind of example that you would set if you would give up your limousine and, in effect, those funds either could be returned to the taxpayers—the long-suffering taxpayers—or, in effect, as I say, you can have 10 to 14 families, who can live a little better with the \$86,000 that your limousines for the Department of Housing and Urban Development now absorb.

#### GSA MOTOR POOL

Let me ask you one other thing: GSA tells us as of June 30, 1972—that is about a year ago—HUD had 494 additional automobiles assigned to their motor pool. What are these used for?

Mr. MORLEY. Those are primarily used in the field by our construction inspectors, our appraisers and personnel in occupations of that type which require the employee to be out in the field all day.

Senator PROXMIRE. Have you done a study on those recently?

Mr. MORLEY. The study was done about a year ago, Mr. Chairman.

Senator PROXMIRE. Do you have that available for the record?

Secretary LYNN. Let me say that when I looked at the wide disparity of the number of vehicles by region, I asked yesterday in preparation for this testimony, and because of my own curiosity, the reason for that disparity between regions. There may be good reasons and then again there may not, but I intend to take a look at it.

Senator PROXMIRE. We would like to have that for the record.

#### DRIVER COMPENSATION FIGURES

Would you provide for the record, also, the results on the basis of your examination of the W-2 forms, that would indicate the total compensation of the drivers of the limousines, that is, the seven individuals who are drivers, including their overtime?

Secretary LYNN. Of course.

[The information follows:]

The salaries and overtime in fiscal year 1972 for seven drivers is a total of \$73,241 of which \$57,679 is for salaries and \$15,562 is for overtime.

Based on a survey of the ten HUD Regions, the number of vehicles assigned on a long-term basis to our field employees from GSA

motor pools as of December 31, 1972, was as follows:

|                         |            |
|-------------------------|------------|
| Region I—Boston         | 12         |
| Region II—New York      | 24         |
| Region III—Philadelphia | 50         |
| Region IV—Atlanta       | 137        |
| Region V—Chicago        | 123        |
| Region VI—Fort Worth    | 50         |
| Region VII—Kansas City  | 33         |
| Region VIII—Denver      | 12         |
| Region IX—San Francisco | 49         |
| Region X—Seattle        | 54         |
| <b>Total</b>            | <b>544</b> |

It is the policy of this department that the mode of transportation used shall be that which will enable the traveller to make the most productive use of his time at the least personal inconvenience and at the lowest overall cost to the Government. Maximum use is to be made of vehicles supplied by the General Services Administration Inter-agency Motor Pools.

Based on reports from the Regional offices, the primary reason for the disparity in numbers of assigned vehicles is the availability of cars from the individual GSA motor pools and the accessibility of the pools for providing the required maintenance. For example, in the Atlanta and Chicago Regions, there is a much better overall supply of GSA cars available for long-term individual assignment in such cities as Tampa, Columbia, Nashville, Minneapolis, St. Paul, Columbus and Milwaukee. The reverse is true, however, in such cities as Boston, New York, Philadelphia, San Francisco and Los Angeles.

Mr. MATHIAS. Mr. President, what concerns me most of all is the effect of an adverse vote, or even a feeble vote, on the impact of the committee that the distinguished chairman has indicated he is going to appoint. I would like to see the McClellan committee have the maximum amount of influence so that when it makes a report we can really and finally put an end to the abuses that I think we all feel very strongly about. Here, at a time when the President is urging restraint in Government spending, when we are all talking about budgetary problems, instead of restraint we find people, in the little, human, understandable ways, abusing the privileges that have been extended to them. This is what we have to get at.

I am fearful that if we go forward on the very narrow basis we have before us today we may in some way vitiate the force of the argument that the Senator from Wisconsin has so very ably brought to our attention.

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

Mr. MATHIAS. I yield.

Mr. PROXMIRE. I think we should not overlook the fact that this is one subcommittee where we examined this very point in great detail. Every agency that had to appear before the subcommittee was asked a whole series of questions. We have a record of it.

Since we have a record and we developed the fact that in no case is a chauffeur-driven limousine justified, and we do not have a record with reference to the White House and other respective agencies, but we do have it with respect to the agencies covered by this bill. I see nothing wrong in acting in this particular case. I think this is the way to set the precedent, so we will be in a much stronger position to act in the future.

The chairman of the committee has

said that, regardless of the way the Senate votes on this issue, he is going to set up an ad hoc committee to study the subject. It seems to me that, having made the record, having made the case on the basis of questions asked each of these agencies, the committee appointed by the Senator from Arkansas would be in a much stronger position to act, and act effectively, with respect to the other agencies.

After all, if this motion is defeated, so be it. Senators know what they are voting on. That is the way we operate here. If Senators feel these limousines should be permitted, on whatever basis, that is the way it will be.

Mr. MATHIAS. Let me say that when the chairman of the full committee appoints an ad hoc committee to study this question, I hope the mandate of that committee will be broad enough to look into the question of chauffeurs' salaries. It is not the size of the automobile or the appearance of it, really, where the abuse comes in, but a lot of the taxpayers' money is spent on chauffeurs' salaries.

Mr. PROXMIRE. It is not the salaries so much; it is the overtime that results in their being paid from \$14,000 to \$17,000 a year, which is a pretty good salary for a chauffeur.

Mr. MATHIAS. I think that should be a part of the focus of the overall investigation.

Mr. PROXMIRE. If the Senator will permit, Mr. President, I move the adoption of the conference report. The Senator from California is anxious to engage in a colloquy on veterans' matters. Then we can proceed to that.

Mr. YOUNG. Mr. President, I support this conference report and I want to compliment the members of the subcommittee who have worked so hard on this large and difficult appropriations bill. While the total budget figure in this conference report is over the budget estimates, I think it is important to note that it is well under the budget for the previous fiscal year. More importantly, at a time when we have to worry about total expenditures of our Government, the outlay for fiscal year 1974 will be well under what the outlay would have been if we had agreed with the budget estimates submitted by the various Departments. The outlay of funds will also be under what was expended for the items in this bill for fiscal year 1973.

I want to thank the Senate conferees for insisting on inserting language in the conference report concerning support for technical training projects at the National Science Foundation. The Senate report on this bill also carried language on this subject and I will just read the one sentence from the conference report:

The Committee of conference also recommends that appropriate technician training projects be funded to provide underpinning or support for scientific efforts.

The NSF supports many and different types of educational undertakings and I see no reason why qualified technical training should be excluded from their consideration. While the NSF has closed down their technician education development program, I believe that this language will effectively direct the NSF to

consider worthwhile technician training programs which can be funded under their "special projects." As an example, I have in mind the very valuable "technical training for weather modification pilots" at the University of North Dakota. There is a shortage in this country of specially qualified pilots to undertake weather modification and there is a great need for such projects and, therefore, a need for increased capability in this field. There have been discussions with the NSF about this and I understand that, based on the directive contained in our Senate report and in the conference report, the NSF will give consideration to supporting such projects.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BROOKE. Mr. President, I would like some time on a matter other than the limousine matter.

Mr. YOUNG. How much time does the Senator want?

Mr. BROOKE. Three minutes.

Mr. YOUNG. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. BROOKE. The joint explanatory statement of the committee of conference on H.R. 8825 reported the House and Senate to be in technical disagreement on Senate amendment No. 3. The House, however, in approving the conference report, agreed to earmark not less than \$280 million for payment of operating subsidies to local housing authorities.

As a member of both the Appropriations Subcommittee on HUD, Space, Science, and Veterans and the Housing Subcommittee of the Committee on Banking, Housing and Urban Affairs, I am disappointed that the Senate conferees did not insist on a \$315 million floor on operating subsidies, which is the absolute minimum needed. It should be noted, however, that the \$280 million figure agreed to by the House is only a floor on expenditures and that the administration may spend over that figure if necessary. We clearly must spend more than \$280 million if we are to maintain our existing inventory of approximately 1,111,500 public housing units, which have a value of between \$30 and \$40 billion. I strongly urge the administration to use the authority conferred by this bill to make available operating subsidies in amounts sufficient to meet the needs of our Nation's public housing agencies.

The joint explanatory statement urges the committees with jurisdiction over the authorization for "operating subsidies" for LHA's to undertake an evaluation of the so-called Brooke amendments, including alleged abuses involved in the use of these subsidies. This language, I am compelled to say, strikes me as a form of legislative libel. By innuendo it implied that there have been abuses in the use of operating subsidies, but it is careful to label these abuses as "alleged." However, the conferees apparently feel that these unnamed allegations are substantial enough to deserve study by the authorizing committee, the Committee on Banking, Housing and Urban Affairs. As one member of the authorizing committee, I believe that all our housing programs should be monitored on a continu-

ing basis to determine their effectiveness. However, I do not believe that the committee on conference on H.R. 8825 has been of assistance to members of the authorizing committee by suggesting that we study unnamed abuses to determine if they exist. I, for one, am at a loss to determine what abuses we are to study.

Mr. President, I would like to have the comment of the distinguished floor manager on that matter.

Mr. PROXIMIRE. Mr. President, I am in sympathy with the views expressed by the Senator from Massachusetts. The subcommittee held extensive hearings on the budget. And we were not advised of any abuses. With reference to abuses, as the Senator said, it is unspecific. I do not think it is particularly helpful to those of us who serve on the authorizing committee.

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

The PRESIDING OFFICER. The Senator from North Dakota has 4 minutes remaining.

Mr. YOUNG. Mr. President, I yield 3½ minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator. I hope that I shall not use all that time.

Mr. President, I would first like to lend my strong support for what the Senator from Wisconsin is doing. I will certainly help in any way I can in that matter.

Mr. President, I would like to congratulate the Senate conferees on H.R. 8825, the act making appropriations for fiscal year 1974 for the Department of Housing and Urban Development, for space, science, veterans, and for certain other independent executive agencies. They succeeded in retaining the bulk of the Senate provisions for which we are very grateful. The conference committee members from both the House and the Senate have agreed upon an appropriations act which should enable the agencies concerned to mount successful programs in the areas of their jurisdiction.

It is unfortunate that the conference could not agree to all the provisions in the Senate-passed bill, but I know the Senate conferees tried their best to do so, and I appreciate their efforts.

#### VETERANS' ADMINISTRATION—MEDICAL CARE ITEM

Mr. President, because of my deep concern for the ability of the VA to provide quality medical care to eligible veterans and as chairman of the Health and Hospitals Subcommittee of the Veterans' Affairs Committee, I would like to ask the distinguished Senator from Wisconsin (Mr. PROXIMIRE), who is the chairman of the Senate subcommittee dealing with this appropriations act, this question:

"If, at the time the committee and the Senate deal with the Supplemental Appropriations Act, there is a clear indication, because of the factors I will next discuss, that additional funding is needed for the medical care item in the Veterans' Administration budget, will you and the distinguished ranking minority member from Maryland (Mr. MATHIAS), give sympathetic consideration to adding sufficient supplemental

funding to meet any demonstrated need?"

Mr. PROXIMIRE. The answer is an emphatic "Yes." Depending upon the evidence, I would be very sympathetic.

Mr. CRANSTON. Mr. President, I thank the chairman.

Mr. MATHIAS. Mr. President, I would join with the chairman in that assurance. It seems to me to be a matter of great concern.

Mr. CRANSTON. Mr. President, I would like to point out some of the factors that could create the need for such an appropriations increase before the end of the current fiscal year.

#### HIGH AVERAGE DAILY PATIENT CENSUS

These are, first, the continued high average daily patient census in VA hospitals. As Members of the Senate will recall, the administration had predicted the census would drop to an average of 80,000 each day and has based its VA medical care budget requests upon that assumption. However, as I reported in my testimony to the subcommittee and then on the floor on May 31, weekly VA hospital figures showed that a census of about 82,500 would be achieved for fiscal year 1973. It is this figure on which I based my recommendation of an additional \$30 million to support the increased staff to meet this higher daily patient census—\$30 million which the House conferees insisted be deleted from the conference report. If the average daily patient census remains at the higher figure, additional staff will be necessary to maintain the staff-to-patient ratio of 1.5 to 1, which OMB has finally accepted after several years of prodding. Even this, of course, is only a skeletal ratio in comparison to the ratio existent in most community hospitals.

The actual average daily patient census for fiscal year 1973 was 82,480. The weekly figures for July and August have generally been at the 82,000 level. In its agreement with the two Veterans' Affairs Committees on S. 59, now Public Law 93-82, OMB has agreed to impose no arbitrary restrictions on the census.

The distinguished chairman of the House Veterans' Affairs Committee, Mr. William Jennings Bryan Dorn, stated when this conference report was discussed in the House, that the House Appropriations Committee had made it clear that it stands ready to make any additional funds available which are needed to provide the quality care our Nation's veterans deserve.

Would the Senator from Wisconsin be agreeable to supporting additional funding to support a higher census than projected should this need be shown?

Mr. PROXIMIRE. Yes, indeed.

Mr. CRANSTON. Mr. President, I thank the Senator very much.

#### CURRENT INABILITY TO PROVIDE CARE

Mr. President, current surveys indicate that a second factor which may require a larger budget for the medical care item is the large numbers of veterans who have needed hospitalization and who have been turned away from VA hospitals, the House Veterans' Affairs Committee has been conducting a detailed survey of all VA hospitals and has been working in conjunction with national

veterans' organizations in compiling data on individual cases where veterans needing treatment have been refused it in VA hospitals and have then been admitted to community hospitals for necessary treatment. In some cases, these veterans have had such serious illnesses, they have died.

Data on the results of these surveys will be available this fall, and I plan field hearings to followup on this factor and the others I am discussing today.

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

Mr. PROXIMIRE. Mr. President, I yield my remaining minute to the Senator from California.

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

#### IMPLEMENTATION OF PUBLIC LAW 93-82

Another factor which, I believe, will justify an increase in the fiscal year 1974 appropriation for medical care will be the results of implementation of Public Law 93-82, the Veterans Health Care Expansion Act of 1973. As a result of this law, enacted on August 2, 1973, many legislative restrictions which had limited the provision of medical care to veterans by the VA have been modified and many more veterans will be eligible for care. The bulk of this expansion of care will be in the most cost effective field of preventive medicine—that of ambulatory outpatient care. Whereas previously outpatient care was available for non-service-connected conditions only to prepare for, or as followup care to, hospitalization, under the terms of this new law outpatient care can be provided for such conditions where it will obviate the need for hospitalization. Initially funds will be needed to expand outpatient departments and increase their staffs. However, in the long run there is hope that this type of care will reduce unnecessary hospitalizations and prevent illnesses from reaching the crisis stage where surgery or long-term hospitalization is necessary.

Public Law 93-82 has a total first year cost of \$64.9 million. I would like to ask the distinguished Senator from Wisconsin if he agrees that it would be a very wise investment to appropriate supplemental funds if needed for the effective implementation of an expanded outpatient program in VA facilities and for the other authorities included in the new public law?

Mr. PROXIMIRE. If needed, yes, indeed.

#### VA SPINAL CORD TREATMENT

Mr. CRANSTON. Mr. President, I am quite disappointed that the \$544,000 for additional home-based spinal cord injury programs which the Senate accepted as a floor amendment has been lost in conference. This program is one which holds great potential in terms of ultimate savings to the medical care budget. I hope it too can be considered in the next supplemental.

#### MEDICAL AND PROSTHETIC RESEARCH

Mr. President, although the Senate had recommended a total appropriation of \$77,800,000 for medical and prosthetic research, which included a \$6.8 million increase I had recommended to the committee to cover the increased costs,

due to inflation, of continuing VA research programs at the fiscal year 1973 level, the Senate increase was reduced to \$4.5 million in the conference report. The Senator from Wisconsin will recall that he and I discussed the need for improvement in substandard VA animal research laboratories when the appropriations bill was on the Senate floor May 31. I would like to know if you would agree that a part of the \$4.5 million increase for VA research should be used to bring those animal research laboratories which are failing to meet the minimum national standards up to the level necessary for accreditation.

Mr. PROXMIRE. Yes, I would. It is very important that this be done, I agree.

Mr. CRANSTON. I thank the Senator very much for his helpful response.

SUPPORT TO HEALTH MANPOWER TRAINING INSTITUTIONS

Mr. President, although an amendment was voted overwhelmingly on the Senate floor to appropriate \$55 million for the VA to provide support to new medical schools or health training institutions affiliated with VA medical facilities, this amount was reduced in conference to \$25 million and was earmarked specifically only for a subchapter I—grants to support the establishment of new medical schools. The distinguished Senators from West Virginia (Mr. BYRD and Mr. RANDOLPH) have both taken a key leadership role in obtaining these funds and I am very grateful to them. I would certainly have preferred that the full \$55 million had been retained in conference, but I can understand the many conflicting demands made upon the conferees.

I am relieved by the knowledge that \$20 million was included in the Second Supplemental Appropriation Act for fiscal year 1973, which can, by the terms of the enacting statute, remain available for expenditure throughout the current fiscal year and thereafter. That \$20 million, by its terms, may be utilized for any of the four subchapters in Public Law 92-541, and I would like to ask the Senator from Wisconsin if he agrees that the money included in the fiscal year 1973 Appropriation Act was intended to be used along with the funds appropriated in the pending fiscal year 1974 Appropriations Act so that the VA would begin to implement all the authorities of that public law this fiscal year.

Mr. PROXMIRE. The 1973 appropriations, yes.

Mr. CRANSTON. Mr. President, I would also like to note that the Senate conferees were successful in retaining \$7,044,000 of the approximately \$9 million added for construction—major projects by my floor amendment. This amount over the House recommended amount will enable the VA to go ahead with projects for air conditioning the VA hospitals at Gulfport, Miss., Huntington, W. Va., and Salisbury, N.C. I am disappointed that the modest amounts recommended for air conditioning installation at Kerrville, Tex., Poplar Bluff, Mo., and Wichita, Kans., were not retained. Can the Senator from Wisconsin tell me why funds for these three projects were deleted?

Mr. PROXMIRE. The information that we had in conference—and the House was very strong on this—was that the VA was not ready to go ahead with these projects, and for that reason we deleted the money for the projects.

Mr. CRANSTON. I thank the Senator. I trust those also will receive sympathetic consideration when we demonstrate the need.

Mr. PROXMIRE. They will when ready; yes.

Mr. CRANSTON. I thank the Senator very much. I am glad the distinguished Senator has clarified for the RECORD the reason for that action.

The PRESIDING OFFICER (Mr. CLARK). The question is on agreeing to the conference report. The Senator from North Dakota has 30 seconds remaining.

Mr. YOUNG. Mr. President, I ask unanimous consent that the Senator from Maryland may have 2 minutes.

The PRESIDING OFFICER. There is 30 seconds remaining of the Senator's time. Is that a unanimous consent request?

Mr. YOUNG. I ask unanimous consent.

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

Mr. MATHIAS. Mr. President, I shall try not to take the full 2 minutes, but I did want to associate myself with the remarks of the Senator from Massachusetts with respect to deficiencies in the housing programs, particularly the operating program, and to say that I would cooperate fully with him in making the kind of study of the operation of the Brooke amendment and the other features of the housing program he has referred to.

I also think it is not fair to the conference report, or to the work that the chairman of the subcommittee has done on this conference report, not to call the attention of the Senate to some of the other features of the bill.

The provision for the National Science Foundation is an extremely important aspect of this conference report. It is one that will undergird the national science effort at a time when national scientific efforts are not being supported as fully as they should be in other areas.

The very important restrictive language that was placed on the appropriation to the Selective Service System, which originated in the Senate and which was supported by the House of Representatives, I think is extremely important. The fact that in this conference report Congress is asserting legislative initiative and making its own judgments as to priorities is, I think, of extreme importance, and gives to the conference report a validity and importance that goes far beyond the sums appropriated.

Mr. PROXMIRE. Mr. President, will the Senator give me the remainder of his time for a parliamentary inquiry?

Mr. MATHIAS. I yield.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. As I understand, a yea-and-nay vote should now occur, because the yeas and nays have been ordered, on the conference report, and subsequent to that we will have an oppor-

tunity to vote on whatever motions are brought up, and there probably will be a vote on the so-called limousine amendment. Is that correct?

The PRESIDING OFFICER. The Senate will first agree to the conference report, and then amendments reported in disagreement will be acted so separately.

Mr. PROXMIRE. I thank the Chair.

The PRESIDING OFFICER (Mr. CLARK). The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. TUNNEY), the Senator from Utah (Mr. MOSS), the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 88, nays 0, as follows:

| YEAS—88         |            |            |
|-----------------|------------|------------|
| [No. 380 Leg.]  |            |            |
| Aiken           | Goldwater  | Montoya    |
| Allen           | Gravel     | Muskie     |
| Bartlett        | Griffin    | Nelson     |
| Bayh            | Gurney     | Nunn       |
| Beall           | Hansen     | Packwood   |
| Bellmon         | Hart       | Pastore    |
| Bennett         | Hartke     | Pearson    |
| Bentsen         | Haskell    | Pell       |
| Bible           | Hathaway   | Percy      |
| Biden           | Helms      | Proxmire   |
| Brooke          | Hollings   | Randolph   |
| Buckley         | Hruska     | Ribicoff   |
| Burdick         | Huddleston | Roth       |
| Byrd            | Humphrey   | Saxbe      |
| Harry F. Jr.    | Inouye     | Schweiker  |
| Byrd, Robert C. | Jackson    | Scott, Pa. |
| Cannon          | Javits     | Scott, Va. |
| Case            | Johnston   | Sparkman   |
| Chiles          | Kennedy    | Stafford   |
| Church          | Long       | Stennis    |
| Clark           | Magnuson   | Stevens    |
| Cook            | Mansfield  | Stevenson  |
| Cranston        | Mathias    | Symington  |
| Curtis          | McClellan  | Talmadge   |
| Dole            | McClure    | Thurmond   |
| Domenici        | McGee      | Tower      |
| Dominick        | McGovern   | Weicker    |
| Eastland        | McIntyre   | Williams   |
| Fannin          | Metcalf    | Young      |
| Fulbright       | Mondale    |            |

NAYS—0

| NOT VOTING—12 |          |        |
|---------------|----------|--------|
| Abourezk      | Eagleton | Hughes |
| Baker         | Ervin    | Moss   |
| Brock         | Fong     | Taft   |
| Cotton        | Hatfield | Tunney |

So the report was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. BIDEN). The Chair lays before the Senate the first amendment in disagreement, which the clerk will state.

The assistant legislative clerk read as follows:

*Resolved*, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "\$2,020,000,000, of which not less than \$280,000,000 shall be used only for the payment of operating subsidies to local housing authorities."

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a conference table included by the House when it acted on the pending report, H.R. 8825, be printed in the RECORD by reference.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the provisions of law requiring that the conference report be printed as a Senate report be waived, since the report is identical to the report of the House of Representatives which has already been printed as required by the Rules of the House.

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

Mr. PROXMIRE. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 3.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. YOUNG. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will report the next amendments in disagreement.

The assistant legislative clerk read as follows:

*Resolved*, That the House insist on its disagreement to the amendments of the Senate numbered 44 and 45 to the aforesaid bill.

Mr. PROXMIRE. Mr. President, I move that the Senate insist upon its amendments numbered 44 and 45, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. I yield myself such time as I may require.

Mr. President, in this bill, as it passed the Senate, there was a limitation on the number and use of limousines in the agencies covered by the bill. Nine agencies and about 16 limousines were directly affected.

#### SENATE BILL DID TWO THINGS

The Senate bill did two things. Except for the Secretary of the Department of Housing and Urban Development, who is the only Cabinet officer involved, the Senate bill provided that the Under Secretaries, the Assistant Secretaries, and the Directors and Commissioners of the

nine agencies involved, should henceforth be provided with regular GSA pool cars to carry on their official business instead of the mammoth black limousines with their small reading lamps in the rear which now frequent the arterial highways, bridges, and parking spaces throughout the District of Columbia.

As we all know, there is a proliferation of these vehicles throughout the Government.

Second, the bill insisted that the language of the Administrative Act of 1946 be carried out. That act said that government cars could be used only for "official purposes" and that official purposes "shall not include the transportation of officers and employees between their domiciles and places of employment."

That is what we did.

#### WHY WE DID IT

There are a great many reasons why we did it.

First, there has been a massive proliferation of these vehicles. Everybody and their brother has them in the executive agencies.

Now, I do not object to the President, Cabinet officers, the Chief Justice, and the leaders of the House and Senate having a limousine.

But if Congress were to act as the executive agencies act, every Senator would have a limousine and chauffeur. Not only that, but his administrative assistant would be provided a limousine, and at least one of his legislative assistants and all the chiefs of staffs of our committees would have a limousine and chauffeur, too.

The practice has gone too far.

#### TOO COSTLY

Second, the practice is too costly. In our hearings we found that routinely the chauffeurs are paid from \$14,000 to \$17,000 a year when overtime is included.

The true cost of the purchase price of the cars plus the maintenance, gas and oil, and parking add thousands more.

#### UNSEEMLY

Third, it is unseemly in a political democracy. How do we justify to the average family in this country making \$11,000 a year—and that is the average family income—providing a chauffeur and limousine—at a cost of at least \$20,000 a year or almost twice the average family income—to a Government official making from \$40,000 to \$50,000 a year?

That is a classical example of a misplaced priority.

At HUD, for example, all the programs to help the poor house themselves, have been stopped. There is a moratorium on them. But the limousines are provided to at least five major officials plus three more to the members of the Home Loan Bank Board, which is also involved in housing. The policy is no housing for the poor, but limousines for the administrators. That should be changed.

#### CONGRESSIONAL ACTION

For all these and other reasons, the Senate wrote the restrictions into the bill.

It passed in the Senate without objection. No fight was made against it.

But in conference the House conferees were adamant. We insisted on our provision and they insisted on nothing. We

refused that no compromise position and they took it back to the House floor.

#### MORAL VICTORY

There, the opponents of the present limousine policy scored a great moral victory. The powerful Appropriations Committee in the House was almost defeated on this issue—the issue of supporting their views in conference. The vote was a narrow 222-to-189 margin for the committee.

#### SUPPORT THE SENATE POSITION

My motion today would put the Senate on record in support of the Senate position. All other items in the conference have been agreed to. The House position that they would not even compromise on this issue is wrong. We ask the Senate to support the Senate committee so that we can go back on this single issue and reach a proper conclusion.

It is clear with the overwhelming support we had in the Senate and the narrow vote in the House that more than a majority in the Congress supports our position. In these circumstances there is no reason why the Senate should not support its committee and send us back on this issue.

#### NO DELAY

There is no real argument against it. It will not delay the housing programs. Almost all of them are under the moratorium by executive action. And, in any case, this matter can be settled shortly.

#### THE PERFECT AS THE EVIL OF THE GOOD

There has been a tremendous lobbying effort by the agencies on behalf of their limousines. They are far more interested in keeping them than in the substance of their programs. I know one Senator whose staff has told us that they have had three calls this week from the HUD liaison inquiring about the limousine situation.

One major argument is used. They say, do not cut out our limousines until you cut out limousines for every agency in the Government.

But why should the perfect be the evil of the good? We have a bill. This bill covers nine agencies. We went into this issue in detail. We got the facts. We acted. And, we believe we have acted correctly. Merely because every other subcommittee did not do the same is no reason to reject our efforts. Perhaps it will be catching.

Senators are often accused of biting off more than they can chew. It is said we spread ourselves too thin.

Here is an instance where we took a specific program in a specific bill and acted within our jurisdiction and acted intelligently. Is our work to be denied, because we did not poach on every other subcommittee's jurisdiction? But that is the argument of those who say do not do anything unless you do everything.

#### CONCLUSION

This country and this Government has great budgetary problems. We have huge inflationary problems. We have a fuel shortage. And we have major problems concerning priorities.

In these circumstances, to continue the present policy of a limousine for every major bureaucrat everywhere—which is essential the present policy—is wrong.

I ask the Senate to support the committee and vote "aye" on the motion that we insist upon our amendments numbered 44 and 45.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. I yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, this issue has a great deal of appeal. I think all of us in the Senate and in the House and many members of the public are aware that there have been abuses in the use of limousines by Federal agencies.

The Senator from Kentucky, in the colloquy this morning, mentioned that every morning he saw a little black limousine, with a light in the back and some man sitting there, reading his newspaper as he comes to work, while the Senator is behind his wheel, as all of us are, traveling here to our business. The Senator said he did not even recognize the man; he was not a Cabinet member. He did not believe the man was even a second echelon Federal official.

We do not know how far this has gone. When the distinguished Senator from Wisconsin brought this matter up before the subcommittee, he very eloquently pointed out that there have been flagrant abuses in the use of federally owned and leased limousines. We in the committee supported him. I argued very strongly for him. Senator PASTORE, Senator MATHIAS, and Senator McCLELLAN, the chairman of the full committee, voted for the Senator from Wisconsin's amendment. That subcommittee has jurisdiction only over HUD, Space, Science, and Veterans. It does not cover the waterfront at all.

The distinguished Senator from North Carolina (Mr. HELMS) immediately asked for a GAO investigation into all agencies and departments of the Federal Government with respect to the use of limousines. That investigation is presently in process.

On the floor this morning, the distinguished chairman of the Appropriations Committee said that he will immediately appoint an ad hoc committee to look into the whole question of the use of Federal limousines.

I, for one, strongly supported Senator PROXMIRE's position, and I still support it. I think he was right. I think he was right then, and I think he is right now. But we cannot overlook the fact that we are now only talking about the Secretary of HUD and his agency, which is denied certain use of limousines. The Secretary of HUD would be denied the use of his limousine from his home to work and back. But none of the other secretaries, in any of the other Cabinet posts, would be denied theirs.

I think that is discrimination at its worst. Why should the Secretary of Agriculture, the Secretary of State, the Secretary of Defense, any of the other Secretaries not be included? If we are going to do it, it should be done wholeheartedly. It should not be done piecemeal. This is legislation which should be done in the proper manner and it can be done in the proper manner if the ad hoc committee is appointed that the Senator from Arkansas (Mr. McCLELLAN) will appoint—

his word is as good as law; we all know that—and the committee will report back to us in this session and we can study the whole problem.

I am not arguing on the question of abuse. I know it exists. I am opposed to it; we all are opposed to it, and we want to do something about it. My point is we are not doing it so that it will cover all the agencies and departments of the Federal Government, and to single out HUD alone and other agencies under this particular appropriation subcommittee is not the manner in which to do it.

My second point is that this is important legislation. The House is locked in. We will delay the appropriations for HUD, for veterans, and others. We do not know for how long, perhaps 2 weeks and maybe more. I do not know how difficult it will be to get together with the House, but I understand they are locked in. The Senator from Wisconsin said there will be no real delay in money and that money will be forthcoming. That is not my understanding. My understanding is to the contrary.

So I think we have two reasons for delaying this. I have spelled them out to my colleagues and I hope the Senator will reconsider. If he does not, I shall move that the Senate recede on amendments 44 and 45.

The PRESIDING OFFICER. The Senator's motion is not in order until the time on this motion has expired.

Mr. BROOKE. I withhold it until the time has expired on the Senator's motion.

Mr. PROXMIRE. Mr. President, I am happy to yield back my time but first let me say that I agree completely that we should act wholeheartedly. How do we act wholeheartedly? We have before us a clear-cut, crisp, simple opportunity to knock out these limousines, not just for one agency but for nine agencies, and we can take that action today.

What will have the most effect on getting a quick answer in the other agencies? Appoint an ad hoc committee to study it, which they should do, develop a record, which they should have; but we already have a record where we have determined that these limousines are not necessary, where we made the exception for the Cabinet officer, so the Secretary will have the limousine.

It is clear if we want to act wholeheartedly the action is to vote no on what I anticipate will be the motion of the Senator from Massachusetts.

The Senator from Massachusetts brought up one other point, that this limousine prohibition would bring about delay. What delay? The Space Agency and other agencies and departments have made no case whatever that their funds would be held up. We know because of the continuing resolution and because there is less money that is being appropriated now than last year and the continuing resolution takes the lower figure, that it will have no effect.

Therefore, it seems to me that if we believe these limousines constitute an abuse the vote should be against the motion of my friend, the Senator from Massachusetts. Then, I hope we vote in favor of the motion that I have made to support the Senate in its position.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is the substitute motion subject to debate?

The PRESIDING OFFICER. Yes, the motion that the Senator from Massachusetts intends to offer will be open to 20 minutes debate.

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. YOUNG. I yield back the remainder of my time.

The PRESIDING OFFICER. The time on this motion has been yielded back.

The Senator from Massachusetts is recognized.

Mr. BROOKE. Mr. President, I move that the Senate recede on amendments 44 and 45.

The PRESIDING OFFICER. The question is on the motion. The motion is debatable for 20 minutes.

Mr. BROOKE. I am pleased to yield to the distinguished chairman of the Committee on Appropriations.

Mr. McCLELLAN. Mr. President, I supported this proposal in the full committee. I support it on the floor of the Senate. If my vote today would enact this proposal, I would vote for it; I would vote against the substitute motion; I would vote for the motion of the distinguished Senator from Wisconsin. But my vote today, and the Senator's vote today, will not necessarily accomplish in other agencies of the Government what is sought to be done in this one.

There is another body that will have to agree to what the Senate will do today. This proposal was rejected by a margin of 33 of its Members. So we are not going to say today that what we will do is final, whatever our vote is. But we all recognize that this one bill today is only one part or one area of the entire problem.

My feeling concerning what has developed with respect to the attitude of the House, as it is recorded, is that, so far as we know, it will stay that way. So we will accomplish nothing by our insistence. It will only delay appropriations for other functions of the Government, appropriations that ought to be made, and ought to be made now.

So the situation having developed as it has, I have suggested to and advised the Senator from Wisconsin (Mr. PROXMIRE) and other Senators who are interested that the way, in my judgment, to approach this problem for an adequate and appropriate solution is to appoint in the Committee on Appropriations an ad hoc committee to proceed immediately to examine the conditions in all agencies of the Government and report back to us the action that needs to be taken to resolve the problem.

That is the orderly procedure, as I see it, in view of the situation in which we find ourselves today.

I do not like to vote for the substitute motion; but in doing so, I think we are doing what is expedient and necessary to get the quickest action on the very thing we want to do as to this particular agency or this particular department. We are not going to get it, in my judgment, if the House insists on its position. But we do have an opportunity to

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make an overall approach and ultimately to persuade the House to go along with us.

This is not a case of voting against what the Senator from Wisconsin seeks to do. It is not in opposition to what he seeks to do. I support what he seeks to do in principle and in objective. I seek to do it, not only as to this department of the Government, but also as to all others. But the only way to do it, in my view of the situation that has developed, judgment, and practically so now, in is the procedure I have suggested. I shall vote accordingly.

Again, I wish to commend the distinguished Senator from Wisconsin. I praise him with high commendation for the effort he has put forth and the service he has given. He has brought the matter to our attention so that we can, I know, deal with it properly.

Mr. YOUNG. Mr. President, I wish to reiterate my position again in support of the motion made by the distinguished Senator from Massachusetts. We would be dealing unfairly with agencies of the Government in this bill as against all the others. We would eliminate a certain number of limousines; but other agencies would be permitted to continue using them as they have been.

If this amendment included all agencies of government, I would certainly vote for it. I believe a study should be made, as proposed by the distinguished chairman of the committee (Mr. McCLELLAN), by an ad hoc committee. Then we could put a rider on all appropriation bills affecting every agency of government alike.

Mr. BROOKE. Mr. President, it certainly is not my intention to delay the Senate. I think this particular issue has had ample and full debate, I again want to commend the Senator from Wisconsin (Mr. PROXMIRE) for bringing this matter to the attention of the committee and to the attention of the Senate.

Again I reiterate that there has been abuse, and this abuse must stop, but I cannot see that we are solving the problem by merely doing it with respect to HUD and related agencies; that we must do it with respect to all departments and all agencies.

I even at one time had intended to substitute a motion which would have included the appointment of an ad hoc committee, providing that it would report by a certain date to the Senate; but that would be legislation on an appropriations measure, so I did not go that route.

Very reluctantly, I have made this substitute motion to recede to the House because I feel so strongly, as so many Senators do, about the abuse of the use of limousines and wanted to correct it. However, I do want to say to my colleagues that a vote to support the motion to recede to the House on amendments 44 and 45 is not a vote for support of the abuse of limousines. It is a vote that would indicate their strong desire to see that a stoppage of the abuse of the use of limousines cuts across the entire Federal Government and its boards and departments. I think that is what we all want. I think that is what the roll.

the Senator from Wisconsin (Mr. PROXMIRE) really wants to do.

I hope this motion to recede will be carried.

Mr. President, if no other Senator wants time, I am glad to yield back my time.

Mr. PROXMIRE. Mr. President, I take just this 1 minute to say I do hope Senators will vote "nay" on this motion and support the Senate's position. Furthermore, most of the appropriation bills, in terms of limousines and dollars, have to come before us. We can act on HEW, we can act on Defense, and in other areas, and treat them the same, if we wish to do so—and I certainly hope we will do so.

Mr. President, I am ready to yield back the remainder of my time, and I hope Senators will vote "nay," in favor of the Senate's position.

Mr. BROOKE. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the motion has been yielded back.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts that the Senate recede from its insistence on amendments Nos. 44 and 45. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. TUNNEY), the Senator from Utah (Mr. MOSS), the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

The result was announced—yeas 30, nays 58, as follows:

[No. 381 Leg.]

YEAS—30

|          |           |            |
|----------|-----------|------------|
| Beall    | Griffin   | Percy      |
| Bellmon  | Hansen    | Saxbe      |
| Bennett  | Haskell   | Scott, Pa. |
| Brooke   | Hruska    | Sparkman   |
| Buckley  | Javits    | Stafford   |
| Curtis   | McClellan | Stennis    |
| Dole     | McGee     | Stevens    |
| Domenici | McIntyre  | Thurmond   |
| Eastland | Packwood  | Tower      |
| Fannin   | Pearson   | Young      |

NAYS—58

|                 |           |            |
|-----------------|-----------|------------|
| Aiken           | Case      | Hartke     |
| Allen           | Chiles    | Hathaway   |
| Bartlett        | Church    | Helms      |
| Bayh            | Clark     | Hollings   |
| Bentsen         | Cook      | Huddleston |
| Bible           | Cranston  | Humphrey   |
| Biden           | Dominick  | Inouye     |
| Burdick         | Fulbright | Jackson    |
| Byrd,           | Goldwater | Johnston   |
| Harry F., Jr.   | Gravel    | Kennedy    |
| Byrd, Robert C. | Gurney    | Long       |
| Cannon          | Hart      | Magnuson   |

|           |          |            |
|-----------|----------|------------|
| Mansfield | Nelson   | Schweiker  |
| Mathias   | Nunn     | Scott, Va. |
| McClure   | Pastore  | Stevenson  |
| McGovern  | Pell     | Symington  |
| Metcalf   | Proxmire | Talmadge   |
| Mondale   | Randolph | Weicker    |
| Montoya   | Ribicoff | Williams   |
| Muskie    | Roth     |            |

NOT VOTING—12

|          |          |        |
|----------|----------|--------|
| Abourezk | Eagleton | Hughes |
| Baker    | Ervin    | Moss   |
| Brock    | Fong     | Taft   |
| Cotton   | Hatfield | Tunney |

So the motion was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the motion to insist on Senate amendments numbered 44 and 45. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), the Senator from Iowa (Mr. HUGHES), the Senator from Utah (Mr. MOSS), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. HATFIELD), the Senator from Ohio (Mr. TAFT) and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 83, nays 4, as follows:

[No. 382 Leg.]

YEAS—83

|                 |            |            |
|-----------------|------------|------------|
| Aiken           | Goldwater  | Metcalf    |
| Allen           | Gravel     | Mondale    |
| Bartlett        | Griffin    | Montoya    |
| Bayh            | Gurney     | Muskie     |
| Beall           | Hansen     | Nelson     |
| Bellmon         | Hart       | Nunn       |
| Bentsen         | Hartke     | Packwood   |
| Bible           | Haskell    | Pastore    |
| Biden           | Hathaway   | Pearson    |
| Brooke          | Helms      | Pell       |
| Buckley         | Hollings   | Percy      |
| Burdick         | Hruska     | Proxmire   |
| Byrd,           | Huddleston | Randolph   |
| Harry F., Jr.   | Humphrey   | Ribicoff   |
| Byrd, Robert C. | Inouye     | Roth       |
| Cannon          | Jackson    | Saxbe      |
| Case            | Javits     | Schweiker  |
| Chiles          | Johnston   | Scott, Pa. |
| Church          | Kennedy    | Sparkman   |
| Clark           | Long       | Staford    |
| Cook            | Magnuson   | Stevens    |
| Cranston        | Mansfield  | Stevenson  |
| Curtis          | Mathias    | Symington  |
| Dole            | McClellan  | Talmadge   |
| Domenici        | McClure    | Tower      |
| Dominick        | McGee      | Weicker    |
| Fannin          | McGovern   | Williams   |
| Fulbright       | McIntyre   | Young      |

NAYS—4

|          |         |          |
|----------|---------|----------|
| Bennett  | Stennis | Thurmond |
| Eastland |         |          |

NOT VOTING—13

|          |          |            |
|----------|----------|------------|
| Abourezk | Ervin    | Scott, Va. |
| Baker    | Fong     | Taft       |
| Brock    | Hatfield | Tunney     |
| Cotton   | Hughes   |            |
| Eagleton | Moss     |            |

So the motion was agreed to.

Mr. PROXMIRE. Mr. President, I move

that the vote by which the motion was agreed to be reconsidered.

MR. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MR. PROXIMIRE. Mr. President, I move that the Senate request a further conference with the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. JOHNSTON) appointed Mr. PROXIMIRE, Mr. McCLELLAN, Mr. PASTORE, Mr. BAYH, Mr. CHILES, Mr. MOSS, Mr. MATHIAS, Mr. YOUNG, Mr. CASE, and Mr. FONG conferees on the part of the Senate.

#### MESSAGES FROM THE PRESIDENT

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

#### EXECUTIVE MESSAGES REFERRED

As in executive session, the 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.)

#### AMENDMENT OF PAR VALUE MODIFICATION ACT—CONFERENCE REPORT

THE PRESIDING OFFICER (Mr. JOHNSTON). Under the previous order, the Senate will now proceed to consider the conference report on H.R. 6912, which was previously submitted. The Clerk will report it.

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. 6912) to amend the Par Value Modification Act, 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 31, 1973, at p. 26917.

MR. PROXIMIRE. Mr. President, on July 30, 1973, the House and Senate conferees on H.R. 6912 completed their work. We arrived at what I think is a good agreement.

The primary purpose of H.R. 6912 is to modify the par value of the dollar. The conference version of H.R. 6912 would express the new value of the dollar as a fraction in terms of gold or "special drawing rights." This conforms to the House version. The conference version also contains a sense-of-Congress provi-

sion which states that the President shall take appropriate action to expedite realization of international monetary reform noted at the Smithsonian on December 18, 1971. This is a House provision.

The conference version of the bill contains a provision which would legalize the private ownership of gold as of the date when the President reports to Congress that elimination of regulation on private ownership of gold will not adversely affect the international monetary position of the United States. This is the House version of the bill.

The conference version of the bill contains a provision which would require the Secretary of the Treasury to promulgate rules requiring multinational corporations to submit reports on foreign currency transactions.

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

MR. TOWER. Mr. President, I ask unanimous consent that Kenneth McLean, of the staff of the Committee on Banking, Housing, and Urban Affairs, be permitted the privilege of the floor.

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

MR. TOWER. Mr. President, I should like to associate myself with the remarks of the distinguished Senator from Wisconsin.

I believe we have arrived at a fair compromise with the House on the par value bill. Considering the problems they have with germaneness on some matters, I think we emerged in as good shape as we could, from the standpoint of the Senate position.

I join the Senator from Wisconsin in urging the Senate to adopt the conference report.

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

MR. DOMINICK. Mr. President, if we are on allocated time, as I gather we are, I wonder whether either the Senator from Wisconsin or the Senator from Texas will give me about 4 or 5 minutes.

MR. PROXIMIRE. Mr. President, how much time do we have?

THE PRESIDING OFFICER. Ten minutes to each side.

MR. PROXIMIRE. Suppose we split the time, and I will yield 2 minutes to the Senator.

MR. TOWER. I yield 2 minutes to the Senator.

MR. DOMINICK. I thank the Senator.

MR. PRESIDING OFFICER. Who yields time?

MR. MCCLURE. Mr. President, will the Senator yield me 3 minutes?

MR. TOWER. I yield.

MR. MCCLURE. I thank the Senator from Texas for yielding this time.

MR. PRESIDING OFFICER. Who yields time?

MR. MCCLURE. Mr. President, will the Senator yield me 3 minutes?

MR. TOWER. I yield.

MR. MCCLURE. I thank the Senator from Texas for yielding this time.

MR. PRESIDING OFFICER. Who yields time?

though I join in the sentiments expressed by the distinguished Senator from Colorado, it is not my intention to renew at this time the battle with respect to the private ownership of gold. I do not want anyone to misconstrue my intentions as not being firmly convinced that that is the course we should take, having in mind that the amendment I offered on this bill originally, which was adopted by the Senate by a vote of 69 to 21, was ignored by the conferees in conference. The amendment offered by the Senator from Colorado (Mr. DOMINICK) to be bicentennial coinage bill was adopted by a vote of 68 to 23. On two occasions, this body has made very clear its intention on this issue.

I pledge, along with the Senator from Colorado, my intention to keep this matter before the Senate until the Senate and the House recognize the will of this body.

I point out that this provision was offered in the House and failed on the very unusual vote of 162 to 162. So the issue, if in doubt at all, is weighted on the side of the private ownership of gold.

What does this conference report really accomplish? When it passed this body, the bill contained an impoundment procedure. That has been deleted. When it passed this body, the bill contained a spending ceiling, adopted after hours of extended debate. That provision has been deleted. When the bill passed this body, it contained a termination of assistance to North Vietnam, adopted only after acrimonious and extended debate. That provision has been deleted.

What does the bill still have in it? The almost meaningless provision with respect to private ownership of gold; and it has in it the requirement for reporting of capital flows, particularly so far as multinational corporations are concerned. That much it does.

Also, it purports to raise the official or exchange rate of the price of gold. Gold is not being sold at \$42 an ounce. It is not being purchased by anybody at \$42 an ounce. It seems to me that that portion of the bill is almost totally meaningless. The gold window has been closed; there is no official exchange rate now. So we are talking only about a paper transaction which, in reality, in the world today, is meaningless and is becoming more so day by day.

So, despite my lack of opposition to the bill, I shall not vote for it with any enthusiasm at all, because I think the only positive thing it does is with respect to the flow of capital so far as multinational corporations are concerned and reporting under the Bretton Woods Agreement.

I thank the Senator from Texas for yielding.

Mr. PROXMIRE. Mr. President, I say to the Senator from Idaho that I very much appreciate his remarks. He did wage a very successful fight on the floor. He won resoundingly.

Frankly, the Senate conferees were very conscious of the Senate vote. We did the best we could. The House was adamant. The House had problems in the area of germaneness, as the Senator from Texas (Mr. TOWER) has said.

I do think that we were able to get something in this conference report. I know that the Senator from Idaho must

be disappointed because he waged a good fight and he had a very surprising victory. I think most people were astonished at the margin of that vote.

However, the conference report states that the provisions in this regard, pertaining to gold, "shall take effect when the President finds and reports to 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 U.S. international monetary position." So the President is directed to act as soon as possible. I realize that is not enough, but I feel we could not have prevailed. Under the circumstances, I think the conferees did an excellent job.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. Jack Bennett, Deputy Under Secretary of the Treasury, addressed to me under date of September 6, 1973.

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

DEPUTY UNDER SECRETARY  
OF THE TREASURY,  
Washington, D.C., September 6, 1973.  
Hon. WILLIAM PROXMIRE,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR PROXMIRE: The Treasury has previously expressed to you and other Senate conferees on the Par Value Bill our strong support for the provision in that bill requiring unregulated private holding of gold when the President determines that this is consistent with international monetary reform and the United States international financial position. This was done most recently in Under Secretary Volcker's letter of June 4, 1973, to Chairman Sparkman, copies of which were sent to you and the other Senate conferees on the Par Value Bill (enclosed).

Since that time, the conferees have reached agreement on this provision, and I understand that the Senate is about to consider the Conference Report. I wish to reiterate Treasury's strong support for the private gold holding provisions contained in the Conference Report.

Under Secretary Volcker's letter outlined the reasons for this support. However, I would like to make two additional points that are especially relevant today.

In recent weeks, we have seen a calming of foreign exchange markets, a strengthening of the dollar and a declining price of gold. Senate action now in support of setting a specific date for removal of regulations, whether this year or some time in the future, could well cause a new round of speculation upsetting this improved trend of gold and foreign exchange markets.

The Senate action would not only be upsetting to these markets but would also tend to undermine our efforts to reduce the future role of gold in a reformed international monetary system. Under Secretary Volcker is negotiating on monetary reform in Paris this week at the International Monetary Fund Committee of Twenty meetings in Paris. Negotiations will continue at the Annual Meeting of the Fund in Nairobi later this month. Senate action to reject or modify the Conference Report would thus be especially unfortunate since it would undoubtedly raise questions abroad about domestic support for the United States position on the future role of gold in the international monetary system.

It is our strong hope that the Conference

Report on the Par Value Bill can be approved by the Senate without change.

Sincerely yours,

JACK F. BENNETT.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. TOWER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on the adoption of the conference report. The yeas and nays have been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), the Senator from Iowa (Mr. HUGHES), the Senator from Utah (Mr. MOSS), the Senator from California (Mr. TUNNEY), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I also announce that the Senator from South Dakota (Mr. ABOUREZK) is absent because of a death in the family.

Mr. GRIFFIN. I announce that the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from Virginia (Mr. SCOTT), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from New Hampshire (Mr. COTTON) is absent because of illness in his family.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 69, nays 15, as follows:

[No. 383 Leg.]

YEAS—69

|                 |            |            |
|-----------------|------------|------------|
| Aiken           | Gurney     | Pastore    |
| Bartlett        | Hansen     | Pearson    |
| Bayh            | Hart       | Pell       |
| Beall           | Haskell    | Percy      |
| Bellmon         | Hathaway   | Proxmire   |
| Bennett         | Helms      | Randolph   |
| Bentsen         | Hollings   | Ribicoff   |
| Biden           | Huddleston | Roth       |
| Brooke          | Humphrey   | Schweiker  |
| Buckley         | Inouye     | Scott, Pa. |
| Byrd            | Jackson    | Sparkman   |
| Harry F., Jr.   | Javits     | Stafford   |
| Byrd, Robert C. | Johnston   | Stennis    |
| Cannon          | Kennedy    | Stevens    |
| Case            | Long       | Stevenson  |
| Chiles          | Magnuson   | Symington  |
| Clark           | Mathias    | Talmadge   |
| Cook            | McClellan  | Thurmond   |
| Dole            | McGee      | Tower      |
| Domenici        | McIntyre   | Weicker    |
| Eastland        | Mondale    | Williams   |
| Fannin          | Muskie     | Young      |
| Gravel          | Nelson     |            |
| Griffin         | Nunn       |            |

NAYS—15

|          |           |          |
|----------|-----------|----------|
| Allen    | Curtis    | McGovern |
| Bible    | Dominick  | Metcalfe |
| Burdick  | Hartke    | Montoya  |
| Church   | Mansfield | Packwood |
| Cranston | McClure   | Saxbe    |

NOT VOTING—16

|          |           |            |
|----------|-----------|------------|
| Abourezk | Fong      | Moss       |
| Baker    | Fulbright | Scott, Va. |
| Brock    | Goldwater | Taft       |
| Cotton   | Hatfield  | Tunney     |
| Eagleton | Hruska    |            |
| Ervin    | Hughes    |            |

So the report was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table. The motion to lay on the table was agreed to.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate numbered 3 to the amendment of the House to the bill (S. 1385) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands; that the House had agreed to the amendment of the Senate numbered 1 to the amendment of the House to the bill, with an amendment, in which it requested the concurrence of the Senate; and that the House had disagreed to the amendment of the Senate numbered 2 to the amendment of the House to the bill.

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

H.R. 8547. An act to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand;

H.J. Res. 111. Joint resolution authorizing the President to proclaim September 8, 1973, as "National Cancer Day";

H.J. Res. 677. Joint resolution authorizing the President to proclaim the 28th day of September 1973 as "Teacher's Day"; and

H.J. Res. 695. Joint resolution authorizing the President to proclaim the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month."

#### HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were severally read twice by their titles and referred, as indicated:

H.R. 8547. An act to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand. Referred to the Committee on Banking, Housing and Urban Affairs.

H.J. Res. 111. Joint resolution authorizing the President to proclaim September 8, 1973, as "National Cancer Day";

H.J. Res. 677. Joint resolution authorizing the President to proclaim the 28th day of September 1973 as "Teacher's Day"; and

H.J. Res. 695. Joint resolution authorizing 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.

#### EMERGENCY COMMUTER RELIEF ACT

The PRESIDING OFFICER (Mr. BIDEN). Under the previous order, the Senate will now proceed to the consideration of S. 386 which the clerk will report.

The legislative clerk read as follows:

Calendar No. 341 (S. 386) a bill to amend the Urban Mass Transportation Act of 1964

to authorize adequate commuter service in urban areas, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing and Urban Affairs with amendments, on page 2, after line 21, strike out:

Sec. 2. (a) The fifth sentence of section 4 (a) of the Urban Mass Transportation Act of 1964 is amended to read as follows: "The Federal grant for any such project to be assisted under section 3 (other than a project for payment of operating expenses) shall be in an amount equal to 90 per centum of the net project cost."

(b) The amendment made by subsection (a) shall apply only with respect to projects which were not subject to administrative reservation on or before July 1, 1973.

On page 4, line 6, after the word "basis", insert "(including a reasonable fare structure)"; at the beginning of line 11, strike out "The" and insert "Notwithstanding the provisions of the fifth sentence of section 4(a), the"; on page 5, after line 22, strike out:

(d) Section 4(c) of such Act is amended by striking out "\$3,100,000,000" in the first and third sentences and inserting in lieu thereof "\$6,100,000,000".

On page 6, at the beginning of line 1, strike out "(c)" and insert "(d)"; and, after line 19, strike out:

Sec. 4. Section 9 of the Urban Mass Transportation Act of 1964 is amended as follows:

(a) insert "(a)" before the first sentence; (b) in the first sentence, delete the words "engineering, and designing" and insert in lieu thereof the words "engineering, designing, and evaluation";

(c) in the second sentence, delete the word "and" before "(3)", delete the period at the end of the sentence, and insert ";" and (4) evaluation of such projects after their implementation." at the end of the sentence;

(d) in the third sentence, change the word "section" to "subsection" and insert the words "90 per centum" in lieu of "two-thirds"; and

(e) add the following new subsection:

"(b) the Secretary is authorized to utilize not to exceed one-half of 1 per centum of the authorization provided in section 4(c) to carry out technical studies by contract without limitation on the Federal share of the cost."

So as to make the bill read:

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

SECTION 1. The Congress finds—

(1) that over 70 per centum of the Nation's population lives in urban areas;

(2) that transportation is the lifeblood of an urbanized society and the health and welfare of that society depends upon the provision of efficient economical and convenient transportation within and between its urban areas;

(3) that for many years the mass transportation industry satisfied the transportation needs of the urban areas of the country capably and profitably;

(4) that in recent years the maintenance of even minimal mass transportation service in urban areas has become so financially burdensome as to threaten the continuation of this essential public service;

(5) that the termination of such service or the continued increase in its cost to the user is undesirable, and may have a particularly serious adverse effect upon the welfare of a substantial number of lower income persons;

(6) that some urban areas are now engaged in developing preliminary plans for, or are actually carrying out, comprehensive

projects to revitalize their mass transportation operations; and

(7) that immediate substantial Federal assistance is needed to enable many mass transportation systems to continue to provide vital service.

Sec. 2. (a) Section 3 of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out "No" in the fifth sentence of subsection (a) and inserting in lieu thereof "Except as provided in subsection (f), no"; and

(2) by adding at the end thereof a new subsection as follows:

"(f) The Secretary is also authorized, on such terms and conditions as he may prescribe, to make grants or loans to any State or local public body to enable it to assist any mass transportation system which maintains mass transportation service in an urban area to pay operating expenses incurred as a result of providing such service. No financial assistance shall be provided under this subsection unless (1) the Secretary determines that the mass transportation services provided by the system involved are needed to carry out a program referred to in section 4(a), and (2) the applicant State or public body has submitted to the Secretary a comprehensive mass transportation service improvement plan which is approved by him and which sets forth a program, meeting criteria established by the Secretary, for capital or service improvements to be undertaken for the purpose of providing more efficient, economical, and convenient mass transportation service in an urban area, and for placing the mass transportation operations of such system on a sound financial basis (including a reasonable fare structure), and (3) the Secretary determines that the mass transportation services provided by each system involved is being provided by an efficient operation of such system in accordance with regulations promulgated by the Secretary.

Notwithstanding the provisions of the fifth sentence of section 4(a), the amount of any grant under this subsection to a State or local public body to enable it to assist any mass transportation system to pay operating expenses shall not exceed twice the amount of financial assistance provided from State or local sources for that purpose. The Secretary shall issue such regulations as he deems necessary to administer this subsection in an equitable manner. Such regulations shall include appropriate definitions of (A) operating expenses, and (B) the sources or types of State or local financial assistance which may be considered in computing the maximum allowable Federal grant."

(b) The fourth sentence of section 4(a) of such Act is amended by striking out "section 3" and inserting in lieu thereof "section 3 (other than subsection (f))".

(c) Section 4(c) of such act is amended—

(1) by inserting "(1)" after "(c)"; (2) by striking out "sections 3, 7(b), and 9" and inserting in lieu thereof "section 3 (except subsection (f)), and sections 7(b) and 9";

(3) by striking out "this subsection" wherever it appears and inserting in lieu thereof "this paragraph"; and

(4) by adding at the end thereof a new paragraph as follows:

"(2) To finance grants and loans under section 3(f) of this Act, the Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating not to exceed \$800,000,000. This amount shall become available for obligation upon the date of enactment of this paragraph and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this paragraph not to exceed \$400,000,000 prior to July 1, 1974, which amount may be increased to not to exceed an aggregate of \$800,000,000 prior to July 1, 1975.

Sums so appropriated shall remain available until expended."

(d) (1) Section 12(c) of such Act is amended—

(A) by striking out "and" at the end of paragraph (4);

(B) by striking out the period at the end of paragraph (5) and inserting in lieu thereof of ";" and";

(C) by adding after paragraph (5) a new paragraph as follows:

"(6) the term 'mass transportation system' means any private company or public authority or agency providing mass transportation service."

(2) Section 12 of such Act is further amended by adding at the end thereof the following new subsection:

"(f) The provision of assistance for the payment of operating expenses under section 3(f) shall not be construed as bringing within the application of chapter 15 of title 5, United States Code, any nonsupervisory employee of an urban mass transportation system (or of any other agency or entity performing related functions) to whom such chapter is otherwise inapplicable."

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. WILLIAMS. Mr. President, I yield 1 minute to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, with the approval of the distinguished Senator from New Jersey (Mr. WILLIAMS), the manager of the bill, and the distinguished Senator from Texas (Mr. TOWER), the ranking Republican member of the committee, I ask unanimous consent that the unanimous-consent order be changed to 30 minutes on the bill, the time to be equally divided between the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Texas (Mr. TOWER), and that there be 20 minutes on any amendments, debatable motions, or appeals, and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none. and it is so ordered.

Mr. WILLIAMS. Mr. President, for the fifth time during a 4-year period the Senate is once again called upon to face the problem of providing operating assistance for urban mass transportation. The record is clear—operating assistance is crucial if our Nation's urban mass transportation systems are to survive. As the February 26, 1973 report of the Joint Economic Committee states:

The arguments for restricting direct mass transportation aid to capital expenses are without basis. Furthermore, a grant to subsidize capital but not operating expenses encourages wasteful, premature replacement, overcapitalization of technology and inadequate maintenance, which are likely to be extremely costly.

On four previous occasions the Senate has accepted this premise and overwhelmingly approved legislation providing for such a program—a program that only the Federal Government can successfully administer. During the 91st Congress, the Emergency Commuter Relief Act was passed by the Senate as part of the Housing Act. During the 92d Congress, the Senate again passed it on two separate occasions, as an amendment to the Housing Act and as an amendment to the Federal Aid Highway Act. Once again, on March 14 of this

year we passed S. 386 by a 59 to 36 vote as an amendment to the 1973 highway bill.

But each time the legislation was derailed short of final enactment. On each occasion, the House failed to act and the House-Senate conferees, under the threat of a Presidential veto, deleted the provisions of S. 386 from the final bills. And in taking this position I, for one, believe that the President has shown a total disregard for the problems of our Nation's cities and the citizens who inhabit them.

But the issue of operating assistance and better urban mass transportation is far too vital to brush under the rug. Therefore, the Senate Committee on Banking, Housing and Urban Affairs has once again fulfilled its responsibility to the American people by favorably reporting S. 386, the Emergency Commuter Relief Act for Senate consideration. Only this time, there is a glimmer of hope at the end of the rainbow. For the first time, the sponsors of this legislation in the House of Representatives have succeeded in reporting it out of committee and have obtained clearance to bring it to the floor before the end of the month. Therefore, hopefully as the final step in our efforts to keep our Nation's transit systems in healthy operating condition, I call upon the Members of this body to pass once more the Emergency Commuter Relief Act.

I am once again pleased that Senators CASE, CRANSTON, JAVITS, KENNEDY, PASTORE, PERCY, RANDOLPH, and STEVENSON are joining with me in sponsoring this proposal.

As more and more bus and rail transit lines throughout our Nation teeter on the verge of bankruptcy or public takeover, it is our obligation to do our best to alleviate the mass transit crisis. And as these systems go under, additional automobiles are added to the daily traffic stream, increasing the congestion on our streets, the pollution in the air we breathe, and relegating the poor, the infirmed, and the elderly to a life without mobility.

Increased congestion penalizes all of our Nation's citizens. Each additional car forced upon the road slows down the speed of all other drivers and imposes "delay costs" on all forms of transportation using the same streets at the same time. For example, a study of traffic in downtown London shows that the cost of automobile travel in highly congested areas, taking into account "delay costs" is approximately \$1 per mile, and these estimates do not include the costs of damage from air pollution caused by automobile gas fumes.

And make no mistake about it—today's situation, as bad as it may seem, is getting worse. In 1970 the revenues of 11 out of 14 major commuter rail lines failed to cover even operating expenses, much less capital costs. All but two of the rapid rail lines had operating deficits, as did one-third of all urban bus companies. And over the past decade, the number of municipalities, both large and small, forced to initiate local programs for operating assistance has increased by nearly 400 percent, with total deficits running at a rate of over \$400 million per year.

For this reason alone, S. 386 has become crucial if our Nation's mass transit systems are to survive. Groups such as the U.S. League of Cities-Conference of Mayors, the National Governors Conference, the American Transit Association, and the Institute for Rapid Transit have all made S. 386 transit's No. 1 legislative priority. These associations representing States and cities large and small, as well as transit operators throughout the United States, in areas as large as New York and Chicago and as small as Lewistown, Maine, and Biloxi, Miss., all realize that operating deficits have become a serious handicap to providing viable mass transportation services.

Clair M. Roddewig, of the Chicago Transit Authority, clearly and succinctly stated the case for operating assistance when he said:

Today, the Authority is in deep financial trouble. If 1973 operations and level of fares are continued on the same basis as those in effect during 1972, we will have a \$42.1 million deficit. It is not possible for us to borrow money with which to make up this deficit. Obviously, unless we obtain some financial assistance, we will be out of money and will be required to shut down our operations.

And Mr. Roddewig is not alone, nor is Chicago unique. The mayor of Lewistown, Maine—John C. Orestis—just this year told our committee:

However, if our struggling city transit service is to do more than decline, a program of operating subsidy is the key. To depend on the varying financial capacities of local areas for this ingredient is not only unfair, but is self-defeating. Once transit dies in an area, its later resurrection will double or perhaps triple demands for capital grants.

Operating subsidies offer hope, stability, and a truly balanced urban mass transportation system for our Nation's cities. The need is persuasive and overwhelming and the Emergency Commuter Relief Act is designed to meet that need.

It is designed to halt the raising of fares to intolerable levels, thus reducing ridership and curtailing essential transit services. It recognizes that mass transportation is a national problem and one for individual localities to solve on an ad hoc basis. And foremost of all, it recognizes that mass transportation is the lifeblood of an urban society and that a program of capital grants coexisting with one of operating assistance can go a long way toward curtailing the distress of both transit operators and the increasing number of municipalities who own and operate their own transit systems.

Let me now once again briefly describe how the Emergency Commuter Relief Act will help to reverse the decline and fall of mass transportation:

It would amend section 3 of the Urban Mass Transportation Act of 1964 to prevent reduction of essential transportation services by authorizing assistance to defray operating expenses.

Grants, on a two-thirds Federal, one-third local matching basis, would be provided to State or local public bodies in order to assist any mass transportation system maintaining service in an urban area and to pay operating expenses in-

curred as a result of providing this service.

Included within the terms of such assistance are grants for debt servicing for mass transit investments.

As a prerequisite for obtaining a grant for operating expenses, the States and localities would have to determine which systems in their jurisdiction were in need of such aid and then submit to the Secretary of Transportation a comprehensive mass transportation program to improve such service and to place mass transportation operations on a sound financial basis including a reasonable fare structure.

The Secretary would also be required to make a determination that the mass transit services are being efficiently provided by the system applying for the grant in accordance with regulations promulgated by the Secretary.

The operating assistance provisions are geared to fulfilling three prime objectives:

First. Maintenance of service to the public.

Second. Stimulation of further ridership, especially in the commuter peak-hour category; and

Third. Assistance to communities in meeting their overall development aims.

If enacted, this program will be an immense and immediate benefit to local communities.

It will give them the option to plan and implement the mix of transportation services most responsive to their own needs and their own goals for orderly community growth and development.

It will provide local governments with the resources to determine their own transportation policy. And, it will bring a new measure of flexibility and balance to the planning and implementation of urban transportation programs.

To fund this program, \$800 million would be made available over the next 2 years. This is a realistic figure of actual needs and is fully supported by the Committee on Banking, Housing and Urban Affairs hearing record.

Today even more than 4 years ago when the Senate first passed the Emergency Commuter Relief Act, there is a great national stake in expanding and modernizing our public mass transportation systems. During the 4-year delay in enacting S. 386, costs have risen, fares have increased, and services have been curtailed, due to greater and greater operating deficits. As a result, more and more transit riders have been forced to use automobiles. And transit plans and projects that are urgently needed have piled up and gathered dust.

The time to act is once again before us. By adopting the Emergency Commuter Relief Act we in the Congress can once again, by our deeds, make mass transit our Nation's top transportation priority for the 1970's.

Mr. President, this matter has been fully debated on many occasions. However, there is some new material that I would like to submit at this time.

I ask unanimous consent that a statement from the United States National League of Cities-Conference of Mayors be printed at this point in the RECORD,

supporting the passage of this measure which deals with the crisis we face in mass transportation.

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

NATIONAL LEAGUE OF CITIES,  
U.S. CONFERENCE OF MAYORS,  
September 7, 1973.

HON. HARRISON A. WILLIAMS,  
U.S. Senate, Old Senate Office Building,  
Washington, D.C.

DEAR SENATOR WILLIAMS: The National League of Cities and the U.S. Conference of Mayors, which together represent more than 15,000 municipalities throughout the nation, wish to express the strong support of the nation's cities for S. 386, the "Emergency Commuter Relief Act of 1973."

Through your leadership, the nation has a major program of federal assistance to finance the capital costs of public mass transit. Your letters have focused the attention of the nation on the crisis in mass transit, and the need for capital assistance and federal operating subsidies to make mass transit systems fully effective.

As you know, at a time when state and local governments are subsidizing mass transit systems by more than \$500 million annually, cities are now confronted with significant new demands for expanded and improved transit service. Federal operating subsidies are absolutely necessary to meet these new demands and to attain vital public objectives. For example, the proposed EPA regulation mandating transportation controls in 36 cities will force major reductions in driving in these cities. Public mass transportation will be expected to provide the alternative. Because these controls are aimed at commuters, this will increase peak hour demand. Capital and operating costs will rise, and cities will have unused capacity during off-peak hours, increasing further operating costs.

Another factor leading to greater demand for mass transit is the energy crisis. One-half of every barrel of domestic crude oil goes for gasoline to power autos and trucks, according to EPA. Each conventional bus can carry enough passengers to replace twenty or more automobiles. It is obvious that public mass transit is an essential public service, necessary to the national goals of a quality environment and for the conservation of energy.

Federal operating subsidies are absolutely necessary to attain these objectives. Cities cannot continue to assume this national responsibility alone.

As Mayor Pete Wilson of San Diego recently testified, "Mass transit is expected to provide the alternative to the automobile. If that expectation is to be more than a pious hope, we dare not fail to recognize that its achievement will require far greater infusions of dollars than at present." The "Emergency Commuter Relief Act of 1973," S. 386, to provide federal operating subsidies, deserves and requires the support of every member of Congress.

Sincerely,

ALLEN E. PRITCHARD,  
Executive Vice President  
National League of Cities.  
JOHN J. GUNTHER,  
Executive Director,  
U.S. Conference of Mayors.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Today we are being asked to approve a \$400 million annual funding level, \$800 million over 2 years, to provide assistance to transit systems which, due to one reason or another, are operating in the red. While I strongly favor providing funds for capital expenditures to improve and modernize transit systems, there are cer-

tain factors relating to the provision of operating subsidies which I find hard to accept.

While all transit systems in this country could possibly be eligible for some of the assistance provided in this bill, the vast majority of these funds will be going to a handful of urban centers in the country. I find it hard to accept a situation where most of the taxpayers in this country will have to pay for a program for which they will receive little if any benefit. There is no question that assistance is needed in several communities where the transit system is operating at a loss. There are people who live and work in cities where such systems are necessary for their livelihood. But, if a transit system is important to that community, then they should be willing to contribute something to make that system economically feasible rather than simply turning to the Federal Government for help.

A few communities, such as Atlanta and Denver, have attempted to bear this responsibility at the local level. While they have not operated in the black overnight, and it is anticipated that this situation might remain for a few years, the situation does look promising for the long term future. What is significant is that they have, on their own, attempted to be a little creative and a little daring, and it looks as if it just might pay off. Daily ridership has significantly increased and the fares have been set at a reasonable level. As a result, there has been less congestion in the downtown areas, and it is hoped that automobile pollution will be significantly reduced.

I think that this approach, combined with the utilization of grants for capital expenditures for improved and modernized systems will, in the long run, provide the better solution to our urban transportation problems.

For the improvement and modernization of transportation systems we will in the long run provide funds to assist in urban mass transportation.

Mr. President, I do not think it is proper for the Federal Government to subsidize what many consider to be poor management of urban transit systems. The farebox subsidies simply invite more Federal assistance. I am hopeful that the measure will be defeated.

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

Mr. TOWER. Mr. President, I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, does this constitute a new Federal program?

Mr. TOWER. It does constitute a new Federal program. We have up to now supplied funds for capital improvement of mass transit systems. However, we have not yet had farebox subsidies. This measure has passed the Senate. It has been acted on before. However, it has been stalled in the House and in conference.

Mr. CURTIS. There is no ongoing program.

Mr. TOWER. There is not, except that I believe the highway bill does provide in the third year of that act at the discretion of State and local authorities, the moneys can be used. However,

is again for capital expansion, and not for farebox subsidies.

Mr. CURTIS. What would be the cost?

Mr. TOWER. The cost would be \$800 million over 2 years.

Mr. CURTIS. What are we spending now on Federal assistance for capital improvements?

Mr. TOWER. Mr. President, I cannot quote the exact figure offhand. Perhaps the Senator from New Jersey can answer that question.

Mr. WILLIAMS. Mr. President, it is at an approximate annual rate of \$1 billion.

Mr. CURTIS. \$1 billion?

Mr. TOWER. That is correct.

Mr. CURTIS. This is in addition to that?

Mr. TOWER. This is in addition to the money already provided for capital improvement.

Mr. CURTIS. Mr. President, approximately how much of that \$806 million over that period of time will go for capital improvement?

Mr. TOWER. This will all go for operating subsidies. There is a different funding provision for capital improvement.

Mr. WILLIAMS. Mr. President, would the Senator yield?

Mr. TOWER. Mr. President, I yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, it is appropriate at this time to point out to the Senator from Nebraska that there have been studies and findings that this approach—a Federal contribution toward operating expenses will be supplementary as well as complementary to the capital grant program. It will make the capital grant program far more efficient if we also have Federal money that can be used for operating expenses. There will be less pressure on mass transit operators to come in and buy additional new equipment if they have sufficient funds to maintain the equipment that is now in operation.

Mr. CURTIS. May I ask what cities will receive this Federal assistance?

Mr. WILLIAMS. The systems that meet the criteria that are spelled out in the bill.

Mr. TOWER. Actually, probably most mass transit systems in the country would be eligible and would probably meet the criteria.

Mr. WILLIAMS. The criteria clearly states that they would have to come in and show a plan for improved service. First they would have to convince the Secretary that this assistance is needed for improved service, and second, that the fare structure will be maintained at a reasonable level.

Mr. TOWER. Although many cities would be potentially eligible, you and I know that the money would be going into the northeastern cities that have the most critical mass transit problems.

Mr. CURTIS. I wonder if they do have. It seems to me the most critical transportation problems are in the tiny villages and towns. There they have no railroads any more; the chances are they do not have a bus line; there is no place, even in an emergency, where you can hire a taxi, because there is not any taxi, and there are no public buses.

I am not suggesting a Federal subsidy, but the real facts are that we have faced for a long time a transportation crisis in this country. Our transportation systems have not kept pace. I am inclined to believe that our railroads, for instance, have had negative thinking for a long time. They are totally unequipped to carry the freight that we need.

Merely to pick out certain places because of size and subsidize the operation of their transportation systems does not solve anything. But I thank the distinguished Senator for providing the information.

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

Mr. TOWER. I yield to the Senator from South Carolina.

Mr. THURMOND. Is it correct that the funds under this bill would go for operating purposes, which means that the entire Nation, the Federal Government, would be financing the operation of a transit system in one State or in one city?

Mr. TOWER. That is correct. This is what is sometimes called a farebox subsidy.

Mr. THURMOND. In other words, the Federal Government is being called upon to assist in paying the operating expenses of the transit system in New York or some other big city?

Mr. TOWER. That is correct.

Mr. THURMOND. Is it further true that under the statement just made by the distinguished Senator from New Jersey, billions of dollars more will be called for, for construction purposes?

Mr. TOWER. Well, there is already an ongoing program for capital improvements at a rate, according to the Senator from New Jersey—and I believe his figure is correct—of about a billion dollars a year.

Mr. WILLIAMS. That is already in the law and runs through the next 3 years.

Mr. THURMOND. So the Federal Government is not only now furnishing money for capital improvements, but will now be called upon to furnish additional money for operating the transportation systems in the big cities of this Nation?

Mr. TOWER. The Senator from South Carolina is correct.

Mr. WILLIAMS. Mr. President, will the Senator yield to me for one comment?

Mr. TOWER. I yield.

Mr. WILLIAMS. The problem is one that, as the Senator from Nebraska points out, is more than just a big city problem. Deficits in transportation run throughout our country, in a majority of our cities and towns.

For example, in Columbia, S.C., in 1969 the South Carolina Electric & Gas Co. had an operating deficit of \$389,000. In 1970, it was \$570,000. These deficits are comparable to the deficits which we see across the country.

It is not just a big city problem that we are talking about. And this program is available to all communities, both large and small, which have a transportation problem.

Mr. THURMOND. Under this plan,

would the South Carolina Electric & Gas Co. receive gratuities, or funds?

Mr. TOWER. If they meet the criteria, they would be eligible for assistance under the provisions of this act.

Mr. THURMOND. This is a private corporation, that provides power to about 40 to 60 percent of our entire State, that runs this bus company. Is it the plan now to give—

Mr. TOWER. The provisions of the act would apply only to the mass transit aspect of the company's operation.

Mr. THURMOND. This would apply only to mass transits operated by the municipalities?

Mr. TOWER. It is my understanding that the assistance would actually go to a public body, but then it could be used for a private company.

Mr. WILLIAMS. Exactly. The applicant must be a governmental unit of a State or local government.

Mr. THURMOND. So, then, the instance the Senator cited would not be applicable.

Mr. WILLIAMS. Oh, yes, because then the governmental unit that makes the application, if it is approved and meets all the criteria, can have the grant run to the benefit of the private operator. But it is the public body that must make the application.

Mr. THURMOND. Well, where the public body operates a big power company as well as these buses, and they balance it all off, how would that operate?

Mr. TOWER. I do not think they would meet the criteria under those circumstances.

Mr. THURMOND. I would like to ask the distinguished Senator from Texas this: Is it not probably true that funds under this bill will go to one-fourth or fewer of the States of the Nation?

Mr. TOWER. I think that is a high probability.

Mr. THURMOND. Because they are the ones that have the big cities and the big transit systems. Surely the Senator from New Jersey does not anticipate and visualize that the funds under this bill will be going to smaller States of the Nation, does he?

Mr. WILLIAMS. Under the capital program we have found this to be true, that it is not limited just to the larger metropolitan, big city areas.

As a matter of assuring that it will be a national program, there is a limitation on the funds of 12.5 percent that can go to one State.

Mr. THURMOND. I understand, if they meet the criteria. But what little State is going to meet the criteria?

Mr. WILLIAMS. I would estimate that where they are running heavy deficits, they would look to this program as an opportunity to give them some relief in their efforts to improve their mass transportation operations for their citizens.

Mr. THURMOND. Would not the Senator estimate that 75 percent of the funds under this bill will go to, say, the 12 biggest States of the Nation?

Mr. CURTIS. Cities.

Mr. THURMOND. Well, I mean the States that have those big cities.

Mr. WILLIAMS. If the experience here follows the history of the capital grant program for urban mass transit grants, this program will benefit all of the States. That has been our experience under the capital grant program for mass transportation.

Mr. THURMOND. Is it not also true—

Mr. WILLIAMS. I will say that some of our most eloquent testimony of need came from States with smaller populations. The mayor of Lewiston, Maine, for example, came to Washington and testified before our committee, and stated an excellent case for a community of about 30,000 or 40,000 people. And the problems in Lewiston, Maine, are the same as those throughout the country in cities both large and small.

Mr. THURMOND. It is understandable that any mayor or any city that can get any funds wishes to get those funds; but is it not a disproportionate situation, because only a handful of cities throughout this entire Nation are going to get the preponderance of funds, and the rest will be left with very few if any funds?

Mr. WILLIAMS. I do not know about preponderance. All I know is that the capital grant program, in its administration has been responsive to applications across the country, and has been of benefit to all of the States.

Mr. THURMOND. I thank the Senator.

Mr. JAVITS. Mr. President, could I have a few minutes?

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I simply wanted to assert again my full support of this bill. I am one of its cosponsors.

I suppose that in my State's own cities—especially the city of New York—one finds exemplified in the whole deplorable situation an atmosphere of crisis. This crisis is not only in the magnitude and complexity of urban traffic and its concomitant problems, but also of environmental pollution which I think is often overlooked in its vital connection with mass transit.

For example, we all are familiar with the pollution alert that has just gripped the entire east coast. In Washington, D.C., this alert extended over 13 days, just ending yesterday. This polluted air, which shrouded all of our Northeast cities, not only made outdoor excursions unpleasant—which would have been bad enough—but it also created a health hazard to all of us.

The funding authorized by this bill will not solve such crises, but it will certainly help to alleviate one of the major causes.

Yet another reason for immediate Federal concern is the now critical energy crisis. The only realistic short-term solution of that problem is reduced consumption of existing supplies. That consumption must be attacked from every source, one of the greatest of which is dependence on the private automobile. This bill would begin to make a dent, and every dent helps in this needless waste of our resources.

Another point critically important for my State is that we are very much engaged in self-help. The Governor is cur-

rently pressing for passage of a transportation bond issue of \$3.5 billion, of which \$2.1 billion would go to mass transit. One of its primary objectives is to halt the rise in fares, and consequent decline in ridership, so that they would be limited in our State to 35 cents. This immense burden cannot be borne by the States alone; even with every effort made by the States, Federal assistance is still a necessity.

Mr. President, let us remember that the pinch of cost of living increases have also contributed very materially to the runaway costs of urban transportation and that this adds to the already crushing burden.

This leads me to the final point which I wish to make, Mr. President, and that is that urban mass transit is absolutely essential to the core cities. It is the only thing that feeds blood into the core cities. Every city that has tried to rehabilitate its central core has found that urban mass transit is absolutely essential in order to bring the people in and to take them out in any intelligent way. It is amazing to me that we are so far behind in modern concepts with respect to this elementary matter, even with the help of this extremely limited measure, as I am sure my colleague from New Jersey for many years, Mr. WILLIAMS, already has made plain.

However, it is still definitely a step in the right direction and a step that cannot be delayed any longer. I hope very much the Senate will vote favorably on the bill.

Mr. President, I ask unanimous consent that an editorial appearing in today's New York Times, entitled "Cash for Mass Transit" be printed in the RECORD.

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

#### CASH FOR MASS TRANSIT

With few exceptions, cities all across this country are witnessing a familiar, but no less vicious, cycle in the fortunes of their mass transit systems: rising costs and fares, loss of passengers, reduced net income, deterioration, loss of more passengers and finally a slide into hopeless decay. Both houses of Congress are about to vote on measures to break that terrible progression by the only means that can break it—a Federal operating subsidy.

For much too long it has been accepted as an axiom that any major undertaking to defray a transportation line's operating expenditures would be throwing public funds down a bottomless well. The exceptional cities that have recently challenged this hoary belief with imaginative action have clearly proved its hollowness. When a subsidy allowed San Diego to lower mass transit fares from 40 cents to 25, patronage went up an astonishing 72 per cent. Since Atlanta did the even more dramatic feat of dropping fares from 40 cents to 15, by way of government financing, ridership has increased by 11 million passengers.

Since few American cities are in financial shape to increase transit operating subsidies, Federal action is the one real hope for arresting a decline that has already reduced the country's mass transit patronage to less than one-third of what it was a quarter-century ago. Both Congressional measures would promote that purpose by providing \$400 million a year in operating assistance for two years.

Should these measures pass, the difference

between them should by all means be resolved in favor of the House bill. Under the Senate plan, grants would be made at the discretion of the Secretary of Transportation, whereas the House bill would help any system that produced a comprehensive plan for improved services, with Federal assistance calculated by the number of passengers carried and other criteria. The subsidy, in short, would be not merely a handout but an incentive to increase patronage—and the only known ways to do that are to keep fares down and improve transit services.

According to the House Urban Mass Transit subcommittee, more than 230 local transit systems have collapsed in the past two decades. To revive the others before they are too far gone, to enable urban areas to meet the standards laid down in the Clean Air Act and to save the enormous amounts of energy now being squandered by the overuse of the private auto, both House and Senate should pass this subsidy legislation by votes overwhelming enough to discourage an all too likely Presidential veto—or at worst to brighten the prospects for overriding it.

Mr. WILLIAMS. Mr. President, the figure in this bill, of \$800 million for a 2-year period, is the figure that the Senator from New York advanced 2 years ago.

Mr. JAVITS. That is exactly right.

Mr. WILLIAMS. It is the same figure.

Mr. JAVITS. The Senate passed it and we got fouled up thereafter.

Mr. WILLIAMS. Nevertheless, we certainly appreciate the great contribution which the Senator from New York has made in this field.

Mr. RANDOLPH. Mr. President, will the Senator from New Jersey yield to me?

Mr. WILLIAMS. Mr. President, how much time remains?

The PRESIDING OFFICER. (Mr. DOMENICI). The Senator has 8 minutes remaining.

Mr. WILLIAMS. I yield 3 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 3 minutes.

Mr. RANDOLPH. Mr. President, I appreciate the cooperation of the Senator from New Jersey (Mr. WILLIAMS) in reference to this subject as it has been considered in the Federal-aid highway legislation during past years and this year. I regretted very much that my able colleague from New Jersey did not vote for the conference report on the Federal Aid Highway Act of 1973. I want him to know that even though I regretted his vote, I now want to give my endorsement and vote for the measure he brings to the Senate today.

The Federal-Aid Highway Act of 1973, enacted just before the August recess, contains a significant departure from past practices. This legislation, for the first time, authorizes the use of highway trust funds for support of mass transit under certain conditions. Beginning in fiscal year 1975, urban communities will have the option of using their share of highway funds for either roadbuilding or public transportation development.

The subject being considered today, Federal operating assistance for mass transit, was approved earlier this year as an amendment to the highway bill. Throughout a long and difficult conference with the House of Representatives

we encountered strong opposition to this provision. In the end the Senate conferees agreed to its deletion. This was necessary in order to obtain final agreement on important legislation and, frankly, to avoid a Presidential veto of that measure. The administration was adamantly opposed—wrongly, in my mind—to any Federal operating support for mass transit. It was the absence of operating subsidies in the highway bill conference report that prompted the Senator from New Jersey (Mr. WILLIAMS) to oppose that report in the Senate.

While it is important to accelerate our development of mass transit systems, it is perhaps more important to provide the financial support that will insure their ability to be viable operations. The administration supports one aspect of mass transit, construction, but fails to follow through by proposing the necessary operational support that will keep the heavy investment in hardware from being less than fully utilized.

I have stated that I do not believe mass transit construction should be financed by highway trust fund revenues. The opposite position prevailed in the new highway act, however, and I believe we arrived at an agreement in that legislation that retains the integrity of the national highway program while giving urban areas more flexibility to meet their transportation needs.

I have joined Senator WILLIAMS as a cosponsor of prior mass transit legislation. That subject matter under discussion today concerns itself with what I believe to be a necessity in many areas of the country.

I wish to state for the RECORD, however, that I believe the rather extravagant and grandiose claims for rapid rail transit in future years will not be borne out by the facts.

I have consistently supported programs for urban mass transit in this country, but believe that they should be kept separate and determined within the Senate on their own specific merits. In that case, I have opposed in the Senate the diversion of funds from the highway trust moneys to rapid rail transit or other urban transit programs. But I have, without exception, supported efforts for urban transit including rail facilities.

Thus, my warning is simply to indicate that I believe the claims for these programs will not be as stated. We shall find them heavily used not 24 hours a day but possibly 4 or 5 hours a day.

The costs, of course, will be high. Not, for instance the \$1 billion originally estimated for the system in Washington, D.C., but possibly \$4 billion.

I mention these as facts not as fantasies. But that does not deter me from support for this legislation because I believe that we must continue our efforts to develop and strengthen the transportation system of the United States.

It is important to remember that there is a close relationship between transportation activities and our efforts to reduce air pollution. A number of metropolitan areas are faced with the imposition of transportation controls to achieve established air quality standards. Any restrictions on private transportation obviously

must be accompanied by the provision of alternate forms of movement. Therefore, public transportation systems must be expanded in the total strategy to remove pollutants from the air we breathe.

Under presently established schedules, transportation controls are likely within the next few years. Rapid rail systems, which require lengthy construction times, cannot be placed in operation in time to provide alternate transportation. Bus transportation, however, is capable of rapid expansion and has the flexibility needed in such situations.

It is my hope that the resources of the regular urban mass transit program, the assistance provided through the highway program and the operating subsidies being voted on today all will be utilized to the fullest extent possible to enable cities to meet the goals of cleaner air.

I support the Senator from New Jersey (Mr. WILLIAMS). I have joined him in the past and I join him today.

I am also appreciative of the remarks by the Senator from Nebraska (Mr. CURTIS) with regard to the rural highway program. He has properly called attention to this important aspect of our national roadbuilding effort. Roads are the basic and frequently the only form of transportation for people in rural areas. The Congress has recognized the importance of roads to rural America and has, with the strong support of the Senator from Nebraska (Mr. CURTIS), acted to expand this program. The new Highway Act provides more than \$1 billion a year for each of the next 3 years for noninterstate highway construction in rural areas.

The act also authorizes a demonstration program to find ways to provide public transportation services, utilizing highways, for people who live in rural areas and small towns. I was the initiator of this provision which directs the expenditure of \$30 million in Federal funds in an effort to fill this critical gap in our national transportation program. As a Senator from one of our most rural States, I am acutely aware of the need to provide people in lightly populated areas with the same mobility desired by their urban counterparts.

I commend the Senator from Nebraska (Mr. CURTIS) for raising this subject, and I am gratified for his support of the highway program.

Mr. WILLIAMS. Mr. President, I wish to say that the continued support of mass transportation on the part of the distinguished Senator from West Virginia (Mr. RANDOLPH) is, of course, understood and appreciated. He has had a dual role in transportation, supporting this program as well as the highway program. He has always very graciously included our mass transportation amendments in his highway bills. It has been greatly appreciated and very helpful to us to have his support.

Mr. CURTIS. Mr. President, I do not favor this legislation and I shall vote against it. It is a new program, a new Federal subsidy program, perhaps to other units of the Government, costing \$800 million over a period of 2 years, and we do not have the money in the Treasury.

Another basic reason why this measure should not be enacted is that merely underwriting the deficit of these transportation systems do not solve anything. It does not bring anything new into the transportation field to solve those problems. It does not help in any way. It merely is picking up the check for some operation that is failing at the present time, and it will be discriminatory, in that it will be used in certain sections of the country and not a very high proportion of our people will benefit from it. I hope it never becomes law.

The PRESIDING OFFICER. All time on the bill has expired.

The clerk will report the first committee amendment.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc. They have been set out in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendments are agreed to en bloc.

The bill is open to further amendment.

#### AMENDMENT NO. 461

Mr. HART. Mr. President, I call up Amendment No. 461.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 1, between lines 2 and 3, insert the following:

#### "TITLE I—EMERGENCY COMMUTER RELIEF

##### "FINDINGS".

On page 1, between lines 2 and 3, insert the following: thereof "SEC. 101".

On page 3, line 6, strike "2" and insert in lieu thereof "102".

On page 7, insert after line 12, the following:

#### "TITLE II—FARE-FREE MASS TRANSPORTATION DEMONSTRATIONS

"SEC. 201. The Secretary of Transportation (hereinafter referred to as the "Secretary") shall enter into such contracts or other arrangements as may be necessary for research and the development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems.

"SEC. 202. Federal grants or payments for the purpose of assisting such projects shall cover not to exceed 80 per centum of the cost of the project involved, including operating costs and the amortization of capital costs for any fiscal year for which such contract or other arrangement is in effect.

"SEC. 203. The Secretary shall select cities or metropolitan areas for such projects in accordance with the following:

"(1) to the extent practicable, such cities or metropolitan areas shall have a failing or nonexistent transit system, a decaying central city, automobile-caused air pollution problems, and an immobile central city population;

"(2) several projects should be selected from cities or metropolitan areas of differing sizes and populations;

"(3) a high level of innovative service must be provided including the provision of cross-

town and other transportation service to the extent necessary for central city residents and others to reach employment, shopping, and recreation; and

"(4) to the extent practicable, projects utilizing different modes of mass transportation shall be approved.

"SEC. 204. The Secretary shall study fare-free systems assisted pursuant to this title, and other financially assisted urban mass transportation systems providing reduced fares for the purpose of determining the following:

"(1) the effects of such systems on (i) vehicle traffic and attendant air pollution, congestion, and noise, (ii) the mobility of urban residents, and (iii) the economic viability of central city business;

"(2) the mode of mass transportation that can best meet the desired objectives;

"(3) the extent to which frivolous ridership increases as a result of reduced fare or fare-free systems;

"(4) the extent to which the need for urban highways might be reduced as a result of reduced fare or fare-free systems; and

"(5) the best means of financing reduced fare or fare-free transportation on a continuing basis.

"SEC. 205. The Secretary shall make annual reports to the Congress on the information gathered pursuant to section 204 of this title and shall make a final report of his findings, including any recommendations he might have to implement such findings, not later than June 30, 1975.

"SEC. 206. In carrying out the provisions of this title, the Secretary shall provide advisory participation by interested State and local government authorities, mass transportation systems management personnel, employee representatives, mass transportation riders, and any other persons that he may deem necessary or appropriate.

"SEC. 207. There is hereby authorized to be appropriated not to exceed \$60,000,000 for each of the fiscal years ending on June 30, 1974, and June 30, 1975, respectively, to carry out the provisions of this title."

Mr. HART. Mr. President, I ask that two modifications be made in the amendment as filed and printed. The first modification is on page 2, line 18. Following the word "nonexistent," insert "or marginally profitable".

The second modification, on page 4, line 10: Strike "\$60,000,000" and insert "\$20,000,000".

The PRESIDING OFFICER. The amendment will be so modified.

Mr. HART. Mr. President, this amendment requires very little discussion. As the amendment was filed and printed before the recess Senators are familiar with it.

I ask unanimous consent that my statement on the amendment filed and printed be inserted in the RECORD at this point.

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

STATEMENT BY SENATOR HART

Mr. President, it is not my intention to use a great deal of the Senate's time on the amendment as it was introduced on August 3 and there has been ample time to study it. Nonetheless, it may serve a useful purpose to explain briefly what the amendment does.

Certainly, the difficulties facing mass transportation in this country have been clearly documented. While fares continue steadily to increase, ridership continues its steady nosedive. The decline of mass transit can undoubtedly be traced to a number of reasons, but there is little doubt in anyone's mind that the decline must be stopped and

mass transit must again become a prominent means of transportation in our cities.

The Emergency Commuter Relief Act, to which this amendment is proposed, recognizes this fact and should give mass transportation a much needed shot in the arm.

The amendment I propose today is based on those same considerations, but suggests that we demonstrate and study the notion by going one step further.

The concept of fare free mass transportation certainly did not begin with the introduction of this amendment. It has been talked about for a long time and has been tested to a limited degree in cities like Rome and Bologna, Italy, and the smaller towns of Commerce, California, Auburn, New York, and Wilkes-Barre, Pennsylvania. An additional small project will be tried in Seattle beginning next Monday. In addition, a number of other cities are exploring the idea.

Our limited experience to date with fare free experiments and those cities with reduced fare for mass transportation has been highly encouraging. In Wilkes-Barre, for example, ridership increased over 100% during its fare free experiment following the disastrous June, 1972 flood. Unfortunately, Wilkes-Barre can no longer afford the project and fares have been reinstated. The small town of Auburn, N.Y. experienced a four-fold increase in passengers during its month long experiment of fare free bus service. While results were questionable in Rome, Italy, poor service and a lack of buses was blamed. Bologna showed good results.

Reduced fare systems have likewise shown remarkable gains. For example, following Atlanta's reduction of fare to \$.15, ridership increased 77%. The reduced fare program in San Diego has also shown good increases in ridership, although the exact increase has yet to be tabulated.

The complete elimination of fares presents an additional bonus, eliminating the need to collect, count, and protect fares. While such costs obviously vary greatly—up to one third of the operating costs of the Chicago transit system, for example—our best estimates are that such costs represent about 10% of current mass transit costs. Elimination of the fare box eliminates these costs and reduces the operating expenses of the transit company.

The amendment would authorize \$60 million each for the next two fiscal years to pay 80% of the cost of providing fare free mass transportation. This amount would enable DOT to finance a sustained demonstration in a major city in this country like Washington, D.C., San Francisco or Detroit. This kind of an experiment has yet to take place and I doubt it will unless we provide the means as contained in my amendment. Based on 1972 costs, the Federal share to operate the transit system of San Francisco or Detroit would be around \$37 million and Washington, D.C. around \$50 million. In addition, the authorization level contained in the amendment would enable the fare free concept to be demonstrated in one or two smaller cities like Seattle, New Orleans, or Rochester, New York. Incidentally, each of the cities I have just named has a mass transportation system that is in grave danger of failure.

A necessary adjunct to financing fare free mass transportation demonstrations is to study the concept in great detail. There is a great deal to be learned about the effects of fare free mass transportation on the problems of our cities. The same is true with respect to reduced fare mass transit. The beneficiaries of such systems must be identified as must be the effects on air pollution, the extent to which automobile traffic might be reduced, how increased mass transit use could reduce the need for urban highways, or how the economic base of our central cities might be affected. The amendment would require the Department of Transporta-

tion to make these studies and to report back to the Congress in one year on the results. A final report would be due not later than June 30, 1975, containing recommendations for the Congress on the appropriate Federal role. This information should enable us to make intelligent decisions about the future role of the Federal Government in supporting fare free mass transportation as well as providing valuable information on the effects of less heavily subsidized mass transit.

In my view, the time is ripe to take this essential step to determine precisely how far we ought to go in subsidizing mass transportation. I urge the amendment's favorable consideration by the Senate.

Mr. HART. The modification reflects a discussion that the Senator from Michigan has had with the able managers of the bill; and it is my understanding that, as modified, particularly with respect to the dollar figure, the managers of the bill are prepared to accept the amendment.

Very briefly, Mr. President, this amendment seeks to undertake a further experiment, and I know it will redouble the Senator from Nebraska's resistance to the bill. Nonetheless, I am very hopeful that if for 2 years the Federal Government assists local transit companies in underwriting experiments, controlled experiments, on free riding, we may discover a means of unlocking the center cities from their further deterioration, arresting the air pollution, and lessening substantially the need to construct highways in the center cities.

This is not, of course, a new idea. A number of municipalities in this country, as well as some overseas, have experimented with it.

A further benefit can be anticipated: That we will discover to what extent operating costs can be reduced by the elimination of the need both to collect and to safeguard fares.

The amendment originally conceived a figure of \$60 million, which would have permitted thorough, controlled surveys in at least one large metropolitan area as well as regional centers across the country. As modified, necessarily, the reach of the experiment will be lessened. Nonetheless, it is my hope that, if this becomes law, we will be able at the end of June 1975 to have identified for us exactly who would benefit through such a program and to what extent we would enhance the vitality of regions in this country the strength of which is essential to all of us, wherever we happen to live.

I hope very much that the Senate will agree to this amendment.

Mr. WILLIAMS. I yield myself 1 minute.

Mr. President, I support the amendment offered by the Senator from Michigan and applaud him for introducing it on a demonstration basis. It has been discussed for some time in this country. We know that it has been tried with good results and is in practice in other countries.

There are increasing reasons why new effort must be made. For example, only recently, under proposed regulations, the Environmental Protection Agency has noted that 36 cities must find ways to control the use of the automobile because of the heavy pollution that it is

creating. We know the operating problems and the deficits that our Nation's communities are having with their mass transit systems. We know that we must find ways to encourage people to travel in greater numbers on mass transit systems within our metropolitan areas. This is an approach that I applaud, and as manager of the bill, I accept this amendment.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. HART. I yield back the remainder of my time.

Mr. WILLIAMS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 466

Mr. WILLIAMS. Mr. President, I call up Amendment No. 466, proposed by the Senator from Ohio (Mr. TAFT).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. WILLIAMS. Mr. President, the amendment is brief and self-explanatory. I will take only a moment to read it:

On page 4, after line 22, insert the following:

The Secretary shall require, as a condition of assistance under this subsection, each State or local public body to submit an annual report describing the implementation of its mass transportation service improvement plan. If the Secretary finds, after receiving any such report and after opportunity for a hearing on the record, that a State or local public body receiving assistance under this subsection has not made reasonable progress in the implementation of its plan, he shall suspend further assistance under this subsection until such time as he determines that reasonable progress is being made.

The reason for this amendment is stated in the supplementary views of the Senator from Ohio, which is included in our committee report. I for one believe that it strengthens the requirement that the application show a plan of improved service. If that does not occur the Secretary should have the opportunity to suspend any further payments therefore, I support the amendment.

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

Mr. WILLIAMS. I yield.

Mr. TOWER. Mr. President, I join the Senator from New Jersey in endorsing this amendment. It is a good amendment. I urge its adoption.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. TOWER. I yield back the remainder of my time.

Mr. WILLIAMS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the pending legislation occur immediately following the vote on the nomination of Mr. Alvin J. Arnett, to be Director of the Office of Economic Opportunity.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, I shall not object, but if the Senator will yield, is the Senator making this request for a vote on Monday? The Senator did not mean today, did he?

Mr. MANSFIELD. Excuse me. Monday.

The PRESIDING OFFICER. Does the Senator from Montana ask that rule XII be waived?

Mr. MANSFIELD. Yes.

Mr. CURTIS. Mr. President, reserving the right to object, it was my understanding that the nomination of Mr. Arnett might be delayed for 2 or 3 days because certain Members had expressed an interest in it.

Mr. MANSFIELD. Then, suppose that we vote immediately after the vote on the nomination of Russell Train.

Mr. CURTIS. I have no objection.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on final passage on the pending bill occur after the vote on the Train nomination on Monday next, and that rule XII be waived.

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

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

The yeas and nays were 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. 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.

the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ORDER FOR RECOGNITION OF SENATOR WEICKER ON MONDAY, SEPTEMBER 10

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the remarks of the distinguished Senator from Georgia (Mr. TALMADGE) under the order previously entered, the distinguished Senator from Connecticut (Mr. WEICKER) be recognized for not to exceed 15 minutes.

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

RESCISSON OF ORDER FOR VOTE ON NOMINATION OF ALVIN J. ARNETT

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the previous order providing for a vote on the nomination of Mr. Alvin J. Arnett as Director of the Office of Economic Opportunity on Monday next be vacated.

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

ORDER FOR CONSIDERATION OF NOMINATION OF ALVIN J. ARNETT

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished Senator from Michigan, the Republican whip, I am going to seek to change the date for that vote, and therefore I propound the following unanimous-consent request: That the time for debate on the nomination of Mr. Arnett be limited to 2 hours, instead of 1½ hours, as previously ordered; that the time be equally divided between the distinguished majority leader and the distinguished minority leader or their designees; and that the nomination be called up immediately upon the conclusion of routine morning business on Thursday next.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON SMALL BUSINESS ACT AMENDMENT UNDER TIME LIMITATION ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, immediately following the recognition of the Senator from Connecticut (Mr. WEICKER), under the order previously entered, the Senate proceed to the

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 bill (S. 2016) to amend

consideration of the conference report on S. 1672, the Small Business Act amendment, and that there be a time limitation of 30 minutes on the conference report, the time to be equally divided between the Senator from California (Mr. CRANSTON) and the Senator from Texas (Mr. TOWER) or his designee.

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

**ORDER FOR CONSIDERATION OF NOMINATION OF RUSSELL E. TRAIN ON MONDAY**

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that upon the disposition of the conference report on S. 1672 on Monday next, the Senate proceed to the consideration of the nomination of Mr. Russell E. Train for the office of Administrator of the Environmental Protection Agency and that there be a time limitation of 1 hour thereon to be equally divided between the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Tennessee (Mr. BAKER).

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

**ORDER OF BUSINESS**

Mr. ROBERT C. BYRD. Mr. President, am I correct in understanding that the vote on the nomination of Mr. Train will occur at the hour of 2:15 p.m. on Monday next?

The PRESIDING OFFICER. The Senator is correct.

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

**ORDER FOR CONSIDERATION OF THE UNFINISHED BUSINESS ON MONDAY**

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, upon the disposition of S. 386, the urban mass transportation bill, the Senate return to the consideration of the unfinished business S. 5 a bill to promote the public welfare.

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

**CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS**

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1385.

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate the following message:

*Resolved*, That the House agree to the amendment of the Senate numbered 1 to the amendment of the House to the aforesaid bill with the following amendment:

In lieu of the matter proposed to be inserted by the Senate amendment, insert: and for each of the fiscal years 1974 and 1975, \$60,000,000.

*Resolved*, That the House disagree to the amendment of the Senate numbered 2 to the amendment of the House to the aforesaid bill.

Mr. ROBERT C. BYRD. Mr. President,

I move that the Senate concur in the amendment of the House to Senate Amendment No. 1 to the House amendment.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate recede from its position on Senate Amendment No. 2 to the House amendment.

The motion was agreed to.

**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.

**LESSONS TO BE LEARNED FROM THE SOVIET GRAIN DEAL**

Mr. HUDDLESTON. Mr. President, the Department of Labor earlier today announced that wholesale prices rose faster in August than in any single month since records have been kept, mostly as a result of increases in the cost of agricultural products.

The seasonally adjusted increase for farm products was 26.1 percent; for wheat, the basis of flour products, and feed grains, which help determine poultry, pork and beef, and dairy product costs, the increase was even greater.

Between July 10 and August 14, the price index for wheat rose more than 89 percent, and for soybeans 76 percent.

For corn, barley, and oats the increase was in the mid-50 percent range.

When reviewing these figures, the tendency will be to blame the American farmer for the increases.

But, recent governmental policies also have to be considered as contributing factors to the increase.

And, one of these policies is the Soviet grain sale of last year.

Mr. President, the story of the Soviet grain deal is not over.

In fact, a new chapter may have opened.

If so, this new chapter provides further evidence that the sale of large amounts of U.S. grain to the Soviet Union in the summer of 1972 was not handled in the best interests of this Nation.

It now appears that the Soviet Union, which cornered about a sixth of the 1972-73 U.S. wheat crop at modest prices before our agricultural officials, farmers or our citizens fully realized what had happened, is now selling wheat in Italy under highly favorable world market conditions.

This is not to say that the Soviets should not take advantage of the current market conditions and sell wheat or that the Italians, faced with a grain crisis at home, should not be buying.

But, it does raise further question about the advisability of the Soviet grain sale and a variety of other U.S. agricultural policies, which have contributed to shortages and high prices here at

home and a series of seesaw trade policies abroad.

According to an August 31 story in the newspaper *Il Tempo*, the vessel, *Jagatt Neta*, has unloaded 22,000 metric tons of Soviet grain at the port of Civitavecchia, near Rome.

In addition, there has been suggestion that two other vessels, including the *Krusevaz*, may have brought Soviet grain to Italy.

As *Il Tempo*, the Rome newspaper, noted in the article:

Even with soft grain, on the other hand, the (Italian) market has a scarcity.

The proof of it is in the arrival from overseas of grain.

In fact, yesterday in Civitavecchia the first ships arrived from France with grain.

Also, a Soviet merchant ship, the *Jagatt Neta*, has started to unload 22,000 tons of soft grain.

It appears to be grain that the U.S.S.R. has bought at favorable prices from the United States and that it now resells to Italy at current international rates.

In this way, the market regulations are followed with wide attention and interest by the U.S.S.R.

By now, the details of the Soviet grain sale are well known. They have been reprinted a number of times.

The U.S. Government, in the summer of 1972, loaned the Soviet Union \$750 million over a 3-year period for the purchase of U.S. grains—wheat, corn, barley, sorghum, rye, and oats.

The loan was made at 6.125-percent interest and no more than \$500 million could be outstanding at any one time.

While various Soviet officials were dealing with officials in the Department of Agriculture on the terms of credit, other Soviet officials—from their export bureau—were dealing with large U.S. grain companies from whom they purchased more than 440 million bushels of grain.

The wheat purchases were mostly made at a target price of \$1.63 to \$1.65 per bushel, which, at least toward the end of the summer proved to be artificially low—by then domestic grain prices were at least \$0.75 per bushel higher, the world market price was higher than the target price and the United States was known to be in a favorable export position.

In addition, the sale was subsidized in a number of ways, all of which cost the U.S. taxpayer money—through a basic subsidy designed to cover the difference between the world market price and the domestic price, a carrying charge subsidy for owning wheat, a rail subsidy for hard red spring and durum wheat, and a maritime subsidy designed to keep U.S. shipping competitive with other shipping costs.

Finally, the devaluation of the dollar made the deal even more favorable financially to the Soviet Union.

But, of as much concern as the overly favorable terms of the sale for the Soviets is the effect which it had on the American consumer.

As a report of the General Accounting Office issued in July of this year noted—

On the negative side, domestic wheat prices rose from \$1.80 a bushel in July 1972 to \$3 in May 1973.

On September 5, wheat was \$4.77 per bushel on the Chicago market.

Consumer costs attributed to the sales included higher prices for bread and flour-based products, increased prices for beef, pork, poultry, eggs and dairy products resulting from higher costs for feed grains, and a severe disruption of transportation facilities with attendant higher costs and shortages or delays in delivering certain supplies.

Thus, the American taxpayer/consumer who has already paid handsomely for the Soviet grain sale may now be seeing the Soviet Union profit from the further sale of the wheat which it purchased from the United States at low prices during the summer of 1972.

I am, consequently, requesting the Department of Agriculture and the General Accounting Office, which has already conducted such a fine investigation of this matter, to look into the recent reports from Italy to determine what further developments have taken place with respect to the Soviet grain sale.

If this grain is being resold at a much higher price, as has been suggested, then that part of the story, too, belongs in the chronicle of the Soviet grain deal.

That aspect, too, must be evaluated and included in any final conclusions reached about the advisability of the entire deal.

For it could well be another indication that Soviet traders knew more about world conditions than we did and took advantage of our negotiations not only to supply their own needs but to reap huge profits on the world market—all subsidized by the American taxpayers and consumers.

In a matter of months, our Nation has gone from a food surplus one to one in which there are high prices for meats and other products dependent on feed grains and for flour products, to name only those products most closely related to the grain sale.

In the same period, our Nation has been forced to change from one which was pressuring trading partners, such as the European Community and Japan, to buy more of our grains and agricultural products to one in which export controls and embargoes have been necessary.

I am aware of the fact that there have been various unanticipated and uncontrollable natural developments, which have contributed to the food shortage not only in our own Nation but also throughout the world.

But, part of our duty and responsibility is to anticipate the possibility of such developments and be prepared for various possible alternatives.

In a rush to unload surplus and Government-owned commodities, and, perhaps at times, to try to hold down food prices, future needs and probable demands were ignored.

Many agricultural policies in our Nation, from the Soviet grain sale, through the freeze which stemmed prices but not demand through the development of a situation which required export controls, indicate that we were highly unprepared for the situations which developed.

Hindsight is, of course, a great deal better than foresight.

There are various actions and policies which were utilized in the past year that in September of 1973 now appear unwise.

Rather than bemoan these miscalculations, however, I believe that we must learn from them.

For that reason, the Soviet grain deal, while unwise in retrospect, can provide a valuable lesson.

We would, of course, be in a better position today if we had the grain sold to the Soviet Union and if we could not only meet additional domestic requirements but also supply more grains to those areas of the world where they are now needed.

Thus, I hope that from these unfortunate miscalculations we will become aware of the need for better information, better planning, and closer attention to developments not only in our own agricultural supply and demand situation, but also in that throughout the world.

Mr. MUSKIE. Mr. President, first of all, I should like to compliment the distinguished Senator from Kentucky for what I think is a masterly analysis of the developments of last year and this year which have led to high prices, shortages of supply, and the need to review our national policies with respect to sales of our foods at home and abroad, which he has just made.

I intend to study the facts which he has presented to the Senate and the country in order that I may more effectively explain to my constituents why it is they have to pay more than they can afford for food, and why it is that too often they cannot get what they are accustomed to getting on the shelves of their grocery stores.

#### AIR POLLUTION WORSENS

Mr. MUSKIE. Mr. President, in recent months, many people in industry, in the media and across the country have suggested that the Congress asked for too much in the Clean Air Act of 1970.

Corporate advertisements have characterized the auto emission requirements as a "\$66 billion mistake"—auto companies have called the standards "arbitrary," "unnecessary" and "unsupported." Some have claimed that air pollution related to automobiles is yesterday's problem.

The president of Ford Motor Co. testified as recently as May 23 of this year:

Our country's physical environment already has been vastly improved because of the Clean Air Act, and will continue to improve rapidly as old precontrol cars are replaced by new cars.

Together, we have made a lot of progress to date. Both EPA and California have documented their results to date and the message you get from these results is unmistakably clear—the air is getting cleaner—and fast.

Because of the powerful stimulus to emission control research and development provided by the 1970 Amendments, automotive emissions will soon cease to be a factor in the pollution of our air.

The Chrysler Corp. advertised:

The fact is, with the reductions already achieved, there is no scientific evidence showing a threat to health from automotive emissions in the normal, average air you breathe. Not even in crowded cities.

The Motor Vehicle Manufacturers Association has stated:

Studies have shown that, on a global basis,

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nature, through vegetation decay and other natural chemical reactions, is producing many times the pollutants released by one activity including vehicle emissions.

And further argues:

Running a home furnace for five hours—on any kind of fuel requiring air for combustion, will exceed the daily automatic quota for oxides of nitrogen.

But, Mr. President, despite these statements all available evidence is to the contrary. From August 26 until only yesterday, a blanket of hot, dirty air has covered the east coast from southern Maine to Florida. Air pollution alerts were declared in many cities—and they were not declared because too many people were running their furnaces.

As I returned from Maine to the Senate, I saw this dirty air mass covering the land, urban and rural areas alike, and darkening the sun. I am sure many other Senators made the same observation and have wondered how anyone can claim that the air pollution problem is lessening.

The Nation's Capital has just endured the longest spell of dirty air in its history. Yesterday, when relief finally came with cooler, cleaner air moving down from Canada, the people of Washington, D.C., had already suffered through 12 consecutive days of breathing unhealthy air, while sick, young, and old people had to restrict their activities.

According to the Washington Star-News:

The heat and air pollution weighing down on the Washington area over most of the last 11 days has produced increases in the number of respiratory ailments treated at area hospitals...

An informal survey of most of the major area hospitals showed the increase in the patient load—particularly among those treated in emergency rooms—has risen more than 100 percent in some cases of chronic bronchitis and asthma...

Dr. William Cassidy, on duty at the Fairfax County emergency room yesterday, estimated the respiratory patient increase caused by smog at about 30 percent above the normal patient load...

A spokesman for Childrens Hospital said, "We've had a great deal more people with asthma, bronchitis and swollen eyes—definitely related to the weather we've been having..."

Mr. President, these are the cold, hard facts of air pollution. People who have bronchial problems, cardiovascular ailments, asthma, and so on are more ill—are less able to function—are living shorter, less productive lives because we have not begun to solve the air pollution problem.

Available evidence indicates that the problem is getting worse—at least as it relates to automobiles.

Before this east coast air pollution episode, the previous record-long air pollution episode—8 days—was in July of 1972.

In total, we have experienced 24 air pollution alert days in Washington this year—another record.

We have had the most air pollution alerts—six—breaking last year's record of four.

We have had our first-ever winter air pollution alert, and the highest reading

ever—165—on our air pollution danger scale.

In Washington, air pollution is caused by the automobile. Reports from other cities, where the automobile is the major contributor to the pollution problem and competing industrial activities are minimal, also call into question the automakers' conclusion that automotive air pollution has been reduced.

According to news reports from southern California, air pollution associated with auto emissions is the "worst ever" in many cities. The *Riverside Daily Enterprise* reports:

The June just passed also established an unenviable record for smog alerts. The thirteen alerts called during the month by the Air Pollution Control District was the most ever for June, the previous high total being eight in June of last year.

In Dade County, Miami, Fla., pollution levels for carbon monoxide increased 20 percent and pollution levels for nitrogen dioxide increased 37 percent between

1970 and 1972, and in Denver, Colo., average carbon monoxide pollution levels were 5.9 in 1970, 7.2 in 1971, and 6.4 in 1972. This, in the Mile High City of Denver, in the Rocky Mountains. Certainly, no clear and continuing downward trend can be identified as a result of such figures, notwithstanding the self-serving statements by automobile manufacturers to the contrary.

In fact, where there have been reductions in urban air pollution, they have resulted from significant decreases in pollution from sulfur oxides and particulates, not from decreases in pollutants related to the auto. A May 7, 1973, EPA report discussing decreases of sulfur oxides and particulates notes, with regard to automotive related pollutants:

The report does not include concentration level data on other air pollutants such as carbon monoxide and hydrocarbons. Air quality trends can be ascertained only through measurements over a significant pe-

riod of time. Such measurements are not yet available for other air pollutants.

Subcommittee on Air and Water Pollution discussions with officials of the Environmental Protection Agency during April and May resulted in the same conclusion—that there is no statistically significant basis for any assertion that there has been a reduction in ambient concentrations of automotive related air pollutants.

Our daily newspapers for days now have been telling us, in language that laymen understand, that the problem is worse than ever.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an EPA chart relating to variations in oxidant levels in some major cities; there is nothing in these EPA figures to indicate any clear improvement trend.

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

TABLE 2B.—YEARLY MAXIMUM AND COUNT FOR TOTAL OXIDANT

| Site           | Year  |       |       |       |       |       |       |       |       |       |       |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                | 1962  | 1963  | 1964  | 1965  | 1966  | 1967  | 1968  | 1969  | 1970  | 1971  | 1972  |
| Denver:        |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        |       |       |       | 0.25  | 0.23  | 0.21  | 0.26  | 0.13  | 0.18  | 0.20  | 0.18  |
| Count          |       |       |       | 6,298 | 6,701 | 3,494 | 4,333 | 2,593 | 3,421 | 4,511 | 5,110 |
| Washington, 1: |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        | 0.13  | 0.22  | 0.20  |       | .16   | .26   | .25   |       |       |       |       |
| Count          | 6,930 | 6,707 | 6,548 |       | 7,061 | 6,969 | 5,329 |       |       |       |       |
| Washington, 2: |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        |       |       |       |       |       |       |       | .10   | .16   | .13   | .13   |
| Count          |       |       |       |       |       |       |       | 1,729 | 4,097 | 7,065 | 4,243 |
| Chicago:       |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        | .11   | .21   | .12   | .13   | .19   | .16   | .18   | .07   | .20   | .17   | .14   |
| Count          | 5,195 | 4,558 | 5,593 | 5,952 | 5,168 | 5,401 | 5,030 | 545   | 4,810 | 6,746 | 7,385 |
| St. Louis:     |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        |       |       | .26   | .35   | .22   | .20   | .23   | .12   | .08   | .13   | .16   |
| Count          |       |       | 5,777 | 7,264 | 6,248 | 6,127 | 4,395 | 2,330 | 2,472 | 7,086 | 5,006 |
| Cincinnati:    |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        | .14   | .20   | .26   | .17   | .12   | .20   | .14   | .16   | .08   | .16   | .15   |
| Count          | 6,298 | 6,037 | 6,736 | 6,913 | 4,564 | 5,148 | 2,395 | 1,130 | 165   | 5,373 | 5,923 |
| Philadelphia:  |       |       |       |       |       |       |       |       |       |       |       |
| Maximum        | .17   | .11   | .21   | .21   | .52   | .17   | .21   | .11   | .13   | .14   |       |
| Count          | 4,848 | 6,079 | 6,524 | 5,819 | 6,797 | 5,979 | 3,880 | 2,367 | 2,720 | 6,193 |       |

Mr. MUSKIE. Mr. President, I would like to make one other point: In Washington, the most hazardous pollution levels are being recorded in the suburbs, not in the central city. In all probability, other cities which do not have extensive suburban monitoring systems are faced with undetected air pollution dangers.

The people of this region as well as the people of other areas of the country where the air pollution problem has become more severe have the right to ask why.

Supposedly, automobile engines have been getting cleaner. Supposedly, there are fewer auto-related pollutants emitted to the atmosphere each year.

The American public has been paying for cleaner cars for 8 years in California and for 6 years nationally. But dirty air records are still being set.

People with air pollution affected ailments are being told by the doctors to take more rather than fewer precautions. And larger rather than smaller areas are affected by air pollution episodes.

We have obviously not achieved the minimum goals set forth in Federal clean air laws. The auto industry, which would have us relax tough standards set for 1975 and 1976, has failed to achieve the results they claim.

I can only conclude that we have not made a sufficient effort, publicly or privately, to reduce the dangers posed by air pollution. Our environment is unwilling and unable to accept the waste that we force upon it.

There is more to be done—more that can be done. I hope that we will not falter in our effort.

Mr. President, in order that we will not forget in the months ahead, when we normally get less heat, fewer inversions, and cleaner air, because nature is still working in spite of us to help us keep healthy, I ask unanimous consent to have printed in the RECORD several newspaper articles relating to the recent air pollution in Washington, D.C.

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

[From the Washington Post, Aug. 28, 1973]  
AIR POLLUTION ALERT CONTINUES IN AREA

(By Paul Hodge)

The Washington area will remain under an air pollution alert through today and possibly through Wednesday as a hot, stagnant East Coast air mass showed little sign of moving on, the National Weather Service reported yesterday.

Air pollution readings above the hazardous-to-health level were recorded yesterday in Fairfax, Alexandria, Arlington and Beth-

esda, according to the Metropolitan Washington Council of Governments.

COG ordered the alert on Saturday. It was the fifth of this summer and the sixth of the year for the Washington area.

As in the case of most of the other alerts, the suburbs have been harder hit than the District, COG officials said. While Alexandria and Bethesda were recording air quality ratings of 110 yesterday, downtown Washington recorded only 75. Anything above 100 is considered hazardous and anything above 250 is considered dangerous to health, particularly for those with heart and respiratory ailments.

COG officials speculate that since all the alerts have been caused by car-related pollution—carbon monoxide and photochemical oxidants caused by car exhausts—it simply means there is increasing traffic in the suburbs. One recent COG study found more than 50 percent of daily suburban commuting is now to other suburban areas and not into the core area of the District.

The highest air pollution reading this year was 125, recorded in both Alexandria and Fairfax Aug. 9, during a four-day alert.

The discomfort caused by the air pollution was aggravated by 92 and 93 degree temperatures for much of the afternoon yesterday, and the Weather Service predicts highs in the mid 90s both today and Wednesday.

At 3 p.m. there were fewer than the usual number of tourists on the Mall and Washington Monument grounds and those who were there sought out the shade of trees and vendor stands.

Ricky Firestone, 13, of Silver Spring, who was guiding some young friends from Florida, said "It really stinks. The air smells. And it makes my eyes water . . . but I have allergies and maybe it's just pollen."

A visitor from Boston, Jennifer Makowski, said she spent Sunday afternoon in her hotel because of the heat and air pollution. "I had a headache all day. In this heat I'm just wilting."

A couple from Thailand were not too alarmed by the heat or the air pollution. "Oh, it's much better here than in Bangkok," said Kiawion Tong.

[From the Washington Post, Aug. 29, 1973]  
ALERT WILL LAST UNTIL FRIDAY: POLLUTED AIR HANGS OVER AREA

(By Major Wells)

The hot, muggy, polluted air that has hung over the Washington area since Saturday is expected to stay through Friday, the National Weather Service and the Metropolitan Council of Governments reported yesterday.

Hot weather in other parts of the country caused electric power cutbacks in areas ranging from the Midwest to the Eastern Seaboard—though not in Washington—and prompted workers in two auto plants to walk off their jobs.

Yesterday was the fourth day of an air pollution alert in the Washington area, with stifling conditions intensified by 90-degree heat. That temperature, matched on Aug. 13, is the highest reading in the D.C. area since July, 1969.

Yesterday was also the 17th day this summer that Washington has been under an air pollution alert.

Weather problems were noted in other areas of the country:

Voltage was cut 5 per cent across New York State yesterday as the state power pool acted to protect its generating system against a massive blowout in the second day of a heat wave.

(Spokesmen for Pepco and Vepco said yesterday there was no electric power cutback in the Washington area and that there had been no requests for the D.C. area to share power with neighboring regions.)

Warnings to protect livestock were issued in Minnesota and Wisconsin as temperatures climbed near the 100-degree mark over a wide belt in the Midwest.

Chrysler Corp. reported walkouts closed its truck plants at Windsor, Ont., and Warren, Mich. Ford Motor shut down its Dearborn plant after workers failed to return from breaks and American Motors sent 17,500 workers home in Detroit because, its spokesman said, "It was just too hot to work."

In Chicago, the Commonwealth Edison power company asked four large steel mills to cut back their operation of electrical furnaces.

Lights were turned off in many parts of Chicago's Civic Center, and runway lights and many building and concourse lights at O'Hare International Airport were switched off during the day.

The Illinois Bell Telephone Co. transferred 102 of its telephone switching centers from regular electrical power to diesel generators.

Locally, a COG spokesman said there have been more alerts this year than last (five alerts this summer and a sixth alert in January) but the pollution levels have not been as high.

"The present alert is not as severe as those we've had earlier this year," said David R. DiJulio, air program quality manager for COG. "Earlier alerts have lasted longer and recorded higher readings."

The highest pollution index reading this year was 125 recorded in Alexandria and Fairfax on Aug. 9 during a four-day alert. During the present alert, the index reached 110 Monday in Bethesda and Alexandria.

A spokesman for COG said pollution levels

were somewhat higher during last year's alerts. But precise comparisons were not readily obtainable since a different pollution index is being used this year.

The air quality index for the Washington area was 100 yesterday, with downtown Washington recording 75 and Fairfax, the highest in the area, reaching 100.

A reading above 100 is considered hazardous and prompts an alert, and anything above 250 is considered dangerous to health, particularly for people with heart and respiratory ailments.

Over the past three summers there have been a total of six alerts lasting 15 summer days. In 1972, four alerts were declared by COG and they lasted 13 days; a one-day alert was ordered in 1970 and again in 1971.

"In all likelihood," DiJulio said, "the pollution is lasting longer this summer due to meteorological conditions. We've had more stagnation this year at a time when hot, sunny weather causes the conversion of automobile exhaust to photochemical exhausts (smog)."

"We don't have winds to blow the pollution away. Nor do we have mixing of pollution into the upper atmosphere."

The National Weather Service said today's weather would continue to be hot, with highs in the upper 90s, sunny skies, but some haze. The outlook remains about the same through Friday, the weather bureau said. Saturday the temperature is expected to reach the 80s, and showers are forecast.

Capt. Bernard Sterner, a United Air Lines pilot who flew Flight 327 from O'Hare to Washington National Airport yesterday said, "It's clear up above 12,000 feet . . . Beautiful up there . . . good visibility . . . but as you drop below 12,000 feet, due to the haze and smog you only have a couple of miles of forward visibility."

Dr. Yuill Black, a D.C. allergist who does the pollen count for the D.C. Medical Society, said persons with asthma, hay fever, sinus trouble and respiratory diseases can be made more uncomfortable by air pollution. He said the pollen count usually reaches its maximum during the Labor Day weekend.

Yesterday customers searching for electric fans were turned away at some D.C. drug stores.

Richard Delong, manager of Peoples Drug Store at Thomas Circle said the company's three stores on 14th Street NW have sold more than 2,500 fans this summer and are now out of them.

"We've sold every one," said Paul Levy, manager of Rodman's at 902 14th St. NW. "The more expensive they are, the faster they sell."

[From the Washington Post, Sept. 2, 1973]

#### POLLUTION ALERT CONTINUING

(By Lawrence Feinberg)

The Washington area air pollution alert has been extended through today—its eighth day—breaking the local record set last year for the longest spell of dangerous, stagnant, polluted air.

The late summer heat wave that has accompanied the polluted air continued yesterday with a high of 96 degrees, the seventh day of 90-plus temperatures. According to the Weather Service, there is no end in sight.

For today and Monday the National Weather Service predicted more hot, hazy weather, with temperatures continuing in the mid-90s, low temperatures in the mid-70s, and very little wind.

Forecasters said they could see nothing now to bring any relief, as a high-pressure system responsible for the heat wave remained stationary over the whole eastern half of the United States.

West of the Appalachian Mountains, southerly breezes dispersed stagnant, polluted air, but there was hardly any wind at all along the whole East Coast from north of Boston to the Gulf of Mexico.

The Metropolitan Washington Council of

September 7, 1973

Governments which declares the air pollution alerts here, said its pollution index reached a high yesterday of 145 at 1 p.m. in Alexandria.

A reading of more than 100 means the air pollution is hazardous and an alert goes into effect until 3 p.m. the next day. The current spell of 100-plus readings began Aug. 25.

The previous record for a long spell of highly polluted air was set between July 17 and 24, 1972, a COG spokesman said.

Yesterday's high temperature—96 degrees—occurred at 3 p.m. at the Weather Service station at National Airport.

The low temperature for the day was also exceptionally high—77 degrees at 6 a.m., when the humidity reached 82 per cent.

The last time the temperature dropped below 70 degrees, the weather bureau said, was at 4 a.m. Aug. 26.

Pollen count in the air was also high. The pollen count, according to the D.C. Medical Society, reached 84 yesterday—the high mark of the season so far. Combined with the pollution, it caused special misery for asthmatics and hay fever sufferers.

"This year is the worst we've had for a long while," said Dr. Yuill Black, an allergist who monitors the pollen count. "The pollution is bad, the pollen is bad, and to have them both together is very bad."

Because offices were closed for the weekend electric power consumption was down yesterday from the record levels set earlier in the week. Power companies reported no important breakdowns in their equipment.

However, traffic continued to be heavy, particularly on the Beltway, helping to keep pollution levels high.

Traffic also was heavy in the direction of resorts. At Ocean City, Md., the beaches were crowded, but in midafternoon the Chamber of Commerce reported that there were still plenty of hotel rooms available. The temperature in Ocean City reached 93 degrees.

In Washington, public swimming pools were crowded, but park-strollers and museumgoers were fewer than usual.

At the National Zoo, where the midafternoon temperature reached 98 degrees, police said the number of cars in the parking lot was a third of what it had been on most summer Saturdays.

Keepers sprayed water on the elephants to try to cool them off. Bears splashed in a pool, hippopotamuses rolled in the mud.

The zoo's two prized pandas stayed in their air-conditioned cages. Usually, the temperature is kept below 60 degrees. Yesterday it went up to 71, but even so, keeper David Bryan reported, the pandas seemed comfortable.

For children returning to school this week, conditions may not be so comfortable. But if the temperatures remain in the mid-90s both Montgomery County and Arlington schools have announced that they will close 90 minutes early in the afternoons.

[From the Washington Post, Sept. 3, 1973]

#### SHOWERS BRING RELIEF

(By Maurine Beasley)

Scattered thundershowers brought temporary relief to the heat-oppressed Washington area yesterday afternoon but a pollution alert remained in effect and hot weather and hazardous air conditions were forecast for today.

A cluster of later afternoon showers extending from Montgomery County into the Virginia suburbs and southern Prince George's County rapidly pulled down temperatures, according to the National Weather Service.

At National Airport, which registered the area's high of 93 degrees yesterday at 3 p.m., the temperature dropped to 84 degrees at 5 p.m., following a 30-minute shower, according to the weather service.

"I suspect that the rain dropped the temperature 10 degrees within a few minutes

from the low 90s to the low 80s," said Harold Hess, a National Weather Service forecaster. But he emphasized that the temperature is expected to climb right back up to mid-90 degree readings today.

The rash of showers also improved the area air pollution situation temporarily, according to R. David DiJulio, air quality program manager for the Metropolitan Council of Governments.

Before the showers hit, pollution index readings reached a high point of 150 at 4 p.m. at Hyattsville in Prince George's County and Seven Corners in Fairfax County, surpassing Saturday's high of 145.

DiJulio said he was unable to determine just what impact the showers had on the index because "we stopped taking the readings" before the rain fell. He stressed that the relief was not expected to last and said that COG had no plans to call off a pollution alert previously extended until 3 p.m. today.

The National Weather Service said it had recorded .18 of an inch of rain at its station at National Airport. The Weather Service said it had received official reports of rainfall between an inch and 1 1/2 inches in the eastern suburbs of Washington and a rainfall of more than 2 inches in Clinton.

The Weather Service forecasters said that the showers were insufficient to dislodge the mass of heavy stagnant air blanketing the Washington area for more than a week, causing temperatures in the mid-90s and hazardous pollution conditions.

According to forecasters, no definite end to the smothering weather is in sight, although it appears possible a break may come this week.

The Weather Service predicted that it will be sunny and continued hot today with a high in the mid-90s and fair tonight with a low in the 70s. There is a 20 per cent chance of rain. Tuesday is expected to be partly cloudy with a chance of a thunderstorm and a high in the lower 90s.

"Showers will become more numerous as the week goes by," Hess said, but he added, "We can't promise anybody cooler temperature and an end to pollution."

If the hot weather continues, some area schools plan to close early. Carl Hassell, school superintendent of Prince George's County, announced yesterday that schools there will close 90 minutes early each day if the heat continues. Earlier both Montgomery and Arlington counties made similar announcements.

Although yesterday marked the eighth straight day of 90-plus temperatures, it set no record for a heat wave.

National Weather Service records show Washington sweltered through 18 days of temperatures above 90 degrees in 1872 and endured several 12-to-15-day periods of 90-plus temperatures in the last 15 years.

The air pollution alert, which goes into a record-breaking ninth day today, advises persons with heart and respiratory ailments to stay indoors and avoid strenuous outdoor activities, such as mowing lawns.

COG issues an alert when the index reading goes over 100, indicating hazardous air conditions. Even though automobile traffic, the prime cause of pollution, was light yesterday, DiJulio attributed the high pollution index reading to exhaust fumes lingering in the air from earlier in the week.

A cover of clouds yesterday morning helped prevent the formation of pollution by blocking out the sunlight necessary for conversion of automobile exhausts into photo-chemical oxidants (pollutants), DiJulio said.

By noon, however, the clouds were dispersed and pollution levels began building up until the later afternoon thunderstorms.

In Ocean City and Rehoboth Beach, showers yesterday morning temporarily cleared the beaches as holiday crowds sought shelter from heavy downpours. By afternoon, police reported, sunshine had returned and vacationers, estimated at 60,000 in Rehoboth

and 75,000 in Ocean City, again lounged on the sand.

Yesterday also brought the highest pollen count here of the season, according to Dr. Yull Black, a spokesman for the D.C. Medical Society.

Dr. Black said the ragweed count reached 88, indicating misery for an estimated 200,000 persons in the Washington area who suffer from hay fever, caused by an allergic reaction to pollen, mainly ragweed.

[From the Washington Post, Sept. 4, 1973]

#### AREA OFFICIALS "POWERLESS" TO CUT POLLUTION

(By Judy Luce Mann)

Washington area officials said yesterday they are powerless to combat the hazardous air pollution that has now enveloped the region for 10 consecutive days during the sixth pollution alert of the year.

Prince George's County Councilman Francis B. Francois, one of the officials interviewed yesterday by The Washington Post, predicted that the pollution will again appear next summer and for several summers thereafter until antipollution devices are put on cars and clean air regulations proposed by the Environmental Protection Agency are imposed.

Several officials pinned their hopes for relief on the Metro rapid transit system providing an alternative to driving cars for commuters.

A spokesman for Metro, the subway agency, noted that the first trains will not begin running until 1975 and then service will only be over 4 1/2 miles of track.

"We are just so limited in what we can do," said Fairfax County Board Chairman Jean Packard. "We can't shut down government offices and obviously we can't tell people to stay out of their automobiles . . .

"We have not come out and made any overall plea for people to leave their cars at home because in a great majority of areas in Fairfax there is no alternative means of transportation," she said.

"Until we get a broad-based mass transit system, we're going to have to continue to suffer through these alerts," she said, "We've been consistently urging car pools, not limiting this just to air pollution alerts. I guess my problem is I'm a little impatient with people who get concerned only when there's an air pollution alert."

"I don't think you can do anything about an air pollution alert, once it's with you," said Arlington County Board Chairman Everard Munsey. "What you do is pursue policies that avoid a buildup of pollution, (such as) public transportation improvements. I've spent more time on this than anything else since I've been on the Board."

He said a preferential bus lane is scheduled to open on Wilson Boulevard in Arlington this month and that he is pushing a proposal for a preferential bus lane on Arlington Boulevard.

Munsey listed preferential bus lanes, car pool locators set up by the Northern Virginia Transportation Commission and the addition of more buses to the Metrobus fleet as steps that could reduce air pollution eventually.

"They're not going to solve the air pollution this summer but we hope that once they have an impact on the use of automobiles they will be helpful next summer. Not just next summer. There's some evidence that we get air pollution in January and February," Munsey said.

A spokesman for D.C. Mayor Walter E. Washington said, "The only thing that the mayor has done is issue a directive to all of his department and agency heads telling them to limit the use of city vehicles to essential projects."

Asked if he had done anything about the current air pollution alert, Montgomery County Council Chairman James Gleason

began laughing. "I really don't have anything really to comment on," he said, after a pause. He said county recommendations on air pollution are currently "before the state."

He said county employees have been asked to use car pools in an effort to reduce the number of cars on the road. "Until we get the devices on automobiles, this is a national problem that the Congress has to deal with," Gleason said.

"There's little that we can do about it at this time," said Francois, who is chairman of the National Capitol Interstate Region Air Quality Planning Committee.

The committee was set up by agreement between the governors of Maryland and Virginia and the D.C. mayor. Francois is a Metropolitan Washington Council of Governments representative on the group.

"What we're really faced with is a long-term situation," he said. "This is the type of event that will be with us for the next several summers. Until the EPA controls are implemented and until we make Detroit meet the standards imposed by Congress by 1975 or 1976 this type of incident will be with us. The only real answer over the long period of time is to modify the automobiles so they don't generate as much (pollutants) then curtail the use of the automobile."

"There aren't enough things that can be done right now, in 1973, to bring this under control, short of major emergency moves that would ban tremendous amounts of traffic," he said.

EPA regulations proposed for the area would limit on-street parking, set up a system of car pooling and require 1,300 more buses for the Metrobus system. They also would require the installation of filters on gasoline hoses at service stations to catch fumes that escape when gas is put into automobile tanks.

Francois said these vapors contribute about 5 per cent of the pollutants in the air now, but by 1976, when the EPA regulations could take effect, they would constitute about 20 per cent of the pollutants.

Public hearings on the proposed EPA regulations are scheduled at three locations in the area this week, beginning at 9 a.m. today in the Holiday Inn, 1489 Jefferson Davis Hwy., Arlington. The second hearing will be held Wednesday at 9 a.m. in conference room A of the Commerce Department Building and the third, at 9 a.m. Thursday in the Holiday Inn, 9888 Georgia Ave., Silver Spring.

[From the Washington Post, Sept. 4, 1973]

#### GASOLINE USE INCREASES, POLLUTES AIR

(By Paul Hodge)

A big increase in gasoline consumption here is a major reason for the Washington area's record number of 1973 air pollution alerts, which now total 27 days, according to the Metropolitan Washington Council of Governments.

The area's two petroleum pipeline firms report they are now pumping more than 100 million gallons of gasoline into the Washington area each month—up more than 5 million gallons a month over last year.

"There's no question that the major source of this air pollution is the area's increasing consumption of gasoline," Dennis Bates, director of COG's health and environmental protection division, said yesterday.

Bates, as well as local and federal officials, attributes the jump in gasoline consumption to a sudden increase in tourism here and the growing number of late-model cars, which get poor gas mileage.

"Automobile exhaust fumes are responsible for 95 to 98 per cent of all local air pollution," Bates said.

In July, the National Park Service and the Washington Board of Trade reported tourists were arriving here at a "phenomenal" rate, up 20 to 25 per cent over last year when more than 18 million people visited the nation's capital.

Gasoline sales generally have paralleled

estimates of tourist and District of Columbia tax figures show that gas sales in April, a key tourist month jumped 19 per cent over April, 1972. In May they jumped 14 per cent.

Maryland and Virginia do not break down gasoline sales tax figures, so it is impossible to tell exactly how much gas is being sold in Washington's suburbs.

In addition to the tourism, Bates says the increase in late-model cars here has very definitely added to gas consumption and air pollution. According to COG surveys, the Washington area, because of its affluence, has a much higher than normal ratio of new cars to drivers than other sections of the country.

A great number of the new cars have both air conditioning and automatic transmissions; both cause lower gas mileage.

Environmental Protection Agency tests of 1973 model cars found that air conditioning results in a 9 per cent fuel loss (up to 20 per cent on a hot day), automatic transmissions reduce gas mileage almost as much, new auto emission control devices reduce gas mileage nearly 8 per cent and the increasing weight of cars reduces mileage even more. For example EPA found a 1958 Chevrolet Impala weighed 4,000 pounds and the 1973 model weighs 5,500. Its study showed a 1,000 pound increase in car's weight could lower mileage 30 per cent.

EPA is beginning public hearings on air pollution in the Washington area today, the 10th day of the area's longest air pollution alert.

Bates, who will be at the hearings, said yesterday that conditions are perfect to impress upon everyone the need for the air pollution controls here.

Increased gas consumption also made the Washington area one of hardest hit by the national gasoline shortage, particularly in June when most major oil companies were limiting service stations to the same amount—or less—of gasoline they got in the summer months of 1972.

The gas pinch has since eased, with Exxon, the area's biggest gas seller, now off gas limitations, and many other major oil companies sending increased supplies here.

The Plantation Pipeline, a tank farm near Springfield that Exxon shares with Shell and Arco (Atlantic Richfield), experienced a more than 30 per cent jump in gasoline distribution during "one tourist month this spring" over the same month last year.

Pipeline officials, who declined to give detailed figures, said they have been pumping at least 10 to 15 per cent more gasoline every one of the past six months, and now are averaging about 48 million gallons of gas a month. Plantation, built before World War II, is one of the nation's early long-haul petroleum pipelines.

Colonial Pipeline, which has a tank farm near Fairfax for Amoco, Texaco, Citco and Gulf Oil companies, is a newer and larger pipeline.

Colonial has been pumping an average of 53 million gallons of gasoline a month—up about 4 million gallons a month from last spring—into its tank farm here and to Mobil, which has a small separate tank farm near Chantilly, to BP, which pumps directly to underground tanks it has in the District and to Sunoco tanks near Baltimore.

The underground pipelines, part of a national network of 200,000 miles of crude oil and petroleum pipelines, actually carry gasoline only a little more than half the time. Almost all of the Washington area's home heating oil, the jet fuel for National and Dulles Airports, as well as kerosene and diesel fuel come through the same pipelines.

#### HOSPITALS BUSIER: SMOG INCREASES AREA RATE

(By Jack Kneecoe)

The heat and air pollution weighing down on the Washington area over most of the last 11 days has produced increases in the

number of respiratory ailments treated at area hospitals.

Medical effects of the prolonged oppression began showing up significantly at hospitals as the National Weather Service forecast relayed by the weekend: A cool air mass is expected to arrive from Canada.

The cooler air, expected late Friday or Saturday, should bring temperatures down from the 90s to the more normal highs of 81 or 82 degrees for this time of year, the forecaster said, and probably will alleviate the air pollution.

The D.C. Medical Examiner's office yesterday announced the new heat wave had officially claimed its first victim, Horace Taylor, 34, of 1323 Clifton St. NW, who collapsed in the 1200 block of Euclid St. NW late Aug. 28 and died a few hours later.

Asst. Medical Examiner Michael Dunn said Taylor was running a temperature of 108 degrees when he arrived by ambulance at the Washington Hospital Center. Dunn said an examination indicated Taylor had died of "heat stroke."

The heat caused many area schools to close early on the opening day yesterday, and early closings were planned again today for schools in Montgomery, Prince Georges, Fairfax and Arlington counties.

An informal survey of most of the major area hospitals showed the increase in the patient load—particularly among those treated in emergency rooms—has risen more than 100 percent in some cases of chronic bronchitis and asthma.

The area has been under an air pollution alert with temperatures in the 90s since Aug. 26, and one respiratory disease specialist noted that symptoms in many cases don't show up for a week to 10 days in smog-related ailments.

The survey coincided with a new report on urban area air pollution from the Environmental Protection Agency which said, among other findings, that air pollution has almost as large an effect on the prevalence of chronic bronchitis as cigarette smoking.

John Anspacher, public relations director for Alexandria Hospital, said there were 10 patients with respiratory ailments there at the start of the past weekend.

He said five were dismissed, but 15 more were admitted soon after. He said some were under care of the special respiratory control unit at the Seminary Road facility. Anspacher said the hospital also treated five heart exhaustion cases over the weekend, which he termed higher than normal.

Dr. William Cassidy, on duty at the Fairfax County emergency room yesterday, estimated the respiratory patient increase caused by smog at about 30 percent above the normal patient load.

A spokesman for George Washington University Hospital said there had been an increase of about 15 percent in such cases as of Friday, and perhaps more since then.

A Prince Georges General Hospital spokesman said "there has definitely been an increase. We've had a lot of asthmatics."

A spokesman for Leland Memorial Hospital said that facility has treated an average of 5 to 7 more respiratory patients per week since the beginning of the air pollution alert.

A spokesman for Children Hospital said, "We've had a great deal more people with asthma, bronchitis and swollen eyes—definitely related to the weather we've been having."

Freedmens Hospital and Providence Hospital said they had not noticed a significant change, although the Province spokesman said no study had been made there although hospital officials are considering it.

Only Georgetown University Hospital and Walter Reed Army Hospital spokesmen reported their respiratory patient caseload positively not increased by the weather.

Spokesmen at both said there had been indications that public warnings may have helped stem the tide. "They are staying inside—using air conditioning more," said the Georgetown spokesman.

Meanwhile, the EPA has received preliminary reports from an urban air pollution study involving 250,000 people.

The \$18 million Community Health and Environmental Surveillance System (CHESS) project was described by EPA as "an attempt to find out what is happening to peoples' health when short term increases in air pollution conditions actually occur, rather than determine the effects after the fact."

EPA said its study involved the use of telephone checks and maintenance of daily health diaries by test subjects.

Prior to the CHESS program, research on the health effects of air pollution depended on sometimes faulty comparison studies, the EPA said.

The CHESS study includes persons in Los Angeles, St. Louis, New York, Salt Lake City, Charlotte, N.C., and sections of New Jersey. It involves studying the specific effects of most kinds of airborne pollutants, most notably sulfur dioxide and nitrogen dioxide.

The EPA said their studies "already have begun to demonstrate the benefits of improved air quality on the chronic respiratory disease experience of subjects who have moved to new exposure communities."

They said another study showed benefits to the lung function of younger children after a change to a less polluted environment.

Other findings, EPA said, show:

Suspended sulfate parts represent more of a health hazard than generally recognized.

What daily variations in suspended sulfates—even in relatively clean communities—are clearly associated with aggravation of symptoms in people with asthma or heart and lung diseases.

That air pollution affects the health of study subjects regardless of age, sex, smoking habits or socioeconomic status.

[From the Washington Post, Sept. 4, 1973]  
HEAT, AIR POLLUTION TO REMAIN, PERHAPS  
THROUGH THE WEEK

(By Alice Bonner)

As 90-degree plus temperatures and hazardous, polluted air smothered the Washington area yesterday for the 10th consecutive day, thousands of persons who had sought Labor Day weekend relief at the region's beaches were returning to their homes.

By midday, the large crowds reported at Rehoboth and Ocean City beaches and at Virginia Beach started to dwindle. Those returning to Washington, as well as those who stayed at home here, face the prospect of no immediate change in the stagnant, hot air that has covered the area since Aug. 25, according to National Weather Service forecasters.

The Metropolitan Washington Council of Governments extended the pollution alert through 3 p.m. today and temperatures were predicted in the low 90s again.

There were no immediate reports last night of major traffic jams holding up the home-bound motorists. Traffic on the Chesapeake Bay Bridge was reported heavy but moving.

Although late afternoon thunderstorms here brought some respite from the heat and air pollution both yesterday and Sunday, the National Weather Service said the relief was only temporary.

Yesterday's thunderstorms caused some minor power failures throughout the area, according to the Potomac Electric Power Co. and Fairfax County police. Fairfax police also reported temporary flooding of some roads.

A severe thunderstorm blew off at least five rooftops in Baltimore and ignited a 1.2-million-gallon tank of benzene, officials reported.

The three-alarm fire, started when lightning struck a storage tank at the Continental Oil Co. tank farm in the Curtis Bay area of south Baltimore, was fought for four hours by 75 firemen before it was brought under control. No injuries were reported.

A cold front, now hanging over the Midwest, could move eastward by Wednesday or Thursday, lowering temperatures here into the 80s, National Weather Service forecaster Mike McLaughlin said.

"That cold front could be delayed by tropical storms, meaning no change before around the end of the week," McLaughlin added.

Yesterday's high temperature of 95 degrees was recorded at National Airport at 1 p.m. But it dropped 10 degrees during the scattered thundershowers that began about 4 p.m. Last night's low temperatures were expected to be in the low or middle 70s.

The high levels of air pollution also continued here yesterday. A high reading of 125 was taken in Alexandria at 1 p.m. by the Council of Governments.

Air pollution levels above 100 on the COG scale are considered "hazardous" and readings higher than 250 are considered "dangerous."

Today is the 11th day of the current COG air pollution alert. Alerts go into effect when the pollution readings reach 100 or more. This is the longest alert since air quality testing began here in 1968. This also is the sixth alert this year, equaling the number imposed in the past five years. There were no alerts in 1968 and 1969. There was one in 1970, one in 1971 and four last summer.

COG spokesman Dennis Bates said yesterday's air pollution reading of 125 was not indicative of any trend in conditions, although it was lower than last week's record level of 165, taken on Wednesday.

"Actually it's a day-to-day measurement. The rain caused some cleansing of the air, but the no wind and a high temperature means a high (pollution) count. It also depends on the amount of automobile usage that day," Bates said.

Two minor casualties of the heat wave and air pollution were reported yesterday. One person suffering from heat exhaustion and another with a respiratory complaint were treated at D.C. General Hospital and released, a hospital spokesman said.

Warren Pace, the superintendent of schools in Falls Church, said that schools there will close early—at 1:30 p.m.—if the hot weather continues. Similar announcements already were made for schools in Arlington, Montgomery and Prince Georges counties.

The D.C. department of recreation announced that seven of its large outdoor swimming pools will remain open until Sunday. Pools traditionally close for the season on Labor Day.

Mr. MUSKIE. I hope that this will be a constant reminder to us that what has happened in the last month will happen increasingly, with greater intensity and over and over again, until we do more than we or the automobile industry have done to this point to deal with this problem.

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

Mr. MUSKIE. I yield.

Mr. LONG. I believe I voted along the lines the Senator has recommended to us, and so has the majority of the Senate. Will the Senator tell me when we might expect the situation to start getting better? I hope that the Clean Air Act and other measures will offer us some relief sometime within the next year or two. What can we expect?

Mr. MUSKIE. If the present laws remain as they are on the books, we have written in deadlines which, hopefully, can begin to make an impact within the remaining years of this decade.

It is difficult to project the levels of pollutants in the ambient air because so many new sources are constantly coming

into existence in this industrialized society.

For example, we have asked that new cars be made virtually clean, by 1975, of carbon monoxide and hydrocarbon emissions. Under a provision of the law, EPA has given the industry an extension of 1 year on that requirement.

The automobile industry has indicated it is going to wage an all-out effort to get that deadline extended further. If it succeeds the result the Senator voted for, that I voted for and that the distinguished Senator from Minnesota voted for will be delayed. Why do I emphasize the importance of the automobile? I emphasize it because there are now 110 million used cars on the roads, a situation which is almost impossible to clean up. As long as they are polluting they are going to be a contributing factor to the condition I described this afternoon. The average car has a life of 8 to 10 years. So we have insisted with respect to the new car because the new car becomes the used car the moment it comes off the assembly line.

Mayor Bradley of Los Angeles, with whom we have been in constant touch because it is one of the major problem areas, makes this point over and over again: Do not relent to pressure from the automobile manufacturers because when you relent you increase the pressure on our city governments and our people to adopt restrictive measures on the use of automobiles, the movement of people, the creation of new jobs, and so forth. In other words, the automobile, to the extent it buys time for us is buying time for everyone else whose activities have to be restrained and depressed. If it is pushed down here it comes up somewhere else.

What we had in mind in writing the Clean Air Act of 1970 with deadlines ranging from 1975 to 1977 for different activity was the hope that by the end of this decade we would begin to see a decrease in the quantity of pollutants in the air. Unfortunately Congress failed to take many of the actions we anticipated would be taken if the bill were enacted. For example, we believe there should be a massive effort in connection with mass transit. Senators will recall the difficulties we have had in breakthroughs in this field. If we had had these breakthroughs 3 or 4 years ago we would have a better chance to meet the objectives. The failure is understandable. There is tremendous momentum in bad habits we develop in the consumption of energy, in our activities, the patterns of our cities, and the uses of our lands, and they cannot be changed overnight.

We hope that with a clear clarion call, which we thought the 1970 act was, we could begin a change in direction that would give us those results.

On the whole the Clean Air Act has had some beneficial impact but it has been more in the nature of alerting us to what has to be done rather than actual results achieved. That is why I thought this period during the air pollution alert would be a good time to alert Congress and the country to the consequences of our failures.

Mr. LONG. I thank the Senator for a very fine address.

Mr. HUMPHREY. Mr. President, I wish to commend our distinguished colleague, the Senator from Maine, for this splendid address he has given to us today and for bringing to our attention the great need for continuing a determined effort in controlling air pollution. His remarks concerning the automobile industry are fortuitous. They are right on target, and it takes a great deal of courage to speak up as he has, but it needs to be done and I hope those of us who have associated ourselves with the efforts in clean air and water will not back away from that responsibility. We would do so at our peril.

Mr. MUSKIE. I thank our distinguished friend for what he said and for his unwavering support.

#### UNEMPLOYMENT AND PRICES

Mr. HUMPHREY. Mr. President, this morning we have been deluged with disastrous economic news.

It appears that phase IV, rather than applying the brakes to inflation, is actually stepping on the accelerator. In other words, the Nixon administration economic policies seem to be legitimizing higher prices, not controlling them.

Last month wholesale prices rose at the highest rate since right after World War II—and at more than twice the rate of increase experienced during the intensely inflationary Korean war period of 1950-51.

Worse yet, this inflationary crisis comes not at a time when the total number of people with jobs has stopped growing and the unemployment rate remains stuck at an unacceptable level of nearly 5 percent.

There is overwhelming evidence that the economic news is not going to get any better. Forecasters agree that unemployment is likely to rise in the months ahead. Job opportunities will be shrinking, but prices will still be rising.

Prices of consumer foods at wholesale have risen 30 percent—almost one-third during the past year. Enormous as that increase is, it is not the end. Wholesale prices of farm products and processed foods and feeds have risen even more—nearly 50 percent. Much of this increase has yet to be passed on to the consumer.

The problem is not limited to food prices.

An extremely important factor is high interest rates—the cost of credit and money. Despite the fact interest rates are high and steadily increasing, there is no effort on the part of the administration to bring pressure to bear to control this unbelievable, incredible rise in interest rates. Under phase IV, high interest rates are passed on to consumers as even higher costs in what they pay for rent, housing construction and consumer goods.

This country is being raided by high interest rates and it is paralyzing the home construction industry. High interest rates are one of the largest single factors in the increasing prices the consumer pays all across this land; and yet the Government stands by as if bankers are entitled to set the price of money while other people are told they will have to have some controls.

The profits of the major banks of

September 7, 1973

this country are incredibly high, shamefully high; they never have been higher. These rates continue to go up and up and the Government stands by as if somehow or other the rise in interest rates was God ordained.

I would remind the administration that interest rates are set by banks in New York. They have a nice way of doing it. One week it is bank No. 1 and all the others follow as if trained to do it; another week it is a different bank and they follow again. In the meantime the public pays the bill.

Remember, Mr. President, an interest charge is like a tax. Taxes are supposed to be imposed by public bodies with elected officials. Interest rates are imposed by bank boards, through bank operations, and by bankers, no one of whom is elected, and they have no accountability to the public. It is time for the Government of the United States to take a look at this uncontrolled monster of inflation because high interest rates that are usurious, bleeding the American people, are imposed by a handful of people who have no responsibility except to a board of directors or to stockholders.

Even though the August numbers were collected only 2 days after the price freeze was lifted, wholesale industrial prices rose four-tenths of 1 percent. Even with the "freeze months" included, these industrial prices have risen at an 11-percent rate in the last 6 months. There seems to be no exceptions to this picture—no rays of hope. Twelve of the 13 industrial price categories rose last month—even though prices were "frozen" for all but 2 days of the sampling period.

Wool and cotton products rose 2 percent, crude rubber 2 percent, hides and skins 6 percent, plywood 1.5 percent, nonferrous metals 1.5 percent, household appliances 1.2 percent. All this in just 1 month. And this is only the beginning. A 5-percent increase in prices of steel sheet is currently pending before the Cost of Living Council.

If approved, that will touch off a new round of price increases throughout the entire industrial sector.

Everyone knows it is difficult to get both price stability and full employment simultaneously. But usually we have managed to get one or the other. This administration has a distinction unique in our economic history of being able almost continuously during its term of office to produce both high unemployment and worsening inflation. That is quite an accomplishment.

For the information of Senators, I am scheduling hearings on these rapid increases in food and other prices before the Consumer Economics Subcommittee. The hearings will be held in the next 2 weeks, on dates to be announced as soon as they are cleared with witnesses.

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. 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.

#### RETIREMENT FROM THE SENATE OF SENATOR HUGHES

Mr. ROBERT C. BYRD. Mr. President, it was with deep regret that I learned of the decision by the distinguished senior Senator from Iowa, that he would not seek reelection to the Senate of the United States.

Mixed with my regret, I feel for Senator HUGHES a high respect and admiration that he would renounce his seat in this body—a seat that all reports from his State indicate he could have retained with a minimum of difficulty—to pursue the high calling to which he will dedicate himself.

In this day and age, when unselfishness and self-sacrifice are less evident in the society of man than they were in earlier days, it brings a feeling of warmth, and a renewal of faith, that there are still individuals among us to whom spiritual service to their fellowmen is more rewarding than personal recognition of prestige.

In his own life, Senator HUGHES has amply demonstrated the strength of his character, and his ability to overcome adversity. He has shown that a man of good heart and high resolve can scale the highest mountain, no matter how inaccessible the peak may once have appeared to be. He has shown, by his example, that men and women will still respond with their trust and their confidence to one whose basic integrity and personal courage shows them he is worthy of that trust and confidence.

We will miss the wisdom, the counsel, and the friendship of HAROLD HUGHES in this Chamber. In the all-too-brief time in which he has graced the Senate, he has become known as a man of straightforward dependability, and a man whose conscience is his sure guide. But while we regret his going from among us, we also feel proud that he has served as one of us. In the years to come, when his sagacity, his compassion, and his deep conviction of the inherent goodness of mankind are utilized for the betterment of his fellowmen, it is to be hoped that the experience and the relationships that he has enjoyed in the Senate may contribute in some small part to the success which will assuredly attend his Christian endeavors.

The path that HAROLD HUGHES has chosen is one of high purpose, and we wish him well. When the angel comes to write in the book of gold, his name will surely be written as one who loved his fellowmen.

#### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday next is as follows:

The Senate will convene at the hour of 12 o'clock noon.

After the two leaders or their designees have been recognized under the standing order, the distinguished senior Senator from Georgia (Mr. TALMADGE) will be recognized for not to exceed 15 minutes; after which the distinguished junior Senator from Connecticut (Mr. WEICKER) will be recognized for not to exceed 15 minutes.

At the conclusion of Mr. WEICKER'S

speech, the Senate will proceed to the consideration of the conference report on S. 1672, the Small Business Act Amendment. There is a limitation of 30 minutes on that conference report. Whether there will be a yea-and-nay vote on the adoption of the report, I cannot say.

Upon the adoption of the conference report, the Senate will go into executive session to consider the nomination of Mr. Russell E. Train to be Administrator of the Environmental Protection Agency. There is a time limitation on that nomination, and a yea-and-nay vote will occur on the nomination at 2:15 p.m. on Monday.

The Senate will then return to legislative session to consider S. 386 and to conduct a vote on final passage, the vote having already been ordered on S. 386, a bill to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes. All time on the bill has expired.

On the disposition of S. 386, the Senate will resume the consideration of the unfinished business (S. 5), a bill by Mr. MONDALE and others to promote the public welfare.

Mr. President, there will be at least two yea-and-nay votes on Monday, and likely additional ones.

Mr. GRIFFIN. Mr. President, I wish to inquire of the distinguished majority whip whether he has considered the possibility that there might be a rollcall vote on the conference report on the small business matter. I rather believe there may not be, but if there were, I wonder if it might not be convenient and appropriate to set that vote after the vote on the nomination of Mr. Train, and since an agreement has been entered into on the matter, which was not before us today, which will immediately follow that, perhaps it could come thereafter, in the event there should be a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Republican whip raises a very appropriate question. I think that would be wise, in view of the fact that we have indicated to Senators that the vote on the nomination of Mr. Train would occur at 2:15 p.m., and most of them will be scheduling their appointments, their transportation, and so on, in accordance with that understanding. I think we should agree to have the yea-and-nay vote, if such is asked for, on the adoption of the Small Business Administration conference report follow immediately the vote on the passage of S. 386, the urban mass transit bill, and I make such a unanimous-consent request at this time.

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

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Michigan (Mr. GRIFFIN).

#### ADJOURNMENT TO MONDAY, SEPTEMBER 10, 1973

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate

stand in adjournment until the hour of 12 noon on Monday next.

The motion was agreed to; and at 3:47 p.m. the Senate adjourned until Monday, September 10, 1973, at 12 o'clock noon.

### NOMINATIONS

Executive nominations received by the Senate September 7, 1973:

#### DEPARTMENT OF COMMERCE

William W. Blunt, Jr., of the District of Columbia, to be an Assistant Secretary of Commerce, vice Robert A. Podesta, resigned.

### EXTENSIONS OF REMARKS

#### ATOMIC ENERGY COMMISSION

Donald R. Cotter, of New Mexico, to be Chairman of the Military Liaison Committee to the Atomic Energy Commission, vice Carl Walske, resigned.

#### CIVIL AERONAUTICS BOARD

Richard Joseph O'Melia, of Maryland, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1974, vice Secor D. Browne, resigned.

#### IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

#### To be general

Gen. Seth J. McKee, **xxx-xx-xxxx** FR (major general, Regular Air Force) U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

#### To be general

Gen. William W. Momoyer, **xxx-xx-xxxx** FR (major general, Regular Air Force) U.S. Air Force.

#### AGENCY FOR INTERNATIONAL DEVELOPMENT

Daniel Parker, of Wisconsin, to be Administrator of the Agency for International Development, vice John A. Hannah.

### EXTENSIONS OF REMARKS

**JOHN AND BILL BRIGHT OF SUMMERSVILLE, W. VA., FEATURED IN SATURDAY EVENING POST ARTICLE—A GOOD STATE RECEIVES A-PLUS**

#### HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, September 7, 1973

Mr. RANDOLPH. Mr. President, in the September-October 1973 issue of the Saturday Evening Post there appeared an article by John Alexander entitled "The Bright Side of West Virginia."

It concerns two brothers—John and Bill Bright—of Summersville, W. Va., and the business success of these two young men.

In 1963, they started a greeting card business in a bedroom of the family home. From there it has grown into a multi-million-dollar corporation delving into many enterprising young adventurers.

John Alexander has written of their success, of their employment of almost 500 well-salaried citizens and of their desire to promote West Virginia.

Mr. President, I request unanimous consent to have the Saturday Evening Post article and my subsequent letter to the editor printed in the RECORD.

There being no objection, the article and letter were ordered printed in the RECORD as follows:

**THE BRIGHT SIDE OF WEST VIRGINIA—IT IS A SMALL STATE BUT THERE ARE THOSE WHO LOVE IT**

(By John Alexander)

The private Turbo-Commander hums south-easterly through the summer sky. Behind it are the plains of the Midwest. The Appalachian headwalls now and again send aloft a signal—and the aircraft wiggles its wings in response to the mountain updraft.

The plane is a beauty. Inside it is trimmed in blue velour for six passengers and equipped even with a writing desk. Its exterior is painted red, white, and blue. The U.S. flag is emblematically emblazoned on its fuselage. On the side: "Bright of America."

These matters are forgotten now, however, because we have abandoned speed and altitude to see the land below. This is a state with the motto *Montani Semper Liberi*—"Mountain Men Will Always Be Free." Only forty-first in size among the states of the Union with its 24,282 square miles, this West Virginia has a spunky swagger to it which brings to mind a small college, perhaps one of its own, which takes on the big boys in every sport, spurns its peers, and as a result

must endure a series of thrashings. But once in a while it tumbles a giant. And then the cheers ring far into the night, toasts are drunk and the victors are still awake to greet the morning star. In this mood, West Virginia the state entitles its literature "wild, wonderful West Virginia." It hangs out a sign: "Almost heaven."

Almost heaven, will almost do. At least from our low-flying aircraft. Storied country, this below. The last battle of the Revolutionary War was fought at Fort Henry, Wheeling, in 1782. In October of 1859 the terrible paradox of Harper's Ferry was enacted as two soldiers in the blue of the Union army, Brevet Colonel Robert E. Lee and Lieutenant J.E.B. Stuart, dragged John Brown out of the U.S. Arsenal to be hanged in nearby Charles Town. (Long after his truth went marching on, John Brown—strange that the mountains were so very significant in his life—was buried in the shadow of the Adirondacks in Lake Placid, this bitter plainsman from Kansas.)

There's white water aplenty down there. West Virginia's rough, turbulent streams are trying to rival the West for rafting adventures through primitive and scenic gorges in the Appalachians. The white water of New River Canyon, originating at Prince, provides a two-day adventure to Fayette, thirty miles downstream. The trips are run off regularly May through October. The Gauley River is another toughie, twenty-two miles of wild-water through rugged mountain country.

You can see the rivers slashing their way through the mountains, turning and twisting like gigantic snakes to run the end on outcropping veins of coal and limestone, and through the millennia carving deep caves underground, even to a vertical drop of 190 feet, like the one in Sikes' Cave, near Frankford. The forested peaks are everywhere—forests make up almost three-fourths of West Virginia's total land area. Down there in the glades are bear and deer, rhododendron banked *higher* than an elephant's eye, crushed on the verdant slopes between flowering dogwood, flame azalea, pink honeysuckle, bloodroot, blue violet, morning glory, and columbine in quantity enough to deck an Eden. No wonder West Virginians grow a little breathless and call their land a small Switzerland or a stray bit of Canada without stopping to think whether they really need such help at all. Down there began the genius of Pearl Buck. Booker T. Washington and Stonewall Jackson lived there once. Sam Snead is the pro at the lordly Greenbrier, and Jerry West of the Los Angeles Lakers shot his first baskets for West Virginia schools. There also is a one-man newspaper called *The West Virginia Hillbilly*, edited by Jim Comstock, a man whose writing, according to *Nation's Business*, is "as pungent and incisive as anything written about politics and today's society." Down there, too, is the rich and tragic soil containing deposits of salt, sandstone, and limestone. And coal. Almost every West Virginia county has coal under it, and the little state has already yielded 6 billion tons

of bituminous, with over 116 billion tons remaining.

Almost heaven. Well, not entirely. There's that coal, which we'll get to later. And now as we begin to make our descent towards Summersville, in the center of the state, the striding ranges of mountains, even from miles away, are slashed and ringed with strip mines, cutting across the face of the countryside like dueling scars on the face of the old Heidelberg student aristocracy, badges of pain and honor both.

Our host, is William Townsend Bright, thirty-five, thanks to his own prodigious efforts as a businessman, something of a world citizen. His travels this year have taken him to every state in the U.S., most of them—except the very distant ones—in the same company plane, with the same redoubtable young rock of a pilot we call Jake. Also to Ireland, to look into expanding investment possibilities in Switzerland, to ski; to South America, for expansion possibilities; to South Summersville, for the same.

No one in West Virginia really knows William Townsend Bright, except possibly his parents . . . but practically everyone knows Bill Bright. He is not difficult to recognize. Bill Bright has a head to set a sculptor's fingers itching, a round noggin covered with tight clusters of curls, a profile one finds on an ancient Greek medallion. He is small in stature, but something about Bill's spirit peeks out when you get to his home and see his medals for basketball, won only a few years ago in a game where players of 6'9" are considered of merely medium height. His hands are small also, but they move gracefully and swiftly as he speaks, accenting with gestures. He has the burning glance of a Savonarola—in a previous century Bill would probably have been burned at the stake for over-advocating the brotherhood of man. In this era, he is content to vote Republican (he attended the Miami convention as a state delegate, and is proud of the times he has chatted with the Nixons), flies the American flag on personal stationery, and pays his 500 employees what some state-side business competitors consider shamefully high salaries.

"We pay what we can afford to pay," says Bill, "and not what we can get by with. We didn't come to West Virginia to get cheap labor. We were born here. We don't regard the presence of a number of people anxiously looking for work as a chance to exploit them, but as a chance to pick the most talented and willing to be our associates."

All of this pent-up energy which shows so clearly in Bill Bright's face, he vents in explosions of action which follow his own four-word autobiography: "I like to excel." Consider the fact that Bright of American is a modern plant gouged out of the side of a West Virginia mountainside at an altitude of a couple of thousand feet with a view like a Swiss ski lodge. This is a dramatic site for a business which revolves around