suggests that President Nixon will fare equally as well and I am inclined to agree with that observation. I ask that the article be placed in the RECORD at this point.

HOW WILL HISTORY VIEW NIXON NOW?

(By M. S. Forbes, Jr.)

Few if any U.S. Presidents have faced a scandal on the scale of Watergate. How will the Watergate affair affect Richard Nixon's historical reputation?

Surprisingly, not as much as one might think.

Sordid as it is, Watergate is unlikely, in the eyes of future historians, to compare in importance with the Nixon initiatives, achievements in foreign affairs.

What will overshadow Watergate in the years ahead will be the working relationships Nixon (and Henry Kissinger) established with adversaries Russia and China. Thanks to these, the possibilities of a general war involving major powers are less today than at any time since the years following the 1815 Congress of Vienna.

Nixon has done here what hundreds of presidents, prime ministers, foreign secretaries, diplomats, Nobel Prize winners have failed to do in this century—he has brought peace for his time.

Imagine, instead of vilifying the U.S., Russia and China are, for all practical purposes, competing for our favor.

Regional conflicts like the Middle East and Southeast Asia may continue. But the chances of those escalating into a Great War have lessened significantly.

And that's the stuff history is made of.

When looking at the past, it is the basic issues of peace, war, prosperity, depression that mostly capture the historian's attention.

Abraham Lincoln is more remembered for preserving the Union than for taking extraordinary liberties with civil liberties. History is more concerned with Franklin Roosevelt's leadership during the Great Depression and the Second World War than with his coziness with corrupt big city bosses or black-hating Southerners. Harry Truman's historical reputation will rise or fall on the issues of the atomic bomb, the Marshall Plan and the Korean War—not on the fact that some of his cronies had their hands in the till.

Domestically, President Nixon is not so naked either. Despite inflation, the economy has never been so strong and prosperous.

Nixon's Gallup with future historians will easily outdistance his Gallup today.

SENATE—*Thursday, September 13, 1973*

The Senate met at 9:45 a.m. and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

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

O God, in whose almighty hand the future lies, we trust in Thee. Give us understanding minds, patient hearts, and determined wills that through us the patterns of Thy kingdom may be formed in this Nation. Remove from us all that obstructs the clear leading of Thy spirit. May pettiness or prejudice never rob us of our highest and best achievements. Give us greatness of spirit to match the great needs of the day. As we pray for ourselves, we pray for the whole Nation that a new spirit of penitence and patience, humility and common purpose may come upon us, so that under Thy rulership and by Thy grace, we may set forward the destiny Thou hast for that Nation whose God is the Father of our Lord and Saviour, in whose name we make our prayer. 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 second legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 13, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House of Representatives having proceeded to reconsider the bill (S. 504) to amend the Public Health Service Act to authorize assistance for planning, development and initial operation, research, and training projects for systems for the effective provision of health care services under emergency conditions, returned by the President of the United States with his objections, to the Senate, in which it originated, and passed by the Senate on reconsideration of the same, it was resolved that the said bill do not pass, two-thirds of the House of Representatives present not having voted in the affirmative.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, September 12, 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.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

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

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

(The remarks Senator JAVITS made at this point on the introduction of S. 2411, the Export Priorities Act of 1973, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

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 therein limited to 3 minutes.

S. 2410, A BILL TO AMEND THE PUBLIC HEALTH SERVICE ACT

The ACTING PRESIDENT pro tempore. The Chair now lays before the Senate S. 2410 for a second reading.

The second assistant legislative clerk read as follows:

To amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems.

Mr. GRIFFIN. Mr. President, is there any action contemplated on this measure?

The ACTING PRESIDENT pro tempore. Does the Senator from California (Mr. CRANSTON) contemplate taking any action on this measure?

Mr. CRANSTON. Mr. President, I object to further proceedings on the bill at this time under rule XIV, paragraph 4.

The ACTING PRESIDENT pro tempore. Objection having been heard under rule XIV, paragraph 4, the bill will be placed on the calendar.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that S. 2410, which had its second reading earlier today and was placed on the calendar under rule XIV, be taken off the calendar and referred to the appropriate committee which, in this instance, I believe, is the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. The Senator is correct, and without objection, it is so ordered.

VETO OF MINIMUM WAGE BILL

Mr. TAFT. Mr. President, I noted with considerable interest the recent statements made by many distinguished labor leaders and Members of the Congress criticizing the President for vetoing the minimum wage bill. While I can under-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

stand the deep conviction that these individuals have with respect to the necessity of enacting amendments to the Fair Labor Standards Act, I am disappointed that they rejected many efforts made to reach a compromise on points of difference while this issue was being considered by the Congress. Numerous efforts were made by myself and Senators DOMINICK and BEALL in the Labor Committee to resolve points of disagreement. Efforts were also undertaken in the other body by Congressman ERLENBORN and Congressman QUIE. The Department of Labor, through efforts of the Under Secretary, also attempted to reach agreement with organized labor on this issue. Unfortunately, all of these efforts were rejected and the President was left with no other alternative but to veto H.R. 7935.

I sincerely believe that an increase in the minimum wage is necessary and share the general convictions with many of my colleagues in the Congress from both sides of the aisle that legislation in this area is needed to benefit millions of low-income families. The President also strongly supports responsible proposals to increase the minimum wage and stated in his message to the Congress earlier this week that enactment of constructive legislation in this area is essential.

The House will act on the President's veto message on the 19th of this month, and while it is difficult to predict with certainty what the disposition of this issue will be, there is a strong possibility that the President's message of disapproval will be sustained. If that is the case, I am extremely hopeful that agreement can be reached on this issue. I have already offered to meet with leaders of organized labor to attempt to resolve this impasse and will make every effort to see that an orderly and expeditious disposition of this issue is obtained. All parties must remember, however, that if agreemen is to be reached, whether it be procedures to minimize youth unemployment or any other issue, a spirit of compromise must prevail.

I ask unanimous consent that editorials from two leading papers in Ohio, the Columbus Dispatch and the Akron Beacon Journal, supporting the President's position on this issue be printed in the RECORD

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

MINIMUM WAGE—NEW BILL HARMFUL, EDITORIAL SAYS

[From the Columbus Dispatch, Aug. 11, 1973]

The latest modification in the Fair Labor Standards Act, which Congress is sending to President Nixon, seems certain to create more poverty than it removes.

This, of course, is not the intent of congressional sponsors or organized labor who have supported an extension of minimum wage coverage to 6.7 million more workers. If President Nixon signs the bill, federal law would extend to five million federal, state and local government employes as well as to one million domestic workers.

Higher minimum wages often force businesses to close or substitute machinery for human labor. As a result, the benefits to some low-wage workers are more than offset by the income loss to others who are displaced or affected by the inflationary impact.

Indeed, Federal Reserve Board Chairman Arthur Burns discovered in one survey that unemployment rates invariably rose after an increase in the minimum wage. This joblessness harmed unskilled workers, especially teenagers and women.

If past experience is a guide, the same groups have most to lose from adoption of the latest minimum wage bill. Coverage of government workers still hamper federal and local programs to cope with the hard-core unemployment of unskilled or minority group labor.

Refusal of Congress to adopt an administration proposal for a differential allowing employers to hire teenagers at less than the minimum wage will do nothing to improve the job opportunities for young people.

The jobless rate for teenagers is presently five times the rate for adult males.

Nobel Price winning economist Paul Samuelson has written that minimum wage laws "often hurt those they are designed to help." If Mr. Samuelson is correct, as many economic studies suggest, Congress might better lower the minimum wage, not increase it.

[From the Akron Beacon Journal, July 28, 1973]

NEW MINIMUM WAGE BILL DESERVES A NIXON VETO

If ever a bill deserved a presidential veto—and is likely to get one—it is the new minimum wage bill passed by both houses of Congress.

The bill would increase the present minimum from $1.60 an hour for most workers to $2 two months after enactment. A year later the minimum would go to $2.20. Other workers, including some eight million exempt workers, would have their minimum wages increased over a longer period of time, until three years from now all covered workers would have a $2.20 minimum.

This doesn't mean just the guy on the factory line or the clerk in the store. It means farm workers, teenagers picking up Summer money and domestic help.

Before we are accused of presenting a self-serving argument, let it be recorded that the bill itself would affect no one at the Beacon Journal. All our regular employes get more than $2.20.

Let it also be noted that we are not objecting to decent wages. Our objection to this bill is that it is too encompassing and inflationary and would wipe out jobs rather than create bigger paychecks.

The housewife or working mother who is currently paying perhaps $1.50 for domestic help—and in many parts of the country the level is even lower—is going to reappraise the cost-benefit ratio at $2.20. If she can possibly arrange it, she will cut her domestic help from two days a week to one, so that a part-time job that now brings in, say, $24 a week will be worth only $17.60.

The teen-ager now willing to cut lawns or bag groceries isn't going to be allowed to in many cases. This job will not pay more, but be eliminated.

And the laws of economics and human behavior being what they are, the increased minimum will not ease the pressure only at the bottom. The next worker up the line, the one now making $2.20, will naturally enough demand $2.80 or $3 an hour, just to maintain the differential. The man making $3 will want $4 for the same reason.

It is a well worn but accurate truism in business and industry that the greater the cost of an hour of labor, the more management is willing—and compelled—to spend to eliminate it. If a job is already marginal, it will be abolished—no bag boys, for instance. If the cost of keeping a worker on the job rises beyond the cost of buying a machine to replace him, the machine is going to win.

Part of our financial problem now—and one of the main reasons the dollar has been devalued roughly 20 percent already this year—is that American labor is no longer competitive in the world markets. We do not say American labor is not as good. We do say it is not competitive. Our radio isn't made in Japan because it's better, but because it's cheaper.

This bill, as President Nixon has said, will not solve our problems but compound them. Now we trust he will put his objections in writing—in a veto message.

QUORUM CALL

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. PASTORE. 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.

DISPOSAL OF COPPER FROM THE NATIONAL STOCKPILE

Mr. PASTORE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 366, S. 2316, a bill to authorize the disposal of copper from the national stockpile and supplemental stockpile.

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

The assistant legislative clerk read as follows:

A bill (S. 2316) to authorize the disposal of copper from the national stockpile and the supplemental stockpile.

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.

Mr. PASTORE. Mr. President, this bill was introduced by me and is cosponsored by the distinguished Senator from Connecticut (Mr. RIBICOFF) and the junior Senator from Rhode Island (Mr. PELL).

The bill under consideration authorizes the Administrator of General Services to dispose of 251,600 short tons of copper from the national defense stockpile for use by copper fabricators in Rhode Island and throughout the United States.

First of all, I should like to express my gratitude to the Armed Services Committee, particularly the Honorable STUART SYMINGTON and the Honorable HOWARD CANNON, for expediting to the floor for consideration this important legislation.

The shortage of copper has reached crisis proportions. Jobs in the industry are on the line. Plants in Rhode Island are facing massive layoffs.

I have received telegrams and letters from copper fabricators in Rhode Island underscoring the urgency of this problem. These companies will be forced to reduce production and lay off employees unless some action is taken immediately to increase the domestic supply of copper.

The situation is particularly serious, Mr. President, in Rhode Island where we received a staggering, stunning blow last

April, when the Defense Department, with reference to base closings, eliminated with one stroke 5,000 civilian jobs and approximately 17,000 military personnel as well.

The indirect repercussions of this Defense Department move are unknown, but the loss of civilian jobs may approach 19,000 by the time this plan is executed. The loss of payroll in Rhode Island will amount to approximately a quarter of a billion dollars a year and we are already confronted with an existing unemployment rate of close to 6 percent.

In the past week, I met with the Deputy Secretary of the Department of Defense, Mr. Clements, and the Secretary of the Navy, Mr. Warner, in an effort to determine the amount of excess real estate they will return to Rhode Island so that we may use it for industrial purposes.

Thus far no decision has been made on this point. Meanwhile, many of those persons who were laid off as a result of the base closings are still on the streets with no available jobs.

Therefore, it is imperative that we maintain in health what industry we have in Rhode Island. We simply cannot afford to put more skilled labor out in the street. The passage of this bill will help to prevent any further reduction in jobs.

I am still working on another front to protect Rhode Island jobs.

Secretary of Commerce Dent is looking into, I hope, a ban on the exportation of copper in order that more copper will be made available for use by local copper fabricators. However, we cannot wait for the Department of Commerce to act. The copper fabricating industry might die in Rhode Island in the meantime.

For these reasons, I urge my colleagues to support this bill to authorize the Administrator of General Services to dispose of 251,600 short tons of copper from the national defense stockpile for use by copper fabricators in Rhode Island and throughout the United States.

The jobs of copper fabricators in Rhode Island and throughout the country are at stake. We simply cannot afford to permit this industry to be destroyed.

I hope the House will act expeditiously and that the President will sign the bill.

I merely want to conclude by saying that I am very grateful to Mr. RIBICOFF and Mr. PELL for their consideration in this matter. Mr. RIBICOFF desired to be on the floor this morning, but he is meeting on another crisis. He is meeting with a number of independent oil dealers in New England. Here, again, we have a serious crisis in New England, not only as to the paucity of the supply of oil but also as to the astronomical cost involved because of the sky-rocketing prices. I understand that Mr. RIBICOFF will file a statement later.

So, Mr. President, without further ado, I ask my colleagues to support us in this very important matter.

Mr. RIBICOFF. Mr. President, I am pleased to join with my good friend and distinguished colleague, the senior Senator from Rhode Island, in seeking passage of S. 2316, the legislation needed to release 251,600 tons of copper from the national stockpile. I wish to commend Senator PASTORE for taking a leading role in this effort to ease the current serious copper shortage, and I also wish to thank the very distinguished chairman of the Armed Services Committee, Senator STENNIS, for his prompt action in getting this bill through the committee.

Across the country and in my own State of Connecticut, copper and brass plants have been forced to lay off workers because of the severe shortage of copper. This has been in large part caused by higher prices paid for this metal abroad and the exports this demand produced.

When I was informed of this situation last July, I introduced my own bill, S. 2274, with the cosponsorship of Senators WEICKER and PERCY, calling for the release of 258,700 tons from the national stockpile. I also wrote to the distinguished chairman of the Armed Services Committee urging prompt action on this proposal. At that time I was reassured by the committee that this would take place—and today we see that this promise has been fulfilled.

Last August 16 I met with both representatives of labor and management from Connecticut-based brass mills and copper fabricators about all aspects of this problem. We discussed my own proposal and the entire range of problems facing the industry. All agreed that releasing copper from the stockpile was a much-needed first step to avoid plant shutdowns and layoffs. It was strongly felt that this practical, effective measure should be implemented as soon as possible.

I am deeply gratified that the Senate is taking the lead on this issue of such great importance to Connecticut. While approval of this bill will not solve all the outstanding problems, I believe that it will help secure jobs until other measures can be taken. This was my intent when I first introduced my own bill and when I joined with Senator PASTORE in sponsoring his proposal.

I am aware of the overwhelming support in the Senate for our bill. But it will be up to the other body to follow our lead and take prompt action.

Following this, the next step is some sort of rational control over the export of this metal. The President already has the power under the Export Administration Act of 1969, specifically section 3(2) of Public Law 91–184, to place restrictions on the export of copper scrap. I urge him to review the current situation and act promptly to save a vital American industry and thousands of American jobs.

We in the Senate are today doing something concrete to solve this problem, and I hope that the House and the executive branch will demonstrate their own concern without delay.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, approximately two hundred and fifty thousand six hundred short tons of copper now held in the national stockpile established pursuant to the Strategic and Criticial Materials Stock Piling Act (50 U.S.C. 98–98h) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 456, as amended by 73 Stat. 607). Such disposition may be made without regard to the requirements of section 3 of the Strategic and Critical Materials Stock Piling Act: *Provided,* That the time and method of disposition shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.

Mr. PASTORE. Mr. Presdent, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

THE PRESIDENT'S DUTY TO OBEY THE SUPREME COURT'S RULING IN THE WATERGATE TAPES CASE

Mr. KENNEDY. Mr. President, the most distressing question now emerging from the Watergate controversy is the increasing speculation in recent days, fueled by President Nixon's statements at his recent press conferences, that he may decide not to obey a Supreme Court order to turn over the tapes unless the Court's decision is "definitive," and that the President is the one who will determine what is "definitive."

The constitutional crisis we now have over Watergate pales by comparison to the crisis that would ensue if the President were to defy the Supreme Court.

The mere talk of such defiance today is an arrogant and gratuitous affront to the Supreme Court, four of whose members, including the Chief Justice, are appointees of President Nixon himself.

And, actual defiance of the Supreme Court would be an act of such profoundly serious consequence for our democratic form of government—overturning 200 years of American legal history and nullifying our Nation's great tradition of judicial supremacy—that Congress should not and could not let it stand.

If this country stands for anything, it stands for the principle that no man is above the law. If President Nixon defied a Supreme Court order to turn over the tapes, a responsible Congress would be left with no recourse but to exercise its power of impeachment.

If we search American history, we look in vain for any precedent that could justify the President's defiance of a Supreme Court order. True, we have had great confrontations between Presidents and the Supreme Court in the past, including Jefferson and Lincoln and others among our greatest Presidents. But always before, the President has accepted the rule of law and complied with the rulings of the Nation's highest Court, even in matters of the gravest national urgency.

In the modern era, I think of President Harry Truman, bowing to the Supreme Court's decision in the Steel Seizure case. The Court held that the President's seizure of the mills was an unconstitutional exercise of Presidential power, even though he had seized them to avert a nationwide steel strike that in his view would cause a severe national emergency in the early months of the Korean war. In spite of the obvious crisis over national security, Harry Truman gave up the mills. Surely, under a Supreme Court order, Richard Nixon would have to give up the tapes.

I think also of the constitutional crisis of the 1930's over President Franklin D. Roosevelt's New Deal legislation. I hold no brief for the Court packing plan of that era. But it demonstrates that, in spite of his strong opposition to the Court, the President accepted the Court's decisions as the law of the land, and sought only constitutional means to make his will prevail.

The duty of the President to obey the Supreme Court is supported by an unbroken line of the greatest pronouncements of our greatest Chief Justices:

As Chief Justice John Marshall stated in Marbury against Madison in 1803:

> The Constitution is the fundamental and paramount law of the nation. It is emphatically the province and duty of the judicial department to say what the law is.

And as Chief Justice Earl Warren stated in Cooper against Aaron, the Little Rock School Case, in 1958:

> Marbury v. Madison declared the basic principle that the federal judiciary is supreme in the exposition of the law of the constitution, and that principle has ever since been respected by this Court and the Country as a permanent and indispensable feature of our constitutional system.

And Alexander Hamilton, writing in the Federalist Papers, No. 78, saw the issue equally clear at the time the Constitution was written and the tradition of our independent judiciary was established:

> This independence of the judges is equally requisite to guard the Constitution and the rights of individuals from the effects of those ill humors, which the arts of designing men, or the influence of particular conjunctures, sometimes disseminate among the people themselves, and which, though they speedily give place to better information, and more deliberate reflection, have a tendency, in the meantime, to occasion dangerous innovations in the government. . . .

Against this clear and unbroken line of authority dating from the earliest days of our Republic, President Nixon's supporters set only a few thin reeds that are hardly persuasive:

President Jefferson apparently obeyed only portions of a subpena issued by John Marshall in the treason trial of Aaron Burr. Some historians maintain that Jefferson complied fully with the subpena. In any event, Marshall's ruling was issued as a circuit judge at the time, and was not an order with the force and authority of a Supreme Court decision.

President Andrew Jackson is reputed to have said, after a Supreme Court decision in 1832 ordering Georgia to act in a Cherokee Indian case, "John Marshall has made his decision. Now let him enforce it." But historians now agree that Jackson never said it, although the story was widely circulated in 19th century biographies of Jackson. The remark was first published 32 years after the case and was attributed to a Governor of Massachusetts, then dead, who had been a Member of Congress at the time. In any event, the Court's order was clearly directed against the State of Georgia, and not against the President. And, after an initial period of resistance, the Governor of Georgia eventually complied with the Court's order.

In ex parte Merryman in 1861, President Lincoln had authorized his commanding general to suspend the writ of habeas corpus in certain circumstances at the outset of the Civil War. Pursuant to this authority, a Union general near Baltimore seized John Merryman, a Maryland secessionist, and imprisoned him under military custody in Fort McHenry. Chief Justice Taney—also sitting as a circuit judge, so that this ruling was not a Supreme Court decision—issued a writ of habeas corpus for Merryman which the general at first refused to honor. Later, shortly after Taney's opinion was issued in the case and forwarded to President Lincoln. Merryman was actually released. So, in fact, the order was obeyed.

Moreover, so far as the present Watergate case is concerned, the views of President Lincoln are in no doubt at all. In his first inaugural address, delivered in March of 1861, a few weeks before Merryman was arrested, Lincoln had said:

> I do not forget the position . . . that constitutional questions are to be decided by the Supreme Court, nor do I deny that such decisions must be binding in any case upon the parties to a suit as to the object of that suit.

Certainly, the President's lawyers cannot rely on Lincoln for support. The President has no argument from history for such defiance. The only argument from law he has is the law of the jungle, the law of raw and naked power, which the country will never tolerate.

In two of the most dramatic confrontations between the Nixon administration and the Supreme Court, the Pentagon Papers case in 1971, involving the New York Times, and the Keith case in 1972, involving domestic security wiretapping without a court order, the administration has accepted the decisions of the Supreme Court in good grace, with no hint of defiance. Yesterday, for example, the Attorney General assured the Senate Foreign Relations Committee that the administration was in full compliance with the Court's decision in Keith, requiring warrants for electronic surveillance in domestic security cases.

Neither the President nor the Supreme Court, neither Congress nor the country are served well by the present talk of defiance of the Court over the tapes. The constitutional issues involved in the controversy over the tapes are difficult and the outcome is by no means clear. Perhaps the Court will rule for the President, perhaps not. But, in the meantime, I urge the President and the Department of Justice to recognize that talk of defiance tends to undermine all law and order and to promote disrespect for the Supreme Court. Surely, at a time when other institutions are being undermined by Watergate, the country cannot afford to have the Supreme Court challenged, too.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORTS ON FINAL DETERMINATIONS IN INDIAN CLAIMS CASES

A letter from the Chairman, Indian Claims Commission, reporting pursuant to law, on its final determination with respect to Docket No. 189, the Red Lake Band, et al., Plaintiffs, v. The United States of America, Defendant (with accompanying paper). Referred to the Committee on Appropriations.

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, on its final determination with respect to Docket No. 300, the Stockbridge Munsee Community, the Stockbridge Tribe of Indians and the Munsee Tribe of Indians by Arvid E. Miller and Fred L. Robinson, Plaintiffs, v. the United States of America, Defendant (with an accompanying paper). Referred to the Committee on Appropriations.

PROPOSED TRANSFER OF DESTROYER EX-USS "JOSEPH P. KENNEDY, JR."

A letter from the Assistant Secretary of the Navy (Installations and Logistics) transmitting, pursuant to law, notice of proposed transfer of the destroyer ex-USS *Joseph P. Kennedy, Jr.* (DD-850) to the Massachusetts Memorial Committee, Fall River, Mass. Referred to the Committee on Armed Services.

REPORT ON FACTS RELATING TO NAVY SHORE ESTABLISHMENT REALINEMENT ACTION

A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting, pursuant to law, a report relating to a revised Department of the Navy Shore Establishment Realignment Action at the Naval Ammunition Depot, Oahu, Hawaii (with an accompanying report). Referred to the Committee on Armed Services.

REPORTS OF NATIONAL RAILROAD PASSENGER CORP.

A letter from the Vice President, Public and Government Affairs, National Railroad Passenger Corp., transmiting, pursuant to law, its report on passenger and train operations for the month of July, 1973 (with an accompanying report). Referred to the Committee on Commerce.

A letter from the Vice President, Public and Government Affairs, National Railroad Passenger Corp., transmitting, pursuant to law, a report on revenues and expenses for the month of April, 1973 (with an accompanying report). Referred to the Committee on Commerce.

REPORT ON INTERNATIONAL TRANSFER OF CONVENTIONAL ARMS

A letter from the Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report on the international transfer of conventional arms, dated September 1973 (with an accompanying report). Referred to the Committee on Foreign Relations.

REPORT ON DISPOSAL OF SURPLUS FEDERAL REAL PROPERTY

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for park and recreation purposes, for the fiscal year 1973 (with an accompanying report). Referred to the Committee on Government Operations.

PROPOSED LEGISLATION FROM ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to authorize the Judicial Conference of the United States to fix fees and costs in the U.S. district courts and for other purposes (with an accompanying paper). Referred to the Committee on the Judiciary.

A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to permit payment of transcript costs for indigent litigants in certain civil proceedings before U.S. magistrates (with an accompanying paper). Referred to the Committee on the Judiciary.

PROPOSED LEGISLATION FROM DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Federal Food, Drug, and Cosmetic Act to provide increased protection for consumers from shipment of unfit and adulterated food (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

ALTERATIONS TO MILITARY PERSONNEL RECORDS CENTER, ST. LOUIS, MO.

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which revises the previously approved prospectus for alterations to the Military Personnel Records Center, St. Louis, Mo. (with an accompanying paper). Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. PROXMIRE):

A joint resolution of the Legislature of the State of California. Referred to the Committee on Banking, Housing and Urban Affairs:

ASSEMBLY JOINT RESOLUTION NO. 53—RELATIVE TO URBAN REDEVELOPMENT

LEGISLATIVE COUNSEL'S DIGEST

AJR 53, Burton. Urban renewal: San Francisco.

Memorializes Congress to make sufficient funds available for the completion of the Hunters Point and India Basin Industrial Park Projects in San Francisco.

Whereas, The completion of four large and imaginative redevelopment projects in the City of San Francisco is threatened due to a termination of federal funding for urban renewal; and

Whereas, These projects include (1) the Hunters Point Project, a complete "new town" of 137 acres of housing, schools, churches, parks, and neighborhood shops, and (2) the Indian Basin Industrial Park, a companion 126-acre development designed to provide 4,000 new light industrial jobs; and

Whereas, The lack of funds for the Hunters Point Project alone will mean a loss of 1,250 more homes, parks, recreation areas, another school, and churches, and will prevent the demolition of 600 wartime shacks, which were condemned as unlivable as early as 1948; and

Whereas, There are insufficient funds available from "revenue sharing" to complete these projects, and, if the federal government abandons the projects, thousands of long-expected homes will not be built or rehabilitated, thousands of long-expected new jobs, particularly in construction, will be lost, and a multitude of neighborhood residents will feel betrayed; 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 Congress of the United States to make available sufficient federal funds to complete the Hunters Point and India Basin Industrial Park Projects in the City of San Francisco and to reject proposed budget cuts affecting such projects; 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, and to each Senator and Representative from California in the Congress of the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

H.J. Res. 695. Joint resolution designating the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month" (Rept. No. 93-392).

EXECUTIVE REPORTS OF COMMITTEES

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

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

Joseph T. McCullen, Jr., of Maryland, to be an Assistant Secretary of the Navy;

Norman R. Augustine, of Texas, to be an Assistant Secretary of the Army;

Walter B. LaBerge, of California, to be an Assistant Secretary of the Air Force; and

David Samuel Potter, of Wisconsin, to be an Assistant Secretary of the Navy.

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

Mr. THURMOND. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Lt. Gen. Earl C. Hedlund, USAF, to be placed on the retired list; Adm. Bernard A. Clarey, USN, for appointment to grade of admiral, when retired; Col. Charles J. West, Jr., to be brigadier general in the Army; Maj. Gen. John J. Hennessy to be lieutenant general as Chief, Office of Reserve Components, USA and ask that these names be placed on the Executive Calendar.

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

Mr. THURMOND. Mr. President, in addition, there are 44 majors in the Air National Guard of the Reserve of the Air Force to become lieutenant colonels. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

The nominations, ordered to lie on the desk, are as follows:

Harold C. L. Beardsley, and sundry other Air National Guard officers, for promotion in the Reserve of the Air Force.

By Mr. EASTLAND, from the Committee on the Judiciary:

William D. Ruckelshaus, of Indiana, to be Deputy Attorney General.

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

By Mr. MAGNUSON, from the Committee on Commerce:

R. David Pittle, of Pennsylvania, to be a Commissioner of the Consumer Prod t Safety Commission.

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

INTRODUCTION OF BILLS

The following bill was read the first time on yesterday, September 12, 1973, and on today, September 13, 1973, the second time, and placed on the calendar:

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

S. 2410. A bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems.

Subsequently, by unanimous consent, the above bill was taken from the calendar and referred to the Committee on Labor and Public Welfare.

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

By Mr. JAVITS (for himself and Mr. STEVENSON):

S. 2411. A bill to amend the Export Administration Act of 1969 to provide for the regulation of the export of agricultural commodities. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. TAFT:

S. 2412. A bill to amend the Housing and Urban Development Act of 1970 to provide assistance to localities for the purpose of expanding, on a demonstration basis, choice in housing location for lower income families. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JACKSON (for himself, Mr. MAGNUSON, and Mr. SYMINGTON):

S. 2413. A bill to authorize the disposal of aluminum from the national stockpile, and for other purposes. Referred to the Committee on Armed Services.

By Mr. MONDALE (for himself, Mr. STEVENSON, Mr. JAVITS, Mr. ABOUREZK, Mr. CASE, Mr. GRAVEL, Mr. HUMPHREY, Mr. KENNEDY, Mr. MCGEE, Mr. MOSS, Mr. PASTORE, and Mr. WILLIAMS):

S. 2414. A bill entitled "Elementary and Secondary Education Assistance Act of 1973". Referred to the Committee on Labor and Public Welfare.

By Mr. CURTIS (for himself, Mr. BAKER, Mr. BELLMON, Mr. BENTSEN, Mr. CASE, Mr. CRANSTON, Mr. DOLE, Mr. EASTLAND, Mr. ERVIN, Mr. GURNEY, Mr. HANSEN, Mr. HELMS, Mr. HRUSKA, Mr. MCCLURE, Mr. RANDOLPH, Mr. THURMOND, Mr. TOWER, Mr. YOUNG, Mr. DOMENICI, Mr. MATHIAS, and Mr. BUCKLEY):

S. 2415. A bill to amend section 203 of the Economic Stabilization Act of 1970 to permit the passthrough of certain cost increases.

Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. JAVITS:

S. 2416. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide increased protection for consumers from shipment of unfit and adulterated food. Referred to the Committee on Labor and Public Welfare and if and when reported to the Committee on Commerce if they should so desire to examine that portion of the bill dealing with interstate commerce.

By Mr. CRANSTON:

S. 2417. A bill to amend the Federal Election Campaign Act of 1971 to provide public financing of campaign costs incurred in campaigns for election to Federal office, to repeal the Presidential Election Campaign Fund Act, and for other purposes. Referred jointly, by unanimous consent, to the Committees on Finance and Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself and Mr. STEVENSON):

S. 2411. A bill to amend the Export Administration Act of 1969 to provide for the regulation of the export of agricultural commodities. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. President, I have asked for this time this morning to introduce on behalf of myself and the Senator from Illinois (Mr. STEVENSON) the Export Priorities Act of 1973, which would amend the Export Administration Act of 1969. This bill is proposed as a new initiative in the fight against inflation in the cost of food and is based upon an economic analysis of the problem which makes this a key element in the solution.

The House of Representatives passed on September 6, H.R. 8547, a bill introduced by Representative ASHLEY of Ohio, which seeks to amend the Export Administration Act to achieve the same objectives the Senator from Illinois and I have in mind. However, our proposal proceeds with greater specificity as to the power of the President and will, I believe, prove more effective.

The President has urged Congress repeatedly to take action to curb inflation. In his message to Congress on Monday, he said:

> Americans want and deserve decisive action to fight rising prices. And they want every possible step taken now—not a year from now or in the next session of Congress.

But, the President's proposals for curbing rising food prices do not equal the promise. He already has power to impose price and wage controls under the Economic Stabilization Act of 1970, and yet this power has been used so inadequately that after two freezes and three phases, we have just witnessed the largest increase in the wholesale price index, 6.2 percent last month, since the end of World War II. Even Secretary of the Treasury Shultz found the price increases astounding, and George Meany, president of the AFL–CIO, found the figures beyond belief. Yet what is it the President proposes?

First and foremost, he proposes to limit budget increases by cutting out especially certain key social programs that, in my judgment, would have assisted those hardest hit by inflation, while at the same time rejecting any cut at all in the Defense budget.

The President also asks us to take action on a bill (S. 2053) to amend the Export Administration Act by granting still further discretion to the administration in determining when export controls should be applied to curtail serious inflation in domestic prices.

But the present legislation, the Economic Stabilization Act, already gives the President power to impose export controls, and he has exercised them with respect to soybeans and cottonseed, as well as a large number of other edible oils, animal fats, and livestock protein feeds. The difficulty is that the way in which those export controls have been applied has raised very serious problems. Unfortunately, the presidential request for additional discretion addresses none of these problems. Against these requested additions of authority is the administration's record in not applying export controls to wheat, corn, and cotton at a time of urgent need.

Indeed, one of our strongest voices in behalf of agriculture, the Senator from Georgia (Mr. TALMADGE) made a plea for export controls on cotton the other day.

The only difficulty with that approach has been the danger of export controls, and the danger of export controls is a very key element in what we will do. On the one hand, we have the danger of offending traditional trading partners or shaking their confidence in the United States as a source of agricultural supply. We have just run into that with Japan, in regard to soybeans. On the other hand, we have the very legitimate feeling on the part of the people of the United States that though we wish to share our agricultural power and productivity with the rest of the world for business as well as humanitarian reasons, we do not want our food prices skyrocketing because of the ability of the will of foreign customers to buy and the advantage which they get because of the very serious devaluation, running up to almost 40 percent, of the dollar, which makes everything, in their terms, much cheaper in the United States.

The bill which I am introducing with Senator Stevenson is an effort to present a balanced plan for meeting the international economic policy and foreign policy and foreign policy considerations inherent in export controls on food, and the urgent necessity for intelligence in the domestic availability of food. That is the purpose of the measure.

There is no question about the extent of the crisis. The magnitude of the food price increases that Secretary Shultz called astounding simply is astounding. We have a 6.2-percent increase in 1 month in the wholesale price index, and that is sparked by an increase of 19.3 percent in food prices alone for the month of August.

This is by far the largest increase in such figures since the Government began publishing adjusted figures in 1947, 26 years ago. The biggest price increases in the food and farm sector were exactly these items affected by exports, animal feed and animal products. Grains, for example, increased in price by almost 70 percent in 1 month, and were 167 percent higher than the year before, and so on down the line, with other comparable increases.

The administration's prescription is to raise agricultural production in this country. That is great, and I am for it. But I suggest that the problem is far more complex and longer term than the administration admits, especially if devaluation, plus foreign demand, plus the better financial condition of other countries, drains off even bumper U.S. crops.

There is considerable evidence that we have seen not just a temporary problem, but a basic, historic shift in the world food situation. Traditionally, increasing world population was seen as the main factor in increasing world demand for food. Now experts suggest that increasing affluence among the industrial countries may be an equally important and indeed a greater factor in world food demand. Since World War II the world has had two major food reserves: grain reserves in the major exporting countries, and cropland idled under farm programs, almost all of it in the United States. We are now witnessing both a drastic drop in grain reserves, and in the United States a commitment of our reserves, as we say in military terms, to a restoration of all idled land into production. The idled land may pull us out of a crisis this time, but it will not be there for the next crisis. Dr. Boerma, the head of the FAO, has recently pointed out that the world is now almost entirely dependent on a single season's weather for its basic food supplies.

I might say, parenthetically, I have just been to Africa, especially West Africa, where famine exists in six countries. Actually, I visited the Upper Volta. What we have seen there is the age-old famine problem, where millions of people have died because of food shortages, but no one did anything about it. It was simply accepted. That cannot be the situation today. We cannot rest as long as such a situation exists.

The other point is the effect of exports on prices. I shall not stop here to go into the Soviet grain deal, but the fact is that however anyone may look at it, it did take 25 percent of our wheat crop, and sparked an enormous rise in grain prices, quite apart from the $300 million in export subsidies which were paid out because we were fast asleep.

Moreover, Japanese demands have almost doubled their purchases over the previous year, plus other demands, including that from Mainland China, which have simply been a major, even the major, factor in the skyrocketing prices, and this especially in the face of an enormous demand in other countries so that they could not help us with this situation, which represents what I have analyzed a minute ago as the enormously increased aggregate demand throughout the world.

What would the bill which I am offering with Senator STEVENSON do? It would seek the following objectives:

First, it would seek to insure American consumers of reasonable amounts of raw agricultural commodities at relatively stable prices, unaffected by excessive, and inflationary foreign demand, and second, it would propose to institute a fair and open system for the allocation of America's export surplus, so that countries which have developed a reliance on the American farmer would be able to secure their fair share of American surpluses, and those developing countries which otherwise might lose out in the race for American exports will have an equal opportunity to have their needs met.

The bill requires the Secretary of Agriculture to estimate the crop production for raw agricultural commodities at the beginning of the crop year, and to determine those amounts necessary for domestic consumption in the United States including a reasonable amount for a carryover to build up U.S. stocks and the remainder is to be allocated for export to foreign countries. The Secretary of Commerce is to allocate such exports among countries on a quota system, based upon past exports and such other criteria as are necessary to produce a fair and equitable quota. The Secretary of Commerce may set aside up to 10 percent of the export amount in a reserve category to be used for emergency situations, such as famine, crop failure, unexpected increase in demand, and so on. This important provision recognizes our humanitarian obligations to the world.

The bill then directs the Secretary of Commerce, based on what is available for export, to set up a system for the sale of export licenses through an auction system. Licenses will be sold to the highest responsible bidders, except that in the case of exports to developing countries with balance-of-payments problems, the licenses will be issued without fee. The fees collected from this licensing system will be placed in a special trust fund to be used for agriculturally related purposes—the school lunch programs, child nutrition programs, food stamps, commodity distribution, and research to increase agricultural productivity. The Secretary will be able to lift this licensing system for any agricultural commodity that he determines is produced in sufficient quantities to meet both U.S. demand and normal world requirements from the United States without any quota system.

I wish to emphasize that my interest in this plan is based on my interest in the foreign policy and the foreign economic policy of the United States. I see this bill as an affirmation of our international obligations.

I have no illusions or pretensions of being an agricultural expert, but this question has now become a profound one in which the foreign policy and the foreign economic policy are critically important in relation to the inflationary situation in the United States, especially with respect to food.

It is for these reasons, Mr. President, that I am introducing this legislation.

I should like to say one word to the farmer, who is suddenly reaping the profits of rising prices in agricultural commodities. My aim is to secure an expanding and dependable market at home and abroad for the commodities that the farmer produces.

It is not too often recognized that my own State of New York is a major farm State. In that regard, it is No. 2 or 3 with respect to dairy and many other commodities.

The bill which I am introducing will limit speculation in agricultural products but will in no way prevent the farmer from receiving a fair return on his investment and labor.

The fight against inflation, however, is one that requires the cooperation of all the American people. It will be a pyrrhic victory to achieve a few high short-term gains in commodity prices at the cost of a recession for the United States, or the deep antipathy and hostility of the rest of the world, or a shaking of the confidence of the world in the United States as a major exporter.

Therefore, Mr. President, it is my hope that this bill will be found to deal equitably with all segments of the American agricultural economy and, at the same time, be healthy and essential to the foreign policy of the United States.

I have accepted the responsibility for introducing this legislation both because I believe it is international policy of intrinsic value and importance to the American consumer, and because I believe that if we must have export controls on raw agricultural products, they should be introduced with the maximum care for our international trading responsibilities and the least disruption of the movement toward freer world trade. It seems to me preferable to give our foreign customers advance notice of the amounts we intend to sell them, than to suddenly announce on a "moments notice" that existing contracts for exports will not be honored. The President suggested on June 13 that we would consult with other countries before applying export embargoes, but on June 23 the United States acted unilaterally to impose export controls.

This action understandably disturbed and frustrated our foreign customers, on whom we have been urging the increasing purchases of American commodities. Export controls applied in this manner are not only a severe irritant in our international relations; they invite retaliation by countries which feel that they can make their point to the United States in no other manner. Although the President has now lifted export controls prior to the Tokyo meeting, there is no assurance in either existing legislation or the proposals that have been made by the administration that export controls will not be applied in the future with the same disregard for the economic consequences to our trading partners. The continued use of such a policy can only cause foreign buyers to turn to other sources of supply on whom they can depend.

The system in the bill has the merit of permitting foreign customers advance knowledge of the amounts they will be allocated, so that they can make arrangements to secure additional supplies from other sources. It will in no way restrain exports since the amounts allocated for export can be expected to increase proportionately as production increases. Thus each country will receive a larger allocation as American production expands, providing an incentive rather than a restraint on exports. However, the windfall revenues derived from abnormal world demand will go into a fund that will benefit our own neediest ctizens and promote our own agricultural productivity, instead of lining the pockets of a few speculators and exporters.

Most importantly, our own citizens can be assured that there will be an assured supply of agricultral commodities for our own consumption, at reasonable prices relatively undisturbed by gyrations in the world price.

Mr. President, 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. 2411

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 "Export Priorities Act".

SEC. 2. The Export Administration Act of 1969 is amended—

(1) by inserting immediately before the caption of section 1 the following:

"TITLE I—GENERAL PROVISIONS"

(2) by redesignating sections 1 through 14, and all cross references thereto, as sections 101 through 114, respectively;

(3) by striking out "this Act" wherever it appears in sections 101 through 114, as redesignated, and inserting in lieu thereof "this title";

(4) by striking out "This Act" in section 113(a), as redesignated, and inserting in lieu thereof "This tiltle"; and

(5) by adding at the end thereof the following new title:

"TITLE II—AGRICULTURAL EXPORT CONTROLS

"DEFINITIONS

"SEC. 201. As used in this title—

"(1) the term 'Secretary' means the Secretary of Commerce unless otherwise indicated; and

"(2) the terms 'agricultural commodity' and 'commodity' mean any raw agricultural commodity produced in the United States, including flour, meal, and oil derived from any such commodity.

"DETERMINATION OF QUALITY AVAILABLE FOR EXPORT

"SEC. 202. (a) Within 90 days after the beginning of the crop year for any agricultural commodity, the Secretary of Agriculture shall determine the quantity of the crop of such commodity, if any, that will be available for export and inform the Secretary of Commerce thereof, who shall thereupon publically announce such determination.

"(b) Such determination shall be made by estimating the total quantity of the commodity that will be produced in the crop year and subtracting from such quantity (1) the quantity of the commodity the Secretary of Agriculture estimates will be needed for domestic consumption, and (2) the quantity of the commodity the Secretary of Agriculture estimates will be needed for a reasonable carryover, including a reasonable quantity for disaster relief assistance and other emergency conditions. The quantity of the commodity remaining, if any, shall be the quantity available for export.

"EXPORT LICENSING AND ALLOCATION OF EXPORT AUTHORITY

"SEC. 203. (a) No agricultural commodity may be exported to any foreign country in any year unless the person exporting such commodity has been issued an export license by the Secretary for the quantity of such commodity to be exported to such country or unless such commodity has been exempted under section 207(a)(3) of this Act.

"(b) The quantity of any commodity available for export in any crop year shall be allocated among foreign countries by the Secretary on the basis of the quantity of such commodity exported to such countries during a representative base period and on the basis of such other factors as the Secretary determines to be fair and equitable and sufficient to protect the interests of traditional customers of the United States. In carrying out his functions under this subsection, the Secretary shall consult with the Secretary of Agriculture, the Secretary of State, with other departments and agencies of the United States Government, and with other interested persons. The Secretary may from time to time make such adjustments in allocations under this subsection, including the reallocation of any unused foreign country allocation, as may be necessary to meet changes in international supply or demand or to avoid hardship.

"(c) The Secretary may, in his discretion, reserve not more than 10 per centum of the quantity of a commodity available for export in order to meet unexpected increases in foreign demand resulting from natural disaster, crop failure, changes in existing trading patterns in that commodity, or other similar causes.

"ISSUANCE OF EXPORT LICENSES

"SEC. 204. (a) Each year, at such time as he determines appropriate, the Secretary shall announce, in the case of each foreign country, the quota determined for such country for each commodity. At the same time the Secretary shall announce the time, manner, and place for the submission of bids for the purchase of licenses to export specified quantities of such commodity to specified countries.

"(b) Licenses for the export of any commodity in any year shall be sold to the highest responsible bidders unless the Secretary determines that the bids are too low or that there has been collusion among the bidders.

"ADMINISTRATIVE REVISION OF QUANTITY AVAILABLE FOR EXPORT

"SEC. 205. The Secretary may revise upward or downward the quantity of any commodity previously announced as available for export in any year if he determines on the basis of new information that the quantity originally announced was erroneous or that the quantity originally announced should be revised for other reasons.

"EXPORTS TO DEVELOPING COUNTRIES

"SEC. 206. The Secretary may issue a license to any exporter without the payment of a license fee if, after consultation with the Secretary of Agriculture, Secretary of State and the Secretary of the Treasury, he determines that (1) the license is for the export of a commodity to a developing foreign country with a serious balance of payments deficit, and (2) such action would be in the best interests of the foreign relations of the United States and would not adversely affect the regulatory program provided for in this title.

"ADMINISTRATION

"SEC. 207(a) The Secretary is authorized to issue such rules or regulations as may be necessary to carry out the provisions of this title, including rules and regulations—

"(1) providing for the reduction, suspension, or termination of the allocation of any agricultural commodity made under this title to any foreign country if the Secretary finds that such country is reexporting all or any portion of such allocation under circumstances that tend to disrupt the regulatory program established under this title;

(2) limiting or prohibiting the sale or transfer after issuance of export licenses issued under this title if the Secretary finds such limitation or prohibition necessary to the orderly administration of the regulatory program established under this title; and

(3) exempting from the application of this Act any agricultural commodity the domestic production of which the Secretary determines will equal or exceed domestic and foreign demand.

(b) The authority conferred on the Secretary by this title shall not be executed without the approval of the Secretary of Agriculture.

"USE OF FUNDS RECEIVED

"SEC. 208. Fees collected by the Secretary on export licenses issued under this title shall be deposited in a special account in the Treasury and shall be available without fiscal year limitation to help carry out the National School Lunch Act, the Child Nutrition Act of 1966, the Food Stamp Act of 1964, and the commodity distribution program provided for under section 416 of the Agricultural Act of 1949, except that not less than 10 per centum of such fees shall be available only for carrying out agricultural research and conservation program to increase agricultural productivity.

"APPLICABILITY

"SEC. 209. This title shall be applicable to agricultural commodities harvested in calendar year 1974 and subsequent years."

Mr. STEVENSON. Mr. President, today I am joining the Senator from New York, (Mr. JAVITS) to introduce a bill to amend the Export Administration Control Act of 1969 and provide for the licensing of agricultural exports. The bill attempts to insure that sufficient supplies of agricultural products are available at home while at the same time insuring that we continue to supply both our traditional customers abroad as well as the people of developing nations. While I deplore the need to impose any restraints on the free flow of goods among nations and am firmly committed to the principle of free trade, I believe that the times have forced us to take what is admittedly difficult action.

Our Nation's farmers are the most productive in the world. In agriculture, as in many other fields, we enjoy tremendous human and natural resources. Because we are so blessed, we have a moral obligation to help feed the world's hungry. I also believe that to improve agricultural productivity, our balance of payments, and relations with friendly nations, we should make every effort to develop and affirm the Nation's stature as a reliable and consistent supplier of agricultural commodities.

The United States has an obligation to help feed the rest of the world. It should maintain its role as a dependable supplier of food abroad. But its first obligation is to assure food at reasonable costs for its own people. While the United States is the most prosperous nation in the world, many of our people still go to bed hungry. Skyrocketing prices for food are forcing more and more people to do without essential nutritional needs, or to allocate so much of their budgets to food as to leave little, if anything, for other necessities. Therefore, some action to insure that we have adequate supplies of food at reasonable costs at home without damaging our international interests must be taken.

The need for such action is fast approaching. At least 20 percent of this year's corn crop will be sold abroad, 60 percent of the wheat crop, and approximately 40 percent of the soybean crop. The unhappy fact is that the United States now has insufficient grains and other agricultural commodities to supply its own and the world's needs.

The bill which Senator JAVITS and I have introduced attempts to strike a balance between our domestic needs and foreign interests. The bill also attempts to insure that our farmers derive the benefits from foreign sales and are thus stimulated to greater productivity. License fees will be invested in greater agricultural productivity to benefit farmers and consumers, too.

The bill would accomplish these objectives by requiring the Secretary of Agriculture to estimate domestic needs for agricultural products each year, including a reasonable amount for carryover to build up domestic stocks and provide for disaster relief and other emergencies. The remainder in excess of estimated crop yields would be available for export.

Exports would be allocated among foreign countries on a quota system based upon past purchases and other criteria to insure fair and equitable treatment and protect the interests of traditional U.S. customers.

Licenses for sales to foreign countries under the quotas would be issued to the highest responsible bidders, and the proceeds would be deposited in a special Treasury account to help carry out the school lunch, child nutrition, food stamp, and surplus food program. No less than 10 percent of the proceeds would be allocated to agricultural research and conservation programs to increase agricultural productivity. To insure that food exports are available to needy, developing countries, license fees could be waived for exports to such countries.

The bill will help prevent such wheat deals as recently took place with the Soviet Union at the expense of the American farmer, consumer and taxpayer. In the past, the American taxpayer has subsidized sales of agricultural commodities abroad.

In the future, under this bill, exporters will pay for the opportunity to sell abroad.

Attempts to satisfy domestic needs through embargoes on agricultural products tend to be self-defeating, unfair to our farmers, and, in the long run, harmful to the overall interests of the United States. This bill offers an alternative.

I believe that action along the lines proposed in this legislation is needed and am confident it will receive prompt consideration in the Committee on Banking, Housing and Urban Affairs.

By Mr. TAFT:

S. 2412. A bill to amend the Housing and Urban Development Act of 1970 to

provide assistance to localities for the purpose of expanding, on a demonstration basis, choice in housing location for lower income families. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. TAFT. Mr. President, today I am introducing the Demonstration Housing Location Act of 1973. This bill authorizes the Secretary of Housing and Urban Development to provide incentive money to those metropolitan areas which undertake promising demonstration programs designed to increase housing locational opportunities for lower-income families. Such programs should be structured to enable these families to afford housing within reasonable proximity to the major sources of employment in the area. The programs would also recognize the financial and social desirability of preventing excessive concentration of lower-income families in any particular neighborhood. This would be done by providing for location of housing for these families, in a manner calculated to avoid such concentration and to spread the financial responsibility for supporting necessary services among local jurisdictions.

I am proud to point out that the most advanced and comprehensive program of this type which is already underway involves the five-county area encompassing Dayton, Ohio. The Dayton plan, as it has come to be known, has as its goal the immediate expansion of the low- and moderate-income housing stock by 14,000 units. The unique feature of the plan, however, is that each of 32 planning units in the area was assigned a number of units calculated roughly by formula. Many jurisdictions have voluntarily undertaken the commitment to accept these units—their fair share—and provide supporting services. Well over 4,000 of these units have been completed, with perhaps 50 percent located outside of Dayton's city limits. Another 2,500 of these units are now in the pipeline, with over 70 percent of that number located outside Dayton.

There are several reasons why efforts to provide an improved locational distribution of low- and moderate-income housing should be encouraged at this time.

First, as Americans have moved to the suburbs, job opportunities have gone with them. From the post-war period through the middle 1960's the most recent period for which I have found figures, jobs of all types—wholesaling, retailing, services, and even manufacturing—increased in the suburbs even faster than population. Many low- and moderate-income citizens cannot take advantge of these opportunities, however, because the only housing which they can afford is often in or near the urban core area, located miles away from these jobs, many may not be able to afford a car, and the mass transportation to outlying areas is quite likely to be inadequate. In addition, they may not even hear about the suburban jobs in the first place. The result, just in terms of income foregone and increased need for Federal assistance by these people, is obvious.

This situation is not limited to poor blacks. Americans with incomes below the poverty line, and 77.5 percent of those presently living in housing lacking some or all plumbing, are whites. In addition, the lack of affordable housing within reasonable proximity to suburban employment is not just a problem for citizens with very low incomes. For example, a teacher or policeman who works in Fairfax County, here in the Washington area, is lucky if he can afford housing within miles of the community where his job is located.

In addition to the need for a balanced distribution of low-income housing so that our needy citizens can take better advantage of the changing location of jobs, it has become obvious that serious problems are created when the poor are all concentrated in the same area. Lower income citizens, almost by definition, demand much greater government services relative to the tax base which they provide than their more wealthy counterparts. Many may need quite extensive individual assistance—for example, with respect to education. This concentrated need puts a great burden on the local jurisdiction and can result in a deterioration of local services, if enough help is not provided.

Perhaps the worries most often expressed by jurisdictions asked to provide low- and moderate-income housing relate to the additional services needed and how they are to be supplied. This is a realistic worry in many cases. However, the other side of the coin is that some jurisdictions have long supported a disproportionate share of the housing effort. Citizens of these communities sometimes feel, understandably, that they are being treated unfairly. That concern was expressed quite well by Mr. James Ragland of the East Toledo Citizens' Committee, when he suggested to the Senate Housing and Urban Affairs Subcommittee in recent hearings that Toledo consider some kind of "fair share" housing plan. I also believe that it is the financial responsibility of all our citizens, regardless of whether they live in the suburbs or the city, to bear their fair share of the costs and responsibility involved as we attempt to help our needy citizens.

In many cities, the realities of land economics put additional weight behind the case for improving the locational distribution of supply of low- and moderate-income housing. Sites for new construction in or near urban core areas, where Federal subsidized housing programs have usually been operating in by far the greatest volume, can often be used only after expenses relating to both relocation and demolition are incurred. With these factors taken into account, land costs are sometimes considerably higher in such areas than in the outlying areas.

It appears, therefore, that there are several reasons other than simply expanding housing choices for lower income families which make the promotion of a more geographically sound housing strategy important. This is also a good idea from the standpoint of increasing employment opportunities for low- and moderate-income citizens, minimizing social problems due to overconcentration of the poor, bringing about a more equitable distribution of financial responsibility for the support of low- and moderate-income housing and minimizing development costs. This legislation would not force any metropolitan area to undertake a "housing dispersal strategy." However, it would provide HUD with some money to assist areas which want to try it.

The bill authorizes HUD to spend $20 million during fiscal 1973 and 1974 in this manner. These funds would be used as supplements to local funding and other Federal assistance, and the funds for any given year could not be distributed to fewer than three localities. All demonstration programs would be required to supply as reasonable a mix of family and elderly housing as practicable, taking into consideration the needs of the locality in question. Preference in funding would be given to programs in which a relatively large portion of the expanded housing supply would be affordable by families with income within public housing limits. HUD would be directed to expedite assistance under its other programs to participating localities when such actions would benefit the demonstration programs. The programs would have to address areawide housing needs rationally and effectively, consistent with the housing element of any comprehensive land use plan developed with section 701 HUD planning funds. HUD would make an annual report and recommendations to Congress with respect to the demonstration programs.

Because the purpose of the demonstrations is to find the most feasible and desirable method of expanding the housing locational opportunities for lower income families, HUD should test various uses of the demonstration money to find the most effective ones. Some examples of the ways in which the funds could be used, however, are to offset the cost to local jurisdictions of expanding services to accommodate population growth and an increased supply of low- or moderate-income housing; to improve security and counseling facilities and other services designed to assist the new occupants of the housing, and indirectly the surrounding community; to help pay for management and supervision of the housing program at the project, local and regional levels; and portions of land acquisition, demolition relocation costs.

I believe that demonstrations of this type could help us gather the information and experience needed to evaluate more fully our present Federal housing and community development policies and perhaps envision and implement major improvements. I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 2412

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 "Demonstration Housing Location Act of 1973."

SEC. 2. Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following:

"DEMONSTRATIONS WITH RESPECT TO HOUSING LOCATION"

SEC. 506. (a) The Congress finds and declares that—

"(1) There is a continuing need to expand the supply of housing in standard condition which lower income families can afford.

"(2) Federally assisted efforts to expand the supply of such housing in the past have been concentrated to a great extent in a few neighborhoods located in or near urban core areas.

"(3) Such efforts, therefore, have not greatly expanded housing locational opportunities for lower income families, many of whom can afford housing only in such neighborhoods.

"(4) The concentration of lower income families in these neighborhoods, which has often been facilitated by governmental policies, has compounded social problems in the neighborhoods, hastened neighborhood deterioration, and overburdened public services.

"(5) Such concentration has also placed an enormous financial burden on cities and states by increasing greatly the need for social services in these neighborhoods.

"(6) In the case of new housing construction, suitable sites are difficult or impossible to find in many urban core areas and often can be utilized only after demolition and relocation expenses are incurred.

"(7) New employment opportunities in many metropolitan areas are being created more rapidly in the areas surrounding urban core areas than in the core areas themselves, and lower income families who can only afford to live in or near urban core areas often cannot take advantage of these opportunities, which would increase the income of such families and may result in less dependence upon Federal assistance. Many lower income families who do take advantage of these employment opportunities in the areas surrounding urban core areas are not able to afford housing within reasonable proximity to their palces of employment.

"(8) For all of these reasons, the Federal government should encourage and assist metropolitan areas in undertaking demonstration programs designed to increase housing locational opportunities for families of lower income by conserving and expanding the supply of housing in standard condition affordable by such families, within reasonable proximity to major employment opportunities and located in a manner calculated to avoid excessive concentration in any particular neighborhood and to spread the financial responsibility for supporting necessary services among local jurisdictions.

"(b) Programs undertaken by the Secretary under section 501 may include grants by the Secretary in accordance with the provisions of this section to general purpose local governments, or local public agencies designated by such governments or by regional combinations of such governments, to demonstrate the feasibility of providing assistance for the purpose of increasing housing locational opportunities for lower income families by conserving and expanding the supply of housing in standard condition affordable by such families, in areas which are located reasonably near major employment opportunities and which are dispersed to avoid excessive concentration and to spread the responsibility for supporting services among several localities. Such grants may be made for the planning and implementation of the following activities:

"(1) The maintenance, improvement, or expansion of public services furnished by localities in order to serve adequately the increased supply of housing for lower income families and the families themselves, as well as the other residents of the localities.

"(2) Providing, upgrading, or improving social services related to housing for lower income families, including security and counselling services.

"(3) Increasing the efficiency and improving the management and supervision at the project, local, and regional levels of programs and services designed to provide increased housing opportunities for lower income families.

"(4) The payment of such portions of reasonable and necessary land acquisition, demolition or relocation expenses as the Secretary deems appropriate.

"(5) Such other activities as the Secretary may approve, taking into account the purposes of this section.

"(c) The Secretary in making grants under this section, shall—

"(1) Give a preference to activities and demonstration programs designed to benefit substantially families whose incomes would make them eligible for housing assistance under the United States Housing Act of 1937;

"(2) Require localities to carry out demonstrations designed to expand housing opportunities in such a manner that the needs of both the elderly and lower income families are considered and accommodated to the extent practicable; and

"(3) Require that demonstration programs undertaken pursuant to this section address rationally and effectively the housing needs of lower income families on a regional or areawide basis, consistent with any housing element of a comprehensive land use plan which has been developed pursuant to the provisions of section 701 of the Housing Act of 1954.

"(d)(1) The amount of any grant under this section may not exceed the actual cost incurred by a locality in carrying out the activities referred to in subsection (b).

"(2) Not more than one-third of the aggregate amount of grants made under this section in any fiscal year may be made to any one locality.

"(3) None of the funds available under this section may be used to make expenditures for which other Federal funds are available.

"(e) To the maximum extent practicable the Secretary shall expedite the provision of such assistance authorized under other provisions of law administered by him as he deems necessary and appropriate to further the progress of demonstration programs undertaken pursuant to this section.

"(f) There are authorized to be appropriated not to exceed $20,000,000 for the fiscal year ending June 30, 1974. Any amount so appropriated shall remain available until expended. Any amount authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year commencing prior to July 1, 1975.

"(g) The Secretary shall transmit annually to the Congress a report on demonstrations carried out with assistance under this section, and shall include in such report such recommendations as he deems appropriate to further the purposes of this section."

By Mr. MONDALE (for himself, Mr. STEVENSON, Mr. JAVITS, Mr. ABOUREZK, Mr. CASE, Mr. GRAVEL, Mr. HUMPHREY, Mr. KENNEDY, Mr. MCGEE, Mr. MOSS, Mr. PASTORE, and Mr. WILLIAMS):

S. 2414. A bill entitled "Elementary and Secondary Education Assistance Act of 1973." Referred to the Committee on Labor and Public Welfare.

ELEMENTARY AND SECONDARY EDUCATION ASSISTANCE ACT OF 1973

Mr. MONDALE. Mr. President, I am pleased—on behalf of myself and Senators STEVENSON, JAVITS, ABOUREZK, CASE, GRAVEL, HUMPHREY, KENNEDY, MCGEE, MOSS, PASTORE, and WILLIAMS—to introduce the Elementary and Secondary Education Assistance Act of 1973.

Elementary and secondary education in this country is in desperate financial condition. In his state of the Union message to Congress 2 years ago, President Nixon put it this way:

> In recent years the growing scope and rising cost of education has so overburdened local revenues, that financial crisis has become a way of life for many school districts.

Over 50 million American school children and over 2 million teachers are condemned to the way of life the President has described.

This financial crunch has shut teachers out of work, increased class size, slowed new school construction and renovation of existing schools. It has stifled innovative approaches, and slammed the door in the face of parents and educators who are looking for solutions and who can make progress if they have the chance.

As Dr. Mark Shedd, then Philadelphia, Pa., school superintendent, testified to the Senate Select Committee on Equal Educational Opportunity:

> The simple fact is that at a time when we should be bolstering urban education with new expertise, new programs and new enthusiasm to meet the critical problems that face us, we are constantly cutting back, spending most of our time trying to stem the fiscal flow with bandaids and looking back over our shoulders at the specter of bankruptcy. Perhaps the worst part is the psychological impact on the school district staff as budget cut piles on budget cut, and firings and demotions are the order of the day.

Non-Federal contributions to public elementary and secondary education rose by 37 percent in the 4 fiscal years from 1970 through 1973—reaching a total of nearly $50 billion. And State and local expenditures for education are increasing more rapidly than State and local expenditures as a whole—placing a growing burden on overall public service budgets.

Yet during the same 4-year period the Federal share of education support has actually declined from 7.8 percent in 1970 to 6.2 percent in 1973. Annual Federal expenditures increased by only $294 million—less than 10 percent—over 4 years, to a total of $3.3 billion. Incredibly, education failed even to keep pace with the overall growth in the Federal budget, and Federal education expenditures actually declined last year.

The problems of education finance are not simply a matter of inadequate resources. They are compounded by the wide disparities in financial ability which exist among States, and among school districts within the same State. In 1970–71, per pupil expenditures in Alabama were only $489—far below the national average of $858, and still farther below the level of many States. And expenditures levels within States vary even more widely—in California, for example, school district expenditures in 1969 ranged from a low of $569 to a high of $2,414 per pupil.

In deciding the landmark case of San Antonio Independent School District against Rodriquez in March of this year,

the Supreme Court ruled that States have wide discretion to permit continuation of the present inequitable system, or to take action for reform. In the words of Mr. Justice Powell's opinion for the Court:

> The ultimate solutions must come from the lawmakers and the democratic pressures of those who elect them.

Many States are responding to the challenge. A number of States—including Minnesota, Florida, Maine, California and Utah, have enacted comprehensive school finance reforms. The legislatures of other States are now at work. And surely the Federal Government should now meet its responsibilities as well.

The bill which we introduce today moves to meet those Federal obligations. The bill,—which closely follows the recommendations of the Select Committee on Equal Educational Opportunity—would:

Authorize over $4 billion annually in general education aid to States and school districts, with a matching 20 percent State contribution.

Require that these new funds be used by States to reduce disparities in per pupil expenditures among school districts, without lowering expenditures in any district;

Provide urban school districts with sufficient funds to meet the higher cost of education in central cities;

Leave States and local school districts free to determine use of funds.

And our proposal does not simply shift and relabel funds for categorical programs.

Existing programs—such as ESEA title III, for innovation and experimentation; title VI, bilingual education; title VIII, dropout prevention; and title II, libraries will be retained. ESEA title I for the education of the disadvantaged, not only will be retained, but will receive further protection. No funds will be available under this new bill until and unless title I receives at least the same level of funding as during fiscal year 1974.

With exception of only two existing categorical programs—ESEA title V, State department of education; and NDEA title III, science and math—which would be replaced only when this new program is fully funded or incorporated as an earmark in this new bill—our proposal supplements existing programs rather than replacing them.

Our bill recognizes that more money is necessary. It also recognizes that more money alone will not insure improvements in the quality of education.

Too many children are not now acquiring the basic skills necessary for full participation in American life—and too many others fall far short of reaching their intellectual potential. Additional resources for their schools will help. But more is needed than simply increased funding.

For that reason, our proposal includes an experimental voluntary bonus plan to encourage improvements in the quality of education. It will provide financial rewards to school districts that are successful in upgrading the reading and math achievements for disadvantaged children.

We do not pretend to have all the answers. I hope that our proposal will receive thorough review from the Congress, from organizations representing parents and educators, and from individual teachers, parents, administrators, and students; and I know that this review will lead to a stronger bill.

Passage of comprehensive school finance legislation is, I believe essential to the continued vitality of our public schools. As the report of the President's Commission on School Finance said:

> The system which has served our people so long and so well is, today, in serious trouble, and if we fail to recognize it, our country's chance to survive will all but disappear.

Mr. President, I ask unanimous consent that a summary and the text of the Elementary and Secondary Education Assistance Act be printed at this point in the RECORD.

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

S. 2414

A bill Elementary and Secondary Education Assistance Act of 1973

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 "Elementary and Secondary Education Assistance Act of 1973".

SEC. 2. It is the purpose of this Act: (1) to provide increased financial resources of elementary and secondary education; (2) to redress inequitable distribution of resources for elementary and secondary education among States and among local educational agencies within the States; and (3) to improve the educational achievement of educationally disadvantaged elementary and secondary school students and (4) to relieve the pressure for property tax increases to support rising education costs.

TITLE I—GENERAL GRANTS FOR ELEMENTARY AND SECONDARY EDUCATION GRANTS AUTHORIZED

SEC. 101. (a) The Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for the federal share of the cost of grants to local educational agencies and for other elementary and secondary education programs and activities. There are authorized to be appropriated to the Commissioner, for the purpose of carrying out this title, $4,500,000,000 annually for the fiscal year ending June 30, 1974, and for each of the two succeeding fiscal years: *Provided,* That no funds are authorized to be appropriated to carry out the provisions of this title for any fiscal year in which the funds appropriated for title I of the Elementary and Secondary Education Act of 1965 are not at least equal to the funds appropriated for such program for the fiscal year ending on June 30, 1974.

(b) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act (with the exception of appropriations for the fiscal year ending June 30, 1974) are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(c) From the sums appropriated pursuant to subsection (a) for any fiscal year, the Commissioner shall reserve:

(1) $50,000,000 plus an amount equal to 1 per centum of sums appropriated pursuant to subsection (a) for such year, for the purposes of section 106(c);

(2) 5 per centum for the purposes of section 106(b);

(3) 2 per centum for Office of Education expenses of administration and evaluation, of which not less than 1 per centum shall be expended for evaluation of activities under this title by qualified persons or institutions other than the Department of Health, Education, and Welfare or recipients of assistance under section 106.

APPORTIONMENTS AMONG STATES

SEC. 102. (a) Of the sums appropriated under section 101(a) for any fiscal year which are not reserved under section 101(b), the Commissioner shall apportion not more than 3 per centum among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territories of the Pacific Islands, according to their respective needs for assistance under this title.

(b) From the remainder of such sums for any fiscal year, the Commissioner—

(1) shall apportion to each State an amount which bears the same ratio to 50 per centum of such remainder as the number of children, aged five to seventeen, inclusive, in such State bears to the number of such children in all States;

(2) shall apportion to each State an amount which bears the same ratio to 17⅓ per centum of such remainder as the need index for such State bears to the total of the need indexes of all States;

(3) shall apportion to each State an amount which bears the same ratio to 17⅓ per centum of such remainder as the resource index of such State bears to the total of the resource indexes of all States.

(4) Shall apportion to each State an amount which bears the same ratio to 17⅓ per centum of such remainder as the local property tax index of each State bears to the total of property tax indexes of all States.

(c) The apportionment of any State which declines to participate or fails to meet the qualifications set forth in sections 104 and 105 of this title for the period such apportionment is available, shall be reapportioned from time to time, on such dates during such period as the Commissioner may fix, to other States in proportion to the original apportionment to such States under subsection (b) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner determines such State needs and will be able to use for such period for carrying out such portion of its State application approved under this Act, and the total of such reductions shall be similarly reapportioned among the States whose proportionate amounts are not so reduced. Any amount reapportioned to a State under this subsection during a year shall be deemed part of its apportionment under subsection (b) for such year.

(d) For the purposes of this section—

(1) the term "need index of a State" for any fiscal year shall mean the product of the inverse of that State's personal income per child, adjusted, according to criteria developed by the Bureau of Labor Statistics of the Department of Labor, for regional differences in purchasing power, and the number of children, aged five to seventeen, inclusive, in such State;

(2) the term "resource index of a State" for any fiscal year shall mean the total expenditures from State and local sources for public elementary and secondary education and from Category A of Public Law 874 ending in the calendar year ending in the fiscal year preceding the fiscal year for which the computation is made in such State, divided by the total personal income, for such calendar year in that State, and multiplied by the number of children in that State aged five to seventeen, inclusive;

(3) the term "local property tax index of a State" for any fiscal year shall mean the amount of revenue raised from local taxes on real property for expenditure on public ele-

mentary and secondary education, divided by the total expenditure from State and local sources for public elementary and secondary education, and multiplied by the number of children in that State aged five to seventeen, inclusive;

(4) the term "personal income of a State" for any fiscal year shall mean the total personal income for such State in the calendar year ending in the fiscal year preceding the fiscal year for which the computation was made;

(5) the term "personal income per child of a State" for any fiscal year shall mean the total personal income for which State in the calendar year ending in the fiscal year preceding the fiscal year for which the computation was made, divided by the number of children, age five to seventeen, inclusive, in such State;

(6) for the purpose of subsections (a) and (b) of this section, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territories of the Pacific Islands;

(7) In calculating the resource index for the District of Columbia, total expenditures from State and local sources for public education shall include expenditures from the Federal payment. The resource index for the District of Columbia shall be no smaller than the smallest resource index for any other State.

DISTRIBUTION OF RESOURCES AMONG LOCAL EDUCATIONAL AGENCIES

SEC. 103. (a) Any State desiring to receive financial assistance under this title for any fiscal year shall submit a plan for use of its apportionment under section 102(b), in conjunction with State and local resources, to reduce disparities in per pupil expenditures among local educational agencies within such State so that in such fiscal year:

(1) each local educational agency within such State shall have a per pupil expenditure for elementary school students not less than 80 per centum of the target per pupil expenditure for elementary school children in such State, and each local educational agency serving an urban center shall have a per pupil expenditure for elementary school students not less than 100 per centum of the target per pupil expenditure for elementary school children in such State;

(2) each local educational agency within such State shall have a per pupil expenditure for secondary school students not less than 20 per centum of the target per pupil expenditure for secondary school students in such State, and each local educational agency serving an urban center shall have a per pupil expenditure for secondary school students not less than 100 per centum of target per pupil expenditures for secondary school students in such State.

(b)(1) For any State, the target per pupil expenditure for any fiscal year for elementary school children shall be the per pupil expenditure for elementary school children during the previous fiscal year of that local educational agency within such State with a per pupil expenditure for elementary schoolchildren exceeded by no more than 10 per centum of the local educational agencies in the State:

(2) For any State the target per pupil expenditure for any fiscal year for secondary school students shall be the per pupil expenditure for secondary school students during the previous fiscal year of that local educational agency within such State with a per pupil expenditure for secondary school students exceeded by no more than 10 per centum of the local educational agencies in the State;

(3) For purposes of this section, "urban center" shall mean the central city of standard metropolitan statistical area; and "local educational agency serving an urban center" shall mean a local educational agency serving not less than one-third of the children in an urban center, and serving no fewer than twenty-five thousand students; and

(4) The number of children, aged five to seventeen, inclusive of a State and of all States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

(c) Prior to receiving its apportionment under this title in the second year and each year thereafter, each State shall present data to the Commissioner demonstrating that, in the previous year, all local educational agencies in the State had per pupil expenditures above the required level for elementary and secondary school children respectively, as set forth in section 103(a). Any State unable to meet the requirement set forth in the preceding sentence and desiring to continue participating under this title shall, prior to receiving its apportionment, submit a new application as set forth in subsection (a), except that no State shall receive an apportionment if it fails for two consecutive years to meet the requirements set forth in the preceding sentence, until such year as the requirement shall have been met during the preceding year.

(d) Funds apportioned to a State under section 102(b) and not allocated to local educational agencies in order to meet the target levels set forth in subsection (a), shall be distributed by apportioning to each local educational agency:

(1) an amount which bears the same ratio to 50 per centum of such unallocated funds as the average daily membership of that local educational agency bears to the average daily membership of all local educational agencies in the State; and

(2) an amount which bears the same ratio to 50 per centum of such unallocated funds as the number of children in low-income families (as defined in sections 103 (c) and (d) of the Elementary and Secondary Education Act of 1965) residing in that local educational agency bears to the total of such familiies in the State.

STATE APPLICATIONS

SEC. 104. (a) The chief State officer of any State desiring to participate under this title shall submit annually to the Commissioner an application in such detail and containing or accompanied by such information as the Commissioner deems necessary, which provides satisfactory assurances—

(1) that the State will pay from nonfederal sources, a State share equal to 20 per centum of the costs of grants, programs, and activities undertaken by the State pursuant to this Act.

(2) that the State will make payments under this title only to local educational agencies which have satisfied the provisions of section 105(a) where applicable, and will in all respects comply with the provisions of this title, including the rejection of any application which does not meet the obligations imposed upon a local educational agency under section 105(a);

(3) that the State will, to the extent consistent with State law, meet the requirements of paragraph (2) of secion 105(a);

(4) that the State will distribute State and Federal financial assistance to local educational agencies within the State so as to insure that the requirements of section 103 are met; and

(5) that such fiscal control and fund accounting procedures, in accordance with criteria established by the Commissioner by regulation, will be adopted to assure (A) proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this title and (B) that Federal funds received under this title are not commingled with State funds;

(6) that the State will make available to the Commissioner (A) annual reports, which shall include the results of objective measurements required of local educational agencies by paragraph (4) of subsection 105, annual reports of local educational agencies required to carry out paragraph (5) of subsection 105, descriptions of the purposes for which payments under this title were utilized, and evaluation of the effectiveness of payments under this title and of other Federal payments expended pursuant to the Elementary and Secondary Education Act of 1965, and (B) such other reports as may be reasonably necessary to enable the Commissioner to perform his duties under this title;

(7) that the State will keep such records and afford such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports; and

(8) that the State will make application, reports, and all documents pertaining thereto readily available to the public.

(b) Each State shall reserve a portion of its apportionment which bears the same ratio to such apportionment as the number of children, aged five to seventeen, enrolled in private nonprofit elementary and secondary schools bears to the number of children, aged five to seventeen, enrolled in private and public elementary and secondary schools. The funds set aside by this subsection shall be used only for the purposes set forth in section 105(a)(2)(A).

(c) If a State is not authorized by law to provide the programs and activities set forth in subsection (b) of this section, if a State does not pay out the full portion of the funds set aside under subsection (b) of this section, the unused funds shall revert to the Commissioner for use as set forth in section 105(c) without regard to the provisions of section 101 or 102.

(d) The Commissioner shall not approve an application unless it meets the requirements of this section and section 103, but he shall not finally disapprove an application except after reasonable notice and opportunity for a hearing to the State educational agency.

LOCAL EDUCATIONAL AGENCY APPLICATIONS

SEC. 105. (a) A local educational agency may receive a grant from the appropriate State educational agency under this title for any fiscal year only upon an application approved by the appropriate State educational agency, upon its determination consistent with such basic criteria as the Commissioner may establish—

(1) that the programs and activities for which the assistance is sought will be administered by or under the supervision of the applicant;

(2)(A) that, to the extent consistent with the number of children in the school district of the local educational agency who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with appropriate private school officials, will make provisions for the benefit of such children in such schools of secular, neutral, and nonideological educational services, materials, and equipment, including such facilities as necessary for their provision, consistent with subparagraph (B) of this paragraph, or, if such are not feasible or necessary in one or more of such private schools as determined by the local educational agency after consultation with the appropriate private school officials, such other arrangements, as dual enrollments, which will assure adequate participation of such children; except that no provision shall be made for the benefit of children attending a private school operated on a racially segregated basis as an alternative to persons seeking to avoid attendance in desegregated public schools, or which otherwise practice dis-

crimination on the basis of race, color, or national origin;

(B) that the control of funds provided under this section and title to property acquired therewith shall be in a public agency for the uses and purposes provided in this section, and that a public agency will administer such funds and property; and that the provision of services pursuant to subparagraph (A) shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services, is independent of such private school and any religious organization, and such employment or contract shall be under the control and supervision of such public agency;

(3) that local educational agencies receiving grants under this title shall maintain their previous year's per pupil expenditures from local sources; except that, with the approval of the appropriate chief State school officer, additional State funds for general education support may be used to replace an equal amount of locally raised funds;

(4) that effective procedures pursuant to criteria established by the Commissioner by regulations will be adopted for evaluating at least annually the effectiveness of the local educational agency's programs and activities in meeting educational needs of its students;

(5) that the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information (which in the case of reports relating to performance is in accordance with specific performance criteria related to program objectives), as may be reasonably necessary to enable the State educational agency to perform its duties under this title, which annual report shall include school-by-school information relating to educational achievement, and will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such reports;

(6) that applications, reports, and all documents pertaining thereto shall be made available to parents and other members of the general public, and that all evaluations and reports required under paragraph (5) shall be public information, except that information relating to the performance of an individual student shall in no circumstances be made public; and

(7) that the local educational agency will cooperate with the appropriate State educational agency in carrying out the provisions of this title.

(b) The State shall not finally disapprove in whole or in part any application for funds under this title without first affording the local educational agency submitting the application reasonable notice and opportunity for a hearing.

(c) In the case of a local educational agency which is located in a State in which no State agency is authorized by law to provide, or in the case in which there is a substantial failure by a local educational agency approved for a program or activity under this section to provide the educational services and arrangements set forth in subparagraph (2)(A) of subsection (a) on an equitable basis to children enrolled in private nonprofit elementary or secondary schools located in the school district of such agency, the Commissioner shall arrange for the provision, on an equitable basis of such services and arrangements and shall pay the costs thereof for any fiscal year from funds which have reverted to him pursuant to section 104(c). The Commissioner may arrange for such programs through contracts with institutions of higher education or other competent nonprofit institutions or organizations.

(d) In the case of a local educational agency which has submitted no application for funds under this section, or whose application for funds is disapproved, the State, in consultation with appropriate private school officials, shall make arrangements for carrying out the provisions of subparagraph (2)(A) of subsection (a) in that district, except that if the circumstances set forth in subsection (c) of section 104 obtain, then the Commissioner shall make such arrangements as that subsection authorizes.

PAYMENTS

SEC. 106. (a)(1) The Commissioner shall pay to each State which has established eligibility under sections 103 and 104, in advance or by way of reimbursement, the amount of such State's apportionment under section 102.

(b) From funds reserved pursuant to section 101(b)(2), the Commissioner shall pay an additional 5 per centum of its apportionment under section 102 to any State for any fiscal year in which such State conducts a comprehensive assessment, pursuant to criteria established by the Commissioner by regulation, of the quality and equality of public elementary and secondary educational programs and opportunities within its jurisdiction which shall include, but shall not be limited to, an analysis of educational achievement by school, and an evaluation of the effectiveness of school programs within the State in meeting the educational needs of children from varying social and economic backgrounds, including the special educational needs of minority groups, bilingual and educationally disadvantaged children. Such funds may be expended to support the costs of such assessment, including costs of administration and distribution; remaining funds shall be expended in accordance with subsection (c). Funds reserved for use under this subsection but not alloted shall revert for use as specified in section 102(b).

(c) From funds reserved pursuant to section 101(b)(1), the Commissioner is authorized to pay each State an amount equal to the amount expended by such State for the proper and efficient performance of its duties under this title, for provisions of technical assistance to local educational agencies within its jurisdiction, and for model innovative programs designed to increase academic achievement of educationally disadvantaged children.

(d) From funds paid pursuant to subsection (a), each State shall distribute to each local educational agency which has submitted an application approved under section 105(a) the amount for which such application shall have been approved.

(e)(1) No payments shall be made under this title to any State for any fiscal year in which per pupil expenditures for elementary and secondary education (as determined in accordance with criteria established by the Commissioner by regulation) for the preceding year from State sources (but excluding any funds received from the Federal Government) and also excluding the payment of the State share for grants, programs, and actiivties undertaken pursuant to this Act are less in such State than such expenditures for the second preceding fiscal year.

(2) No State shall make payments under this title to any local educational agency for any fiscal year in which current per pupil expenditures from local sources are less than such expenditures for the preceding fiscal years, except where, with the approval of the chief State school officer, additional State funds for general education support have been used to replace an equal amount of locally raised funds.

(f) Whenever the Commissioner, after reasonable notice and opportunity for hearing, finds that a recipient of financial assistance under this title—

(1) is in noncompliance with the provisions of this Act; or

(2) has knowingly given false assurances or has not made a good faith effort to establish the accuracy of such assurances,

the Commissioner shall notify such recipient of his findings and no further payments shall be made to such recipient by the Commissioner until he is satisfied that such noncompliance has been, or will promptly be, corrected. The Commissioner may authorize the continuance of payments with respect to any programs or activities pursuant to this Act which are not involved in any noncompliance.

JUDICIAL REVIEW

SEC. 107. (a) If any State or local educational agency is dissatisfied with the Commissioner's final action with respect to the approval of its application submitted under section 103 or 104, or with his final action under section 106, such State or local educational agency may within sixty days after notice of such action file with the United States court of appeals for the circuit in which such agency is located a petition for review of that action. A copy of that petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner shall file promptly in the court the record of the proceedings on which he based his action, as provided for in section 2112 of title 28, United States Code.

(b) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

PROHIBITIONS AND LIMITATIONS

SEC. 108. (a) Nothing contained in this title shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

(b) Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for the construction of facilities as a place of worship.

ADMINISTRATION

SEC. 109. (a) The Commissioner may delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act, the Commissioner is authorized to use the services and facilities of any agency of the Federal Government and of any other public agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement as may be agreed upon.

TERMINATION OF PROGRAMS

SEC. 110. (a) Effective July 1, 1973, title V of the Elementary and Secondary Education Act of 1965 is repealed.

(b) Title III of the National Defense Education Act of 1965 is repealed effective the first fiscal year following enactment of this Act in which funds appropriated under section 101(a) for that year equal funds authorized to be appropriated for that year.

DEFINITION

SEC. 111. (a) "Per pupil expenditure" means, for any State or local educational agency, the aggregate current expenditure for elementary and/or secondary education

during the fiscal year divided by the number of children in average daily membership to whom such agency has provided free public education. Except for purposes of section 102, such expenditure shall not include the cost of transportation, health, maintenance or construction of physical facilities, or activities related to compensatory education or education of the mentally retarded or physically handicapped, as defined pursuant to criteria established by the Commissioner, nor any financial assistance received by State or local educational agencies under title I of the Elementary and Secondary Education Act of 1965.

(b) for the purposes of this title, the term "State" shall include the District of Columbia.

(c) the Federal share for any fiscal year shall be equal to 80 per centum of the cost of grants, programs and activities undertaken pursuant to this title.

TITLE II—EXPERIMENTAL ACHIEVEMENT PROGRESS TEST

SEC. 201. Title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"SEC. 812. (a) After consultation with the Director of the National Institute of Education, the Commissioner is authorized and directed, on an experimental basis, to conduct, either directly or by way of grant, contract or other arrangement, a program to demonstrate the feasibility of administering achievement progress tests in reading and mathematics to be given by local educational agencies within a State to the elementary and secondary school children in the schools of such agencies, in order to provide financial assistance to such agencies, in accordance with this Act, based upon the improvement reflected in such achievement progress tests.

"(b) The Commissioner may conduct or provide for the conduct of such achievement progress tests in not more than 15 local educational agencies upon application by such districts. The Commissioner shall select the local educational agencies in which to conduct the experimental programs authorized by this Act so as to assure a wide geographical representation throughout the United States, and an appropriate range of size and types of participating school districts.

"(c) The achievement progress tests in reading and mathematics shall be approved by the Commissioner and shall be administered to the elementary and secondary school children not later than June 1 in each year.

"(d) In carrying out the program authorized by this section, the Commissioner shall establish a minimum satisfactory performance score for elementary and secondary school children for each appropriate grade. In establishing the minimum satisfactory performance score, the Commissioner shall consider the objective to be the necessary progress to enable each such elementary or secondary school child to be able to read and calculate well enough to function as a self-sufficient individual in American society.

"(e) For each fiscal year beginning after June 30, 1974, the Commissioner is authorized to make a payment to the local educational agency in which an achievement progress test in reading and mathematics is being conducted as follows: The amount of such payment to a local educational agency participating in the program under this section shall be equal to an amount not to exceed $300 for each unit of improvement, by an elementary or secondary school child whose score on the achievement progress test in the year preceding the year for which the determination is made was below the minimum performance score set under subsection (d) of this section, the most recent achievement progress test as compared to the test given in the preceding year: *Provided, however*, That the average of payments for all participating local educational agencies not exceed $200 nor be less than $150 for each such unit of improvement. Payments made under this subsection may be used for any educational program or activity conducted by the schools of the local educational agencies participating in the program under this section.

"(f) No grant may be made and no contract may be entered into under this section unless an application is made to the Commissioner at such time, in such manner, and containing or accompanied by such information as the Commissioner may reasonably require.

"(g) (1) Each fiscal year, the Commissioner shall be authorized to make whatever arrangements are appropriate for conducting achievement progress tests in reading and mathematics of children attending nonpublic elementary and secondary schools in areas under the jurisdiction of the local educational agencies participating in programs under this section.

"(2) For fiscal years beginning after June 30, 1974, a payment may be made to an appropriate local educational agency for additional special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile education services and equipment) for children attending private elementary and secondary schools who have participated in the program authorized by this subsection. No such payment shall exceed the amount payable under subsection (e) of this section per child for each eligible child participating in the program under this subsection.

"(h) In conducting the program under this section, the Commissioner shall not permit the disclosure of any individual achievement progress test score obtained under this section, except to the parents or guardians of any such child, but the Commissioner shall disclose aggregate achievement progress test scores in order to carry out the provisions of subsection (i).

"(i) Not later than June 30, 1975, and again not later than June 30, 1976, the Commissioner shall prepare and submit to the President and the Congress a detailed and complete report of the administration of the experimental program authorized by this section, together with such recommendations, including recommendations for additional legislation, as he deemes appropriate.

(j) There are authorized to be appropriated to carry out the provisions of this section such sums as may be necessary.

TITLE III—AMENDMENT TO GENERAL EDUCATION PROVISIONS ACT

SEC. 301. Section 422 of the General Education Provisions Act, "Prohibition Against Federal Control of Education" is amended by striking out the word "or" and by adding immediately before the word "shall' a semicolon and the following: "or the Elementary and Secondary Education Assistance Act of 1973."

FACT SHEET ON ELEMENTARY AND SECONDARY EDUCATION ASSISTANCE ACT OF 1973

Sets forth four purposes: (1) provide increased financial resources for elementary and secondary education, (2) redress inequitable distribution of educational resources among school districts within a state, (3) improve educational achievement of educationally disadvantaged children, and (4) relieve the pressure for property tax increases to support rising education costs.

TITLE I

Authorizes $4.5 billion annually for elementary and secondary general education grants to states (more than $4.25 billion of which is new money). Funds available to states on an 80–20 matching basis.

Apportions funds among states on the basis of school-aged population, need, tax effort for education, and reliance on sources other than the local property tax as a means of raising revenue for education.

Specifies that, in order to receive funds, a state must submit annually a plan showing how it will distribute the funds, in conjunction with state and local resources, to assure that every school district will spend at least 80% of a target per pupil expenditure. Big city school districts, where the cost of education is higher, will spend 100% of the target expenditure.

The target expenditure for each state is the per pupil expenditure the previous year of the school district in that state at the 90th percentile in per pupil expenditure.

The effect is to place a floor under the per pupil spending of all school districts in the state while still permitting any school district to spend as much as it wishes.

Federal general education grants above the amount necessary to meet above criteria will be allocated by the state to local school districts—50% on the basis of student enrollment and 50% on the basis of low-income population.

Local school districts receive funds, which may be used for any educational program or purpose, through state education agencies.

Funds must be provided for benefit of students attending private non-profit schools for secular, neutral, and non-ideological educational services, materials, and equipment (language from most recent Supreme Court decision relating to aid to children attending private schools).

Includes maintenance of effort requirements on both state and local education agency recipients—but provides state may assume all or part of LEA responsibility.

Requires that achievement program by school be made public, protecting individual test scores from disclosure, and provides state with 5% bonus if it adopts or has adopted a comprehensive assessment program including an analysis of academic achievement by school and other appropriate factors specified by the Commissioner of Education.

Terminates present ESEA Title V (Aid to improve state education offices) but sets aside greater amount of funds for similar purposes.

Terminates Title III (grants for equipment and minor remodeling) upon full funding of the Act.

Safeguards existing compensatory education programs under Title I, ESEA by requiring at least continued funding at FY 1974 levels.

TITLE II

Sets up an education achievement grant experiment for no more than 15 school districts. Experiment will be carefully evaluated to determine whether the concept can be extended to a national program.

Districts selected to participate would give annual tests in reading and math to all Title I ESEA students in the State. A school district would receive a $150 Achievement Progress bonus for each Title I student whose test score showed achievement progress of at least one year. The achievement progress bonus could be used by the school district for general education aid. Receipt of funds under the present Title I program would not be affected by the new program.

Protects individual test scores from disclosure except to parents, but requires public disclosure of test scores aggregated by school, local education agency and State.

Authorizes for appropriation such sums as may be necessary.

Mr. STEVENSON. Mr. President, as a people we have always believed that every child should be provided with an equal opportunity to succeed in society. Everyone should start the race from the same starting line. The most

fundamental manner of assuring that the race is fair has been through our public education system. The oft-stated goal of that system has been to provide every child with quality education in an environment which encourages learning.

The reality is otherwise. Too often the quality of a child's education is determined by nothing more than an accident of geography.

Children in wealthy communities attend small classes in modern, well-maintained schools. Their schools have special programs to suit the needs and interests of every child. They are stocked with the latest educational instructional equipment. And they are safe to attend.

Children in nonwealthy communities too often attend schools which are run down and deteriorated. There are not enough teachers to pay attention to the important needs of individual children. The equipment is old and sometimes there is not enough to go around. And too often the school and its surroundings inspire fear for the child's personal safety.

Such a situation cannot continue if we are serious about our commitment to equal education. There are those who would have us believe that the most important educational issue facing us is whether to bus children. The real issue is whether we are willing to assure a quality education for every American child regardless of where he lives or attends school.

The Supreme Court has now ruled that the Constitution does not forbid a system in which the quality of education is dependent upon the wealth of a community. But the Court also added that the need for reform in our system of financing education was apparent. In short the Court said:

> Our education system—and particularly its financing—must be reformed, but it is up to Congress and the state legislatures to accomplish that rather than the courts.

Reform is necessary because of the present overdependence on local property taxes to finance public education. As a result, educational disparities are perversely distributed: weathy communities are able to spend more to educate their children than are poorer, more needy communities. In my own State of Illinois, per pupil expenditures by school districts range from a high of $1,740 to a low of $580.

Simply increasing the amount of money spent per student, however, does not guarantee that students will receive a better education. More money, more equitably distributed, is necessary, but money in itself is not enough. Parents have become vocal in their dissatisfaction with the education in our schools. Too many children do not learn the basic skills necessary for meaningful participation in American life, and many children fall far short of reaching their intellectual potential.

I am today introducing with Senators MONDALE and JAVITS legislation to assure that the quality of a student's education is not an accident of geography. The legislation is similar to legislation we submitted during the last session of Congress.

Our bill does not provide all the answers—but it heads in the right direction. It consists of two parts. The first is a new program of general education assistance to States, while the second part provides for a small scale experiment to make title I of ESEA more effective.

The general assistance program would provide States with an additional $4 billion annually for elementary and secondary education—more than doubling the amount the Federal Government now spends for all elementary and secondary education programs. States would have to match Federal dollars on an 80–20 basis, so the program would actually increase total spending for education by more than $5 billion. The present programs with the exception of impact aid are all categorical. Federal funds are earmarked for specific purposes and cannot be used by school districts as they see fit to offset rising operating costs or meet locally determined priorities. Our proposal would terminate two categorical programs which together now account for $150 million in annual Federal expenditures.

States will be able to use the new general assistance funds for any educational purpose including, of course, purposes now served by categorical programs being eliminated—title V of ESEA—grants for State school superintendents' offices and title III of NDEA—grants for equipment and minor remodeling.

The general assistance funds would be distributed by formula to each of the State education agencies. The formula for distribution of Federal funds among the States would be based upon State effort, State capacity, the total number of school-aged students, and the reliance on the property tax in raising revenue for public education—those States which place less reliance on the property tax receiving relatively more Federal assistance. A portion of each State's allotment would be set aside to assure that nonideological, nonreligious educational services would be provided to students attending nondiscriminatory private schools. States with comprehensive educational assessment programs would receive an additional 5 percent above their formula allotment.

States would be prohibited from distributing any general grant-in-aid funds to school districts or private schools which discriminate. Federal funds could not be commingled with State or local funds.

A State would have to meet one basic condition before receiving any funds under this new general aid program. It must submit a plan showing how it will reduce the gross disparities in per pupil expenditures which exist among the various school districts within the State. The plan may utilize any financial system the State wishes, including the use of the Federal general assistance funds for this purpose.

The Federal Government would not mandate, review or even suggest the means by which a State should reduce these disparities. The Federal Government's role would be confined to determining annually whether disparities were within the range clearly set forth in the legislation. If in any year after the first year in which the State received general aid funds, disparities were not within the permissible range, a State would not be eligible for general assistance funds for the next year unless it resubmitted a plan showing how disparities would be reduced. If the disparities were still not reduced to within the permissible range after that year, the State would not be eligible for future general assistance funds until the disparities were within the permissible range.

Let me explain how the permissible range of disparities would be determined. In any year, a State would have to guarantee that the per pupil educational expenditure of every elementary and secondary school district within the State would be at least 80 percent of a target per pupil expenditure level. Large city school districts, because of the higher cost of purchasing educational services within large cities, would have to spend at the full target level. The target per pupil expenditure level would be defined as the per pupil expenditure level during the previous year of the school district whose per pupil education expenditures that year were exceeded by only 10 percent of the other school districts in the State.

This standard would set a reasonable floor, but not a ceiling, on a school district's per pupil expenditures. A district could spend as much per pupil as it wished. But the State would be responsible for assuring through allocation of the new Federal general aid and its own State finance program that no school district could spend less per pupil on education needs than 80 percent of what the target district spent per pupil in the previous year. Nearly all States would be able to meet this requirement easily during the first years of the program through intelligent allocation of their Federal general education assistance.

The bill very carefully defines per pupil expenditures to cover solely education needs. Often large cities have high costs due to maintenance problems and special programs for a limited number of students, which, while clearly necessary, do not contribute directly to providing better education for the vast majority of children in the district. Nonetheless, these costs are usually included in calculations in per pupil expenditures. The result of this method of calculation is to artificially inflate per pupil expenditures in central cities.

The criteria for reduction of educational expenditure disparities could be met in most cases by distributing about 60 percent of the new Federal funds on top of existing State finance patterns. This bill specifies that 50 percent of general-grant-to-education funds left over after a State has satisfied the equalization criteria, must be distributed to local school districts on the basis of total enrollment. Our bill recognizes the higher cost of educating lower income children by requiring the remaining 50 percent of "leftover" general-grant-to-education funds be distributed to school districts according to the number of children from low-income families enrolled.

The purpose of the legislation is to enable States and local school districts to improve the quality of education children receive without resorting to additional

and onerous property tax increases. If States merely reduce their present educational expenditures from State and local sources, the goal of encouraging quality education will be thwarted.

Therefore, our bill includes a maintenance-of-effort provision requiring that, as a condition of receiving Federal general aid, States and localities must spend as much of their own funds per pupil for basic educational purposes in the year in which funding is applied for, as they spent in the previous fiscal year. Since we do not wish to foreclose from States the option of relieving local property tax burdens or of moving toward greater State assumption of education costs, a school district could meet the local maintenance-of-effort requirement by substituting additional new State funds for funds raised locally the previous year.

This legislation does not mandate a specific State education finance structure. It permits any structure, including new structures States may devise or be required to implement, so long as educational resources are not inequitably distributed.

The second part of the proposal addresses itself directly to quality education by focusing on the results of the educational process rather than solely on the availability of resources.

At present, title I of the Elementary and Secondary Education Act of 1965 provides funds for compensatory education to local school districts with a high concentration of children from low-income families. School districts must concentrate these funds on specific title I schools.

Unfortunately, title I does not contain strong incentives for assuring that students will actually receive the basic skills necessary for self-sufficiency. It is an input-oriented program focusing on improving the performance of children with educational deficiencies.

Our proposal would provide for an experiment with an achievement-oriented program. Beginning in fiscal year 1975 up to 15 school districts would be selected to participate in an education achievement grant experiment designed to test the effectiveness of providing monetary incentives for schools to provide quality education. If a district were chosen to participate, it would administer annually standardized tests in the two basic cognitive skills—reading and mathematics—to all students in title I schools throughout the district. The test would be selected by the district and certified by the U.S. Commissioner of Education. To receive certification, the test must be designed to measure a student's progress toward the objective of being able to read and calculate sufficiently well to function independently and to participate actively in American society. The overall results of the test scores by school must be made public, but there would be a strict prohibition against disclosure of an individual student's test score except to his parents.

Every participating school district would receive achievement progress bonuses varying from district to district, but averaging between $150 to $200 for each title I student in the district who made satisfactory progress in reading and mathematics over the course of the school year. The school district could use the achievement progress bonus as general education aid.

It is hoped that the education achievement grant program would provide schools with strong incentives to improve skill achievement and to demonstrate that our public school system can effectively teach educationally disadvantaged children. The experiment will be carefully structured and assessed to determine the impact of education achievement grants. The Commissioner of Education is charged with submitting an evaluation to the President and Congress by June 30, 1975 and again by June 30, 1976. The report will include recommendations for further legislation.

I must emphasize that this bill would not change the present mechanism for distributing title I funds to the 15 participating districts, nor would it restrict or change the uses to which the title I funds can be put. Title I funds would continue to flow to school districts regardless of whether they participated in the education achievement grant program. Nor would future title I funding be contingent upon satisfactory test scores of a school's title I students. The achievement progress bonus is a reward for school districts which do well; there is no penalty for failure because withholding title I funds would only penalize students who are most in need of extra educational resources.

Our proposal would not change the General Education Provisions Act prohibition against Federal involvement in determining either what is taught in American schools or how it is taught. The Federal Government would not mandate the structure or content of school curricula; it would only provide an incentive for schools to devise and utilize whatever methods they determine actually produce quality education.

The bill we are introducing today recognizes that we must provide sufficient resources and incentives to turn the promise of quality education to a reality.

It is not by any means perfect, but it is a start toward a new concept of Federal assistance for schools offering greater equality of educational opportunity and more discretion at the local level. Too often the debate has centered on the inflammatory issue of "busing." This bill offers a constructive answer to inequality in education. I would prefer to see more categorical programs folded into this concept of general aid to permit local school districts still more discretion in the determination of educational priorities. But the bill is a good beginning and a vehicle for serious congressional consideration of ways to improve both the quality and equality of education with a minimum of Federal involvement.

By Mr. CURTIS (for himself, Mr. BAKER, Mr. BELLMON, Mr. BENTSEN, Mr. CASE, Mr. CRANSTON, Mr. DOLE, Mr. EASTLAND, Mr. ERVIN, Mr. GURNEY, Mr. HANSEN, Mr. HELMS, Mr. HRUSKA, Mr. MCCLURE, Mr. RANDOLPH, Mr. THURMOND, Mr. TOWER, Mr. YOUNG, Mr. DOMENICI, Mr. MATHIAS, and Mr. BUCKLEY):

S. 2415. A bill to amend section 203 of the Economic Stabilization Act of 1970 to permit the passthrough of certain cost increases. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. CURTIS. Mr. President, an injustice of major proportion has been heaped upon the retail gasoline stations and their operators across the United States by the Cost of Living Council.

Many of us in the Senate and also many Members of the House of Representatives have learned of this injustice through telephone calls, telegrams, and letters from our home States.

We have taken up the problem with the Cost of Living Council, requesting relief by the quickest possible method for the stations and their operators.

The Cost of Living Council has dawdled and delayed, and it is time for those of us who know and understand the economic "squeeze" which is besetting the retail gasoline and diesel industry to do something about it.

Consequently, I am offering herewith a bill which a number of Members of the Senate have joined me in sponsoring.

This bill would amend the Economic Stabilization Act of 1970 to authorize retailers to pass along to the ultimate consumers or buyers of their products any increase in costs of goods or services which retailers must pay for those products.

At the present time a number of service stations have been hit with wholesale price increases which, under the Cost of Living Council regulations, they cannot pass along to their customers.

These increases are the result of price hikes imposed by several oil companies of 1 to 2 cents a gallon. Under the price control regulations, most service stations are limited to a 7-cent-a-gallon markup above the prices they paid for gasoline and diesel fuel on August 1. That is not enough of a markup for most of the stations in Nebraska to stay in business. Reducing that markup by 1 or 2 or more cents because of a wholesale price increase which cannot be passed along to the consumer is unfair, unjust, and absurd. My bill would correct this by allowing a passthrough.

Mr. CRANSTON. Mr. President, I'm pleased to join my colleague from Nebraska in proposing this amendment to the economic stabilization program.

During the past several days representatives of service station dealerships throughout California have contacted me by telephone and in person to protest the unreasonable pricing formula which they must live under in phase IV.

When the freeze on gasoline was lifted last weekend, it meant a rollback for many California dealers of several pennies per gallon. This rolled back their already meager profits. Their prices which they pay the oil companies were not rolled back. Just their small profit margins.

Service station dealers are the only segment of the entire economy that has been subjected to this treatment under phase IV. With an average profit margin over the past year of about 5 percent, this is the industry that has been singled out for punishment.

They have come to Washington to-

day—not just from California, but from all over the country—to show their representatives in Congress that they cannot do business under the new rules and make a profit. They say they were not consulted in the making of the new rules—that the Cost of Living Council would not listen to them. And from what I have heard of their plight, I believe it.

They proposed to me today a 30-day extension of the pre-phase IV freeze. A return of the freeze that was in effect until last Friday night. This would allow time to work out improved regulations. Regulations that would protect consumers against unreasonable gasoline prices, and at the same time allow gasoline dealers a modest profit from their businesses.

Other small businessmen are exempt entirely from phase IV controls. I fail to understand why these particular small businessmen are being treated so harshly.

A representative of the Cost of Living Council met today with some dealers from California. They proposed a 30-day extension of the freeze and he told them to put it in writing.

They will put it in writing. And so will I. I hope the Cost of Living Council will grant the request. It seems to me the only reasonable and fair thing to do. New regulations need to be worked out, with the cooperation of those most affected by them. This needs time.

I am joining my distinguished colleague from Nebraska in cosponsoring this legislation to draw attention to the seriousness of the plight of service station dealers. If the administration fails to reconsider its actions, I think Congress must act to bring fairness and reason to an important part of phase IV.

We should recognize that unless dealers can make a fair profit and stay in business, countless motorists will soon face the fact that it will be tough to find gas anywhere—at any price.

By Mr. JAVITS:

S. 2416. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide increased protection for consumers from shipment of unfit and adulterated food. Referred to the Committee on Labor and Public Welfare and if and when reported, to the Committee on Commerce if they should so desire to examine that portion of the bill dealing with interstate commerce.

FOOD PROCESSING ESTABLISHMENT REGISTRATION ACT

Mr. JAVITS. Mr. President, I introduce the administration's "Food Processing Establishment Registration Act," which would provide increased protection for consumers from the shipment of unfit and adulterated food.

The Health Subcommittee of the Committee on Labor and Public Welfare—on which I am the ranking minority member—has just concluded hearings on legislation to require the Food and Drug Administration to conduct surveillance programs to detect and prevent adulterated food from reaching the marketplace and to provide for the mandatory registration of food processing establishments.

At these hearings, the administration testified—Lloyd B. Tepper, M.D., Associate Commissioner for Science, Food, and Drug Administration, Public Health Service, Department of Health, Education and Welfare—in support of Senator KENNEDY's amendment to provide for the mandatory registration of food processing establishments. Also, there was unanimous support of all witnesses—industry and consumer groups—as to the need for the mandatory registration of food processing establishments. The bill I introduce today for the administration is intended to accomplish that objective and differs only in matters of perfecting technical detail from Senator KENNEDY's amendment.

A summary of the bill—designed to assist the Food and Drug Administration in protecting the public against adulterated and misbranded food—and the Department of Health, Education, and Welfare's views on how this bill would be implemented are set forth in detail in the letter of transmittal by Secretary Weinberger. I ask unanimous consent that a copy of the bill and Secretary Weinberger's letter of transmittal be printed in the RECORD at the conclusion of my remarks.

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

S. 2416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Processing Establishment Registration Act".

SEC. 2. The Congress finds and declares that in order to make regulation of interstate commerce in food effective, it is necessary to provide for registration of all establishments in which foods are manufactured, processed, or packed; that the products of all such establishments are likely to enter the channels of interstate commerce and directly affect such commerce; and that the regulation of interstate commerce in food, without provision for registration of establishments that may be engaged only in intrastate commerce in such food, would discriminate against and depress interstate commerce in such food and adversely burden, obstruct, and affect such interstate commerce.

SEC. 3. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Chapter 9, subchapter IV) is amended by adding after section 409 the following new section:

"REGISTRATION OF FOOD PROCESSING ESTABLISHMENTS

"DEFINITIONS

"SEC. 410. (a) As used in this section, (1) the term 'name' includes in the case of a partnership the name of each partner and in the case of a corporation the name of each principal corporate officer and the State of incorporation and (2) the terms 'processing' and 'processed' include the manufacturing, processing, packing, labeling, storing, importing or otherwise handling food.

"BIENNIAL REGISTRATION

"(b) On or before December 31 of each even-numbered year, every person who owns or operates any establishment in any State engaged in processing food shall register with the Secretary his name, principal place of business, the location of each such establishment, and for each such establishment, a list, in such form as the Secretary's regulations shall prescribe, of all classes of food processed at that establishment that such regulations require to be so listed, and the type of processing being carried out at such establishment. To achieve uniformity in the registration of classes of food, the Secretary shall promulgate regulations defining food classes and types of processing for purposes of the registration required by this section.

"NEW PROCESSORS

"(c) Any person upon first engaging in the processing of food in any establishment which he owns or operates in any State shall immediately register with the Secretary as provided by subsection (b).

"ADDITIONAL ESTABLISHMENTS

"(d) Every person required to register in accordance with subsection (b) or (c) of this section shall immediately register with the Secretary, as provided by subsection (b), any additional establishment which he owns or operates in any State and in which he begins the processing of food.

"REGISTRATION NUMBER

"(e) The Secretary may assign a registration number to any person or any establishment registered in accordance with this section.

"AVAILABILITY OF REGISTRATIONS FOR INSPECTION

"(f) The Secretary shall make available for inspection to any person so requesting, any registration filed pursuant to this section.

"EXCLUSIONS FROM APPLICATION OF SECTION

"(g) The Secretary may by regulation exempt, in whole or in part, any class of persons or establishments from the application of this section upon a finding that registration by such class in accordance with this section is not necessary for the protection of the public health.

"FOREIGN ESTABLISHMENTS

"(h) The Secretary may by regulation provide for the registration of foreign establishments engaged in the processing of food intended to be offered for importation into the United States."

SEC. 4. Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding after paragraph (p) the following:

"(q) The failure to register as required by section 410."

SEC. 5. (a) Section 403 of such Act (21 U.S.C. 343) is amended by adding at the end thereof the following new subsection:

"(o) If it is a food and it was processed in an establishment in any State required to be registered under section 410 of this Act and not so registered."

(b) Section 801(a) of such Act (21 U.S.C. 381(a)) is amended by inserting "(1)" immediately after "(a)" and adding at the end thereof:

"(2) The Secretary may refuse entry of any food offered for importation into the United States which has been processed in any establishment other than an establishment registered pursuant to section 410."

SEC. 6. (a) The amendments made by sections 3 and 4 of this Act shall take effect on the first day of the seventh calendar month which begins after the month in which this Act is enacted.

(b) Any person who, on the day immediately preceding the date of enactment of this Act, owned or operated any establishment in any State engaged in the processing of food, shall, if, prior to the first day of the seventh calendar month which begins after the month in which this Act is enacted, he registers with the Secretary his name, principal place of business, and location of each such establishment, be deemed to have complied with section 410 of the Federal Food, Drug, and Cosmetic Act for the calendar year 1973. Such registration, if made within such period and effected in 1974, shall be deemed to be in compliance with such section for that calendar year.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
September 10, 1973.

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

DEAR MR. PRESIDENT: We enclose for the consideration of the Congress a draft bill "To amend the Federal Food, Drug, and Cosmetic Act to provide increased protection for consumers from shipment of unfit and adulterated food." The bill bears the short title of the "Food Processing Establishment Registration Act".

Our proposal would require persons who own or operate food processing establishments, both in interstate and intrastate commerce, to register biennially with the Secretary, subject to exemptions that the Secretary may by regulation promulgate in cases in which registration is not necessary for the protection of the public health.

Registrants would be required, at the time of registration, to provide the Secretary with a list of those classes of food processed at such establishments that the Secretary, by regulation, may designate. The registration (including the food list) would be available to the public.

The draft bill would also authorize the Secretary to provide for the registration of foreign food processing establishments engaged in processing food intended for import into the United States, and to bar importation by unregistered foreign establishments.

The draft bill would take effect on the first day of the seventh calendar month which begins after the month in which it is enacted.

Our proposal is designed to assist the Food and Drug Administration in protecting the public against adulterated and misbranded food by providing the agency with an effective means of determining, and keeping current information on, the location and products of food processing establishments now subject to inspection and surveillance under the Federal Food, Drug, and Cosmetic Act. It would also enable us directly to advise foreign food processors who export their products to the United States of current regulatory requirements, rather than relying upon importers to be aware of those requirements and to advise such processors. In administering the enacted bill, we contemplate exempting from its registration provisions some categories of persons who literally fall within them but with respect to whom registration would serve no useful purpose. Among these would be catering establishments and sidewalk vendors. In addition, upon enactment of this draft legislation, we intend to exempt administratively from the registration requirement all food processors registered with the Department of Agriculture under such statutes as the Egg Products Inspection Act and Federal Meat Inspection Act with respect to those products subject to regulation by the Department of Agriculture.

The draft bill would not empower the Secretary to deny registration to any person that the bill requires to register. The bill's purpose is not one of licensing, but rather one of assuring the adequacy of the inspection and surveillance program that the law now mandates.

We ask that the draft bill receive the prompt and favorable consideration of the Congress.

We are advised by the Office of Management and Budget that enactment of this draft bill would be consistent with the program of the President.

Sincerely,
CASPAR WEINBERGER, *Secretary.*

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that the bill introduced today by the distinguished Senator from New York (Mr. JAVITS) on food processing establishment registration be referred to the Committee on Labor and Public Welfare and that, if and when reported by that committee, it be referred to the Committee on Commerce if that committee should desire to examine that portion of the bill.

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

By Mr. CRANSTON:

S. 2417. A bill to amend the Federal Election Campaign Act of 1971 to provide public financing of campaign costs incurred in campaigns for election to Federal office, to repeal the Presidential Election Campaign Fund Act, and for other purposes. Referred jointly, by unanimous consent, to the Committees on Finance and Rules and Administration.

JOINT REFERRAL OF CLEAN ELECTIONS FINANCING ACT TO COMMITTEES ON FINANCE AND RULES AND ADMINISTRATION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the bill at the desk entitled the "Clean Elections Financing Act" (S. 2417) be jointly referred to the Finance Committee and the Rules and Administration Committee.

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

ADDITIONAL COSPONSORS OF BILLS

S. 838

At the request of Mr. TOWER, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 838, to amend title 10, United States Code, to permit the recomputation of retired pay of certain members and former members of the Armed Forces.

S. 1063

At the request of Mr. HUMPHREY, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 1063, 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. 1537

At the request of Mr. BURDICK, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1537, to amend the Internal Revenue of 1954 to exempt certain farm vehicles from the highway use tax, and to require that evidence of payment of such tax be shown on highway motor vehicles subject to tax.

S. 1745

At the request of Mr. MONDALE, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1745, to provide financial assistance for research activities for the study of sudden infant death syndrome, and for other purposes.

S. 1844

At the request of Mr. ABOUREZK, the Senators from Pennsylvania (Mr. SCOTT and Mr. SCHWEIKER), the Senator from Alaska (Mr. STEVENS), the Senator from Maine (Mr. HATHAWAY), and the Senator from Montana (Mr. METCALF) were added as cosponsors of S. 1844, the American Folklife Preservation Act.

S. 1918

At the request of Mr. BURDICK, the Senator from Wyoming (Mr. MCGEE) and the Senator from Utah (Mr. MOSS) were added as cosponsors of S. 1918, to allow the States to designate agents to conduct audits on behalf of any designating State or group of States.

S. 2190

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Mr. JAVITS, Mr. MONTOYA, and Mr. WILLIAMS be added as cosponsors of S. 2190, a bill to provide housing for persons in rural areas of the United States on an emergency basis. Referred to the Committee on Banking, Housing and Urban Affairs.

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

Mr. ABOUREZK. I am grateful that Senators JAVITS, MONTOYA, and WILLIAMS have joined us in cosponsoring the Emergency Rural Housing Act.

This brings the number of Senators who have put their names on this bill up to 25.

This represents an emphatic statement by a quarter of the Senate that Federal housing policy must take into account the special needs and special problems of rural America.

In addition, I understand that a number of Governors already have, or are in the process, of communicating their support of this bill to us.

The problem to which this bill speaks is that Federal housing policy for rural America to date has been a fragmented and incomplete policy.

For instance, a study completed by the Rural Housing Alliance and the Housing Assistance Council recently showed that one-half of the Nation's counties, almost all of them rural, still have no public housing at all.

This is despite the fact that there are something like one million rural American families with an average rent-paying capacity of $14 a month who are in need of better housing.

The other HUD programs rely upon the presence of private mortgage lenders at the local level who must work in tandem with nonprofit sponsors or specialized local government groups, and these things, too, are missing in rural America.

In my own State of South Dakota, for instance, the two largest cities are at either end of the State—and they have taken 75 percent of the 235 units in the whole State and 98 percent of the 236 units.

The figures for the other programs, such as 221(d)(3), are comparable.

It costs a minimum of $20,000 to build a modest home anywhere in South Dakota, partly because we have to have furnaces and insulation to cope with Northern Plains winters and partly because so much of the material has to be shipped quite a distance.

This means that even at 1 percent interest, a family of four would have to have at least $6,750 annual income to buy a house.

Meanwhile, there are more than 36,000

South Dakota families—more than one-fifth of all our families—who have incomes under $4,000 a year.

And there are more than 30,000 South Dakota families who are in need of better housing right now.

And that situation is going to get worse before it gets better, because about 60 percent of our current housing stock was built before 1939.

To make it worse, when compared to the national figures South Dakota is disproportionately older and disproportionately poorer.

What we mean to say by this bill is that all of the existing agencies will be allowed—in fact, encouraged and expanded—to do all that they can in rural America. But beyond that, we recognize that there will still be literally millions of rural families whose need for housing will not be met even by the most aggressive expansion of our present efforts.

We recognize further, honestly and realistically, that the bulk of those families who cannot be served by an expansion of the existing approach will be old, or poor, or physically out of range of an existing agency, or victims of some kind of discrimination.

To reduce the matter to its ultimate simplicity, we have not yet designed a housing delivery system which can reach every corner and every person, no matter how remote, in a country which encompasses more than 3.6 million square miles.

That is what this bill would try to do.

It does not pretend to be perfect. All we propose to do in the Emergency Rural Housing Act is outline some new, innovative, and basic ideas about how a job like that can be done.

The bill has a number of promising concepts which we recommend become part of Federal housing policy, and I am very pleased on this day to take note that at least one-fourth of the Senate agrees.

S. 2238

At the request of Mr. MONDALE, the Senator from Michigan (Mr. HART) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 2238, a bill to amend the Internal Revenue Code of 1954 to increase the maximum credit and deduction allowable with respect to contributions to candidates for public office, to make certain changes in subtitle H of such Code with respect to the financing of Presidential election campaigns, and for other purposes.

SENATE RESOLUTION 169—SUBMISSION OF A RESOLUTION RELATING TO APPEARANCE OF THE FINANCIAL CLERK OF THE SENATE

(Considered and agreed to.)

Mr. MANSFIELD submitted a resolution (S. Res. 169) relating to the appearance of the Financial Clerk or his designee, and the production of Senate records, with respect to a certain criminal proceeding.

(The resolution is printed in full when submitted by Mr. MANSFIELD, and appears under a separate heading at a later point in the RECORD.)

MILITARY APPROPRIATIONS AUTHORIZATION, 1974—AMENDMENT

AMENDMENT NO. 476

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

Mr. GOLDWATER submitted an amendment, intended to be proposed by him, to the bill (H.R. 9286) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each reserve component of the Armed Forces, and the military training student loads, and for other purposes.

NOTICE OF MOTION TO SUSPEND PARAGRAPH 4 OF RULE XVI—AMENDMENT TO DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATION BILL, 1974

AMENDMENT NO. 477

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

Mr. PASTORE. Mr. President, I hereby give notice in writing to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill, H.R. 8916, making appropriations for the Departments of State, Justice, and Commerce, the judiciary and related agencies for the fiscal year ending June 30, 1974, an amendment to be inserted in the bill at the proper place. I ask unanimous consent that this notice be considered as meeting the requirements of rule XL.

Mr. TOWER. Mr. President, reserving the right to object—and I do not intend to object—could the Senator explain his request?

Mr. PASTORE. Yes. This is the so-called amendment proposed by the Senator from North Carolina (Mr. ERVIN) with reference to releasing FBI information to non-Federal agencies and other private persons.

The PRESIDING OFFICER. The Chair announces that unanimous-consent request is not required. If 1 day's notice is given, that is all that is required.

Mr. PASTORE. Well, we have double-riveted it.

The motion to suspend is as follows:

NOTICE OF MOTION TO SUSPEND THE RULE

Mr. PASTORE submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 8916) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes, the following amendment, at the appropriate place, namely:

"The funds provided for Salaries and Expenses, Federal Bureau of Investigation, may be used, in addition to those uses authorized thereunder, for the exchange of identification records with officials of federally chartered or insured banking institutions to promote or maintain the security of those institutions, and, if authorized by State statute and approved by the Attorney General, to officials of State and local governments for purposes of employment and licensing, any such exchange to be made only for the official use of any such official and subject to the same restriction with respect to dissemination as that provided for under the aforementioned appropriation: *Provided, however,* That the Federal Bureau of Investigation is hereby forbidden to furnish officials of federally chartered or insured banking institutions or officials of any State or local government any identification or other records indicating that any person has been arrested on any criminal charge or charged with any criminal offense unless such record discloses that such person pleaded guilty or nolle contendere to or was convicted of such charge or offense in a court of justice."

Mr. PASTORE also submitted an amendment, intended to be proposed by him, to House bill 8916, making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes.

RETIREMENT INCOME SECURITY FOR EMPLOYEES ACT—AMENDMENTS

AMENDMENTS NOS. 478 AND 479

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

Mr. TAFT submitted two amendments, intended to be proposed by him, to the bill (S. 4) to strengthen and improve the protections and interests of participants and beneficiaries of employee pension and welfare benefit plans.

AMENDMENT NO. 481

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

PLAN TERMINATION INSURANCE

Mr. HARTKE. Mr. President, today I am submitting an amendment to S. 4, the Retirement Income Security for Employees Act.

In the first 7 months of 1972, 683 pension plans failed affecting 20,700 pension participants. My amendment would protect these workers by guaranteeing to them the payment of pension obligations if a plan should fail. It establishes a Federal insurance program which would be self-financing through premiums assessed on the unfunded liabilities of all eligible pension plans. A pension plan would be eligible for this Federal insurance protection only if it met the present qualifying requirements of section 401 of the Internal Revenue Code. These are the same requirements which determine the eligibility of pension funds for tax-exempt status.

The amendment provides that every eligible pension plan shall pay a uniform premium based upon the unfunded obligations of each insured fund, but in no case will this premium exceed one-half of 1 percent of each dollar of unfunded obligations. Vested benefits would be insured to a maximum of 80 percent of the highest average wage over a 5-year period or $500 monthly, whichever is less.

The Secretary of Labor, whose Department is given jurisdiction over the reinsurance program, is given general authority to set the premium rate. The program is specifically placed under the direction of the Secretary of Labor, since

his Department is charged historically with the protection of workers' interests and already collects detailed annual information on assets, costs, and actuarial liabilities under the Pension and Welfare Plans Disclosure Act.

Mr. President, under the Finance Committee's proposal, the 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.

My objection to this approach is that, 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.

My plan, as set out in this amendment, 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.

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. 481

Beginning on page 143, line 21, strike everything through and including page 152, line 19, and insert in lieu thereof the following:

"TITLE IV—PLAN TERMINATION INSURANCE

INSURANCE PROGRAM

SEC. 401. There is hereby established in the Department of Labor a program to be known as the "private pension plan insurance program".

PLAN TERMINATION INSURANCE

SEC. 402. (a) The program shall insure (to the extent provided in subsection (b)) beneficiaries of covered pension funds against the loss of benefits to which they are entitled under such pension fund arising from failure of the amounts contributed to such fund to provide benefits anticipated at the time such fund was established, if such failure is attributable to cessation of one or more of the operations carried on by the contributing employer in one or more facilities of such employer.

(b) The rights of beneficiaries shall be insured under the program only to the extent that such rights do not exceed—

(1) in the case of a right to a monthly retirement or disability benefit for the employee himself, the lesser of 80 per centum of his average monthly wage in the five-year period for which his earnings were the greatest, or $500 per month;

(2) in the case of a right on the part of one or more dependents, or members of the family of the employee, or in the case of a right to a lump-sum survivor benefit on account of the death of any employee, an amount found by the Secretary to be reasonably related to the amount determined under clause (1).

(c) In no case shall the insurance program be liable under this section unless the pension fund has maintained insurance under the program for the three years immediately preceding the occurrence of the liability of the program.

PREMIUM FOR PARTICIPATION IN PROGRAM

SEC. 403. (a) Each eligible pension fund may, upon application therefor, obtain insurance under the program upon payment of such annual premium as may be established by the Secretary. Premium rates established under this section shall be uniform for all pension funds insured by the program and shall be applied to the amount of the unfunded liabilities of each insured pension fund. The premium rates may be changed from year to year by the Secretary, when the Secretary determines changes to be necessary or advisable to give effect to the purposes of this Act; but in no event shall the premium rate exceed one-half of 1 per centum of each dollar of unfunded vested obligations.

(b) The Secretary of Labor, in determining premium rates, and in establishing formulas and standards for determining unfunded liabilities and assets of pension funds, shall consult with, and be guided by the advice of, the Advisory Council established under section 406.

(c) If the Secretary of Labor (after consulting with the Advisory Council) determines that, because of the limitation on rate of premium, established under subsection (a) or for other reasons, it is not feasible to insure against loss of rights of beneficiaries of insured pension funds, then the Secretary shall insure the rights of beneficiaries in accordance with the following order of priorities—

First, individuals who, at the time when there occurs the contingency insured against, are receiving benefits under the pension fund, and individuals who have attained normal retirement age or if no normal retirement age is fixed have reached the age when an unreduced old-age benefit is payable under title II of the Social Security Act, as amended, and who are eligible upon retirement, for retirement benefits under the pension fund;

Second, individuals who, at such time have attained the age for early retirement and who are entitled, upon early retirement, to early retirement benefits under the pension fund; or, if the pension fund plan does not provide for early retirement, individuals who, at such time, have attained age sixty and who, under such pension fund, are eligible for benefits upon retirement;

Third, in addition to individuals described in the above priorities, such other individuals as the Secretary of Labor, after consulting with the Advisory Council, shall prescribe.

(d) Notwithstanding the provisions of this section, the Secretary of Labor may reduce the premium for those multiemployer plans whose ratio of assets to liabilities or whose experience justifies such a reduction.

(e) Participation in the program by a pension fund shall be terminated by the Secretary of Labor upon failure, after such reasonable period as the Secretary of Labor shall prescribe, of such pension fund to make payment of premiums due for participation in the program.

REVOLVING FUND

SEC. 404. (a) In carrying out his duties under this Act, the Secretary of the Treasury shall establish a revolving fund into which all amounts paid into the program as premiums shall be deposited and from which all liabilities incurred under the program shall be paid.

(b) Moneys borrowed from the Treasury shall bear a rate of interest determined by the Secretary of the Treasury to be equal to the average rate on outstanding marketable obligations of the United States as of the period such moneys are borrowed. Such moneys shall be repaid by the Secretary of the Treasury from premiums paid into the revolving fund.

(c) Moneys in the revolving fund not required for current operations shall be invested in obligations of, or guaranteed as to principal and interest by, the United States.

RECOVERY

SEC. 405. (a) Where the employer or employers contributing to the terminating plan or who terminated the plan are not insolvent (within the meaning of section 1(19) of the Bankruptcy Act), such employer or employers (or any successor in interest to such employer or employers) shall be liable to reimburse program for any insurance benefits paid by the program to the beneficiaries of such terminated plan to the extent provided in this section.

(b) An employer, determined by the Secretary of Labor to be liable for reimbursement under subsection (a), shall be liable to pay 100 per centum of the terminated plan's unfunded vested liabilities on the date of such termination. In no event however, shall the employer's liability exceed 50 per centum of the net worth of such employer.

(c) The Secretary of Labor is authorized to make arrangements with employers, liable under subsection (a), for reimbursement of insurance paid by the Secretary of Labor, including arrangements for deferred payment on such terms and for such periods as are deemed equitable and appropriate.

(d) (1) If any employer or employers liable for any amount due under subsection (a) of this section neglects or refused to pay the same demand, the amount (including interest) shall be a lien in favor of the United States upon all property and rights in property, whether real or personal, belonging to such employer or employers.

(2) The lien imposed by paragraph (1) of this subsection shall not be valid as against a lien created under section 6321 of the Internal Revenue Code of 1954.

(3) Notice to the lien imposed by paragraph (1) of this subsection shall be filed in a manner and form prescribed by the Secretary of Labor. Such notice shall be valid notwithstanding any other provision of law regarding the form and content of a notice of lien.

(4) The Secretary of Labor shall promulgate rules and regulations with regard to the release of any lien imposed by paragraph (1) of this subsection.

ADVISORY COUNCIL

SEC. 406. (a) There is hereby created a Federal Advisory Council for Insurance of Employee's Pension Funds (herein referred to as the "Advisory Council"), which shall consist of nine members, to be appointed by the President, by and with the advice and consent of the Senate, at least two of whom shall be representatives of labor and at least two of whom shall be representatives of employers. The President shall select, for appointment to the Council, individuals who are, by reason of training or experience, or both, familiar with and competent to deal with problems involving employees' pension funds and problems relating to the insur-

ance of such funds. Members of the Council shall be appointed for a term of two years.

(b) Appointed members of the Council shall receive compensation at rates not to exceed the daily rate prescribed for GS-18 under section 5332, title 5, United States Code, for each day they are engaged in the actual performances of their duties, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expense authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

(c) It shall be the duty of the Advisory Council to consult with and advise the Secretary of Labor with respect to the administration of this title.

AMENDMENT NO. 482

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

TO PROTECT EMPLOYEES AGAINST IMPROPER EMPLOYER OR TRUSTEE ACTION

Mr. HARTKE. Mr. President, I submit an amendment to S. 4 to protect employees against improper employer or pension trustee action. They key to effective pension reform is early vesting, but a vesting provision is no better than the protection employees have against improper discharge—including layoff—discipline or other discrimination that puts an employee out of a job before vesting is achieved, thereby defeating his pension claim. In addition, substantive rights to promote pension eligibility, ample benefits or other pension reform objectives are no better than the procedure available for their enforcement.

My amendment builds upon section 610 of S. 4 by providing a ready and inexpensive form of administrative relief for employees, retirees, and survivors who claim the violation of section 610 or other improper action jeopardizing pension rights.

Especially in the absence of union assistance, employees' pension rights cannot be asserted effectively if their vindication requires resort to the courts. Employees need relatively informal administrative procedure—much like the grievance-arbitration procedures now so common in industry—if they are to have a chance of asserting such rights effectively. Employees in nonunion situations do not have such protection, and many grievance-arbitration procedures do not cover the kinds of improper conduct governed by the bill and section 610; commonly, questions relating to pensions and pension eligibility are specifically excluded from arbitration. Where the collective agreement does cover the dispute, and the National Labor Relations Board would defer to arbitration if the alleged improper action constituted an unfair labor practice, arbitration would take place rather than the procedures provided by the amendment. The hearings and appeals would be governed by the Administrative Procedure Act.

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. 482

On page 197, line 6, insert "(a)" after "SEC. 610." and on line 14 strike out "The provisions of sections 602 and 603 shall" and strike out all of line 15, and add the following:

"(b) The Secretary of Labor is authorized and directed to hear and decide disputes between employees, retirees or survivors and the employer union or trustee arising under or in connection with plans relating to (1) alleged violations of subsection (a) of this section and (2) questions pertaining to individual eligibilty, entitlement to benefits, computation of credits or benefits or any other employee, retiree or survivor claim or allegation of improper conduct by his employer or any plan trustee jeopardizing employee, retiree or survivor interests provided that such a proceeding shall not displace the grievance-arbitration proceedings provided by a collective bargaining agreement if its procedure and proceeding would satisfy the arbitration deferral principles of the National Labor Relations Board were the dispute to constitute an unfair labor practice.

"(c) Notice and Procedure—Upon the application of an employee, retiree or survivor for a proceeding under this section, the Secretary shall notify the employer, and/or union, and/or plan administrator concerned with respect to the matters complained of and the relief requested. The proceedings shall be held, on notice to the parties, at the time and place designated by the Secretary before hearing examiners appointed pursuant to the Administrative Procedure Act. The Secretary is empowered to promulgate rules and regulations for such hearings and proceedings pursuant to the Administrative Procedure Act. It shall be sufficient to record the formal hearing stage by tape recorder, provided that a transcript becomes available for use on appeal before the Secretary or appeals to the courts, which shall be governed by the Administrative Procedure Act.

"(d) Powers—The Secretary shall attempt to secure voluntary compliance with any decision made by him under this section, but he shall have the power to issue an order directing a person who is a party to the proceedings to comply with the terms of any such decision. For the purpose of any hearing conducted by the Secretary under this section, he shall have the authority conferred by the provisions of sections 9 and 10 of the Federal Trade Commission Act (relating to the attendance and examination of witnesses and the production of books, papers, and documents). Any district court of the United States within the jurisdiction of which any proceeding under this section is held, may, upon petition by the Secretary, in the case of a refusal to obey a subpena or order of the Secretary issued under this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(e) The provisions of this section shall take effect 90 days from the enactment of this Act."

AMENDMENT NO. 483

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

CREDIT FOR PART-TIME AND PART-YEAR EMPLOYMENT

Mr. HARTKE. Mr. President, I introduce an amendment to S. 4, to provide pension credit for part-time and part-year employment.

In many industries, employees typically work only a part of a year, either because business regularly is seasonal or workers are laid off for a substantial period because of occassional slumps in demand, or because—in the case of women—family obligations or work opportunities dictate part-time and part-year employment. Nonetheless, the earnings generated by part-year or part-time work contribute to the family standard of living and require replacement in retirement. In addition, lay offs, illness and withdrawal from the labor market all cause breaks in service that often are fatal to pension eligibility.

This amendment requires the Secretary to issue rules as to what amount of work will constitute a full year's pension credit and what amounts of part-time and part-year work will earn proportional part-year credits that can be accumulated toward eligibility for vesting.

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. 483

On page 125, line 9, strike out the word "maximum" and on line 11 after the word "year" insert: "or part of a year".

AMENDMENT NO. 485

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

VESTING

Mr. HARTKE. Mr. President, I submit an amendment to S. 4 regarding vesting.

I propose that 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 demonstrate graphically the superiority of the Hartke approach, I submit a table and ask unanimous consent that it be printed in the RECORD at this point.

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

VESTING TABLE

Age	Percent vested, committee	Percent vested, Hartke
20	0	0
25	0	100
30	50	100
35	100	100
40	100	100
45	100	100

Mr. HARTKE. Mr. President, the table shows what would happen to a worker beginning his job at age 20. Under the Finance 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, but only 25 under the Hartke proposal.

It is assumed by many that the cost of these improved vesting standards will be prohibitive. This is just not true.

Citing the cost study of mandatory vesting provisions written by Donald Grubbs for the Senate Subcommittee on Labor, my more progressive vesting provision of 100 percent after 5 years and after age 25 would increase the cost to the employer of from .1 percent to .4 percent in the percentage of payroll. This is only two-tenths of 1 percent greater than the costs of the very weak vesting provisions in S. 4 or S. 1179.

It should also be pointed out that this cost would be shared equally among employers. No company or firm would be placed at a comparative disadvantage vis-a-vis another.

Mr. President, under the Finance Committee 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.

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 credited 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.

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. 485

"SEC. 201. (a) A pension plan shall not be an eligible pension plan unless the Secretary of Labor certifies to the Secretary of Treasury that such plan provides that participants shall be vested 100 per centum of the accrued portion of the normal retirement benefit of such funds attributable to covered service both before and after the effective date of this title—

"(1) after 10 years service under the fund, during the first three years following the date of enactment of this title,

"(2) after 8 years service under the fund, during the fourth and fifth years following the date of enactment of this title, and

"(3) after 5 years service under the fund following the end of the fifth year after the date of enactment of this title.

"(b) A pension plan may require as a condition of eligibility to participate, a period of service no longer than two years or age 25, whichever occurs later.

"(c) Any participant covered under a plan, for the number of years required for a vested right under this section, shall be entitled to such vested right regardless of whether his years of covered service are continuous, except that a plan may provide that—

"(1) three of the years required to qualify for a vested right under subsection (a) shall be continuous under standards prescribed under subsection (d).

"(2) service by a participant prior to the age of twenty-five may be ignored in determining eligibility for a vested right under this section, unless such participant or an employer has contributed to the plan with respect to such service, and

"(3) in the event a participant has attained a vested right equal to 100 per centum of the accrued portion of the normal retirement benefit as provided by the plan with respect to such service, and such participant has been separated permanently from coverage under the plan and subsequently returns to coverage under the same plan, such participant may be treated as a new participant for purposes of the vesting requirements without regard to his prior service.

"(d) The Secretary shall prescribe standards, consistent with the purposes of this Act, governing the maximum number of working hours, days, weeks, or months, which shall constitute a year of covered service, or a break in service for purposes of this Act. In no case shall a participant's time worked in any period in which he is credited for a period of service for the purposes of this section, be credited to any other period of time unless the plan so provides.

"(e) Notwithstanding any other provision of this Act, a pension plan may allow for vesting of pension benefits after a lesser period than is required by this section."

"VARIANCES—DEFERRED APPLICABILITY OF VESTING STANDARDS

"SEC. 202. (a) Where, upon application to the Secretary of Labor by the plan administrator and notice to affected or interested parties, the Secretary of Labor may defer, in whole or in part, applicability of the requirements of section 201 of this title for a period not to exceed five years from the effective date of title II, upon a showing that compliance with the requirements of section 201 on the part of a plan in existence on the date of enactment of this Act would result in increasing the costs of the employer or employers contributing to the plan to such an extent that substantial economic injury would be caused to such employer or employers and to the interests of the participants or beneficiaries in the plan.

"(b) For purposes of subsection (a), the term 'substantial economic injury' includes, but is not limited to, a showing that (1) a substantial risk to the capability of voluntarily continuing the plan exists, (2) the plan will be unable to discharge its existing contractual obligations for benefits, (3) a substantial curtailment of pension or other benefit levels or the levels of employees' compensation would result, or (4) there will be an adverse effect on the levels of employment with respect to the work force employed by the employer or employers contributing to the plan.

"(c) (1) In the case of any plan established or maintained pursuant to a collective bargaining agreement, no application for the granting of the variance provided for under subsection (a) shall be considered by the Secretary of Labor unless it is submitted by the parties to the collective bargaining agreement or their fully authorized representatives.

"(2) As to any application for a variance under subsection (a) submitted by the parties to a collective bargaining agreement or their duly authorized representatives, the Secretary of Labor shall accord due weight to the experience, technical competence, and specialized knowledge of the parties with respect to the particular circumstances affecting the plan, industry, or other pertinent factors forming the basis for the application.

IMPROVEMENT OF THE PRIVATE RETIREMENT SYSTEM—AMENDMENTS

AMENDMENT NO. 480

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

Mr. TAFT submitted amendments, intended to be proposed by him, to the bill (S. 1179) to strengthen and improve the private retirement system by establishing minimum standards for participation in and vesting of benefits under pension and profit-sharing retirement plans; by establishing minimum funding standards; by requiring termination of insurance; and by allowing Federal income tax credits to individuals for personal retirement savings.

AMENDMENT NO. 484

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

ADEQUATE SURVIVORS' BENEFITS

Mr. HARTKE. Mr. President, I submit an amendment to S. 1179 to provide adequate survivors' benefits.

Widows are the oldest and the poorest of the aged. Although social security benefits for widows have been improved, they—widow and widower benefits—still only average $155 a month—or $1,860 a year. That may exceed some bureaucrat's definition of poverty, but it surely fails to meet the actual needs of most widows.

Reportedly, only 2 percent of all widows now receive additional survivors' benefits from private pension plans. This amendment would marketdly increase private pension benefits for widows. S. 1179 requires a pension plan to provide for an option under which the employee

provides a benefit for his survivors. However, such options already are common in plans. The difficulty is that they are hard to comprehend, often must be exercised substantial periods before retirement and require an affirmative act to make the election. Most employees do not make the election.

S. 4 provides that where an option exists it can only be waived in writing.

The purpose of this amendment is to combine the essence of the two provisions so as to require plans to contain the option and to prevent waiver of the option except by an affirmative writing.

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. 484

On page 95, strike out lines 5 through 12 and insert in lieu thereof the following:

"(11) A trust shall not constitute a qualified trust under this section unless the plan of which such trust is a part provides that a participant who is married will receive any benefit payable as an annuity under the plan in the form of a joint and survivor annuity unless he elects in writing not to receive the benefit in such form, and that the survivor annuity payable will not be less than one half of the amount of the annuity which would have been payable to that participant had he so elected.

NOTICE OF HEARINGS ON LAW OF THE SEA

Mr. METCALF. Mr. President, I wish to remind all Senators and other interested persons that the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs will be receiving a status report on the current efforts to prepare for the Law of the Sea Conference scheduled to begin this fall. This is a continuation of the subcommittee's hearings on S. 1134, the Deep Seabed Hard Mineral Resources Act of 1973.

The principal witness at the hearing will be Ambassador John R. Stevenson, Chairman of the U.S. delegation to the Committee on Peaceful Uses of Seabed and Ocean Floor Beyond Limits of National Jurisdiction. Ambassador Stevenson will be accompanied by Prof. John Norton Moore, Vice Chairman of the U.S. delegation and other senior members of the delegation. We have asked them to report on progress at the meeting of the United Nations committee held from July 2 to August 24.

The hearing will be held on September 19, 2 p.m., room 3110, Dirksen Senate Office Building.

NOTICE OF HEARINGS ON OIL AND GAS DEVELOPMENT IN SANTA BARBARA CHANNEL

Mr. METCALF. Mr. President. ever since the famous oil well blowout in the Santa Barbara Channel in January 1969 the future development of the oil and gas resources under the channel has been a matter of great concern throughout the United States, particularly in California. The Committee on Interior and Insular Affairs has held hearings on legislation concerning the Santa Barbara situation in both the 91st and 92d Congresses. No law was enacted.

The senior Senator from California (Mr. CRANSTON) has introduced a bill designed to resolve the many unanswered questions—the Santa Barbara Channel Federal Energy Reserve Act—S. 2339. President Nixon also has proposed legislation dealing with the Santa Barbara situation—S. 1951.

I wish to inform all Senators and other interested persons that the Subcommittee on Minerals, Materials and Fuels will hold hearings on S. 1951 and S. 2339 on October 8. At this hearing we will hear Government witnesses only. The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

NOTICE OF INDIAN AFFAIRS SUBCOMMITTEE HEARINGS

Mr. JACKSON. Mr. President, I want to announce to the Members of Congress, the Indian people, and the general public two hearings before the Subcommittee on Indian Affairs.

On September 15, 1973, the subcommittee will meet in Denver, Colo., to continue its hearings on the proposed Bureau of Indian Affairs Central Office realinement. The hearing will commence at 9 a.m. and will be held in the Cosmopolitan Hotel in Denver, Colo.

On September 17 and 26, 1973, the subcommittee will consider S. 1687, the Menominee Restoration Act. I have recently joined as a cosponsor of this bill and am in earnest hope that corrective legislative action can be accomplished soon. Public and private witnesses have been invited to present testimony at the 2-day hearing.

The hearing on both days will commence at 9 a.m. in room 3110, Dirksen Senate Office Building.

NOTICE OF HEARINGS RELATED TO SMALL BUSINESS PROCUREMENT

Mr. HATHAWAY. Mr. President, I wish to announce that on October 10 and 11, 1973, at 9:30 a.m. in room 1202 of the Dirksen Senate Office Building, the Subcommittee on Government Procurement of the Senate Select Committee on Small Business will conduct further hearings on the labor surplus area procurement program and small business subcontracting.

The purpose of these hearings is to continue the subcommittee's study of the labor surplus area program and its effect on small business contractors. Additionally, the subcommittee finds the need to examine the small business subcontracting program as provided for in section 8(d) of the Small Business Act.

Further information may be obtained from the Subcommittee on Government Procurement, room 424; telephone No. 225-5175.

NOTICE OF HEARINGS ON ORGANIZED CRIME IN STOLEN SECURITIES

Mr. JACKSON. Mr. President, as chairman of the Senate Permanent Subcommittee on Investigations, I wish to announce that on Tuesday, September 18, 1973, the subcommittee will resume its hearings on the role of organized crime in the stolen securities racket.

Hearings will be held at 10 a.m. in room 3302 of the New Senate Office Building September 18, 19, and 20 next week and September 25 and 26 the following week.

The four major witnesses who will testify at these hearings were directly involved in the perpetration of frauds based on the use of stolen, counterfeit, and fraduluent securities.

These activities included the creation of foreign banks, insurance companies, mortgage loan companies, mutual funds, and other entities designed to exploit and victimize legitimate businesses.

The witnesses will testify as to their direct roles in multimillion-dollar frauds in the United States and overseas.

Because the witnesses will be giving testimony that reflects unfavorably on various elements of organized crime, they are currently being provided protective custody by the U.S. Marshal's Service.

The witnesses will be testifying under grants of use immunity provided under the Organized Crime Control Act of 1970.

HEARINGS

Since June 8, 1971, when hearings were first held on the role of organized crime in stolen securities and related frauds, the subcommittee has met 21 days on this subject and heard 1,384 pages of testimony from 79 witnesses. The testimony and 73 exhibits have been reprinted in five volumes.

The staff of the subcommittee has gone to considerable effort to document in a responsible manner the involvement of organized crime in high finance. This effort has resulted in the most informative, accurate, and comprehensive portrayal of organized crime in America since the well known "Valachi hearings" conducted in 1963 by this subcommittee under the able leadership of its distinguished former Chairman, Senator JOHN MCCLELLAN of Arkansas.

Today we find that organized crime—what Joe Valachi called the Cosa Nostra—is much more sophisticated than it was in 1963. Organized criminals still rely on gambling, drugs, loan sharking, extortion, prostitution, and theft for profits, and murder and terrorism are still their ultimate disciplinary measures.

But there is something new in the operations of organized criminals. There is a white collar around organized crime today that was not apparent in Valachi's day. Organized criminals are influencing the operations of some of our most important institutions—from Wall Street brokerage houses to insurance companies to labor unions to the entertainment industry to sports, to name only a few.

This is not to say that the mob has gone straight. Just the opposite has happened. The gangsters are moving into legitimate fields and they are bringing with them the illegal methods they have always used. They are into real estate development. They are into commercial enterprises. And they are into stocks and bonds.

INVADES WALL STREET

One witness before the subcommittee—an assistant district attorney in New York—testified about how the mob invaded Wall Street in the 1960's.

Referring to how easy it was for organized crime operatives to "breach the flimsy fortress of Wall Street security," the witness said:

> They came to Wall Street with their same "bag of tricks" and they found that they could use the traditional techniques that are so successful in other areas of criminality, extortion, robbery, intimidation, counterfeiting, embezzlement, simple theft and even arson . . .

Soon the agents of organized crime were stealing millions and millions of dollars in stocks and bonds and other securities from Wall Street houses of finance.

The underworld did not stop on Wall Street. Subcommittee investigation has demonstrated conclusively that wherever the financial community stores or ships its securities organized crime can be found. The mob has become involved in thefts from banks, brokerage houses and bank note companies throughout the Nation. They went into airport thievery and, specializing in stealing from U.S. Postal Service mail pouches, obtained millions of dollars in securities. Gangsters also began counterfeiting securities.

But all the stolen or bogus securities in the world have no value unless they can be negotiated for cash or used as a basis of credit or as legitimate assets. For too long, too many Americans have assumed that stolen securities could not be negotiated. In fact, one of the reasons organized crime is able to steal securities so easily has been the belief by many persons in financial circles that these certificates of themselves had no value to the criminal. This assumption was made by men and women who underestimated the ingenuity of the criminal mind. The result has been inadequate security procedures in financial institutions, at airports, and elsewhere.

RENTS STOLEN SECURITIES

For the fact of the matter is that stolen and bogus securities have great value. Organized crime has been able to sell the securities or rent them or use them for collateral for loans from banks and finance companies. Organized crime has also used them in multimillion-dollar swindles on the international financial scene.

Subcommittee inquiry has shown that a criminal industry has grown up around stolen, counterfeit, and worthless securities, in the United States and in the big banking centers abroad. It is an industry with a billion dollar price tag. A 1973 study concluded that the value of stolen, missing, or lost securities could be as high as $50 billion.

This illicit industry could not exist without organized crime. There would be no practical channels for the conversion of stolen securities to cash without the mob and its vast nationwide and worldwide resources.

There is grave danger to the American economy in the existence of a thriving stolen securities racket. The economy can only be shaken by the continued success of organized crime to illegally exploit the securities markets in this country and overseas.

Confidence in the certificates of banking and commerce must not be allowed to be undercut by organized crime. One witness before the Investigations Subcommittee said that there were so many stolen securities being used throughout the world that if all such certificates were called back and authenticated there would be a serious economic setback in the Western nations.

As the Investigations Subcommittee begins a new round of hearings on the role of organized crime in the stolen securities racket, I would like to touch on the highlights of what has already been demonstrated by the subcommittee and what areas we will examine.

USES ARE VARIED

The uses of stolen and counterfeit securities are varied. But the purposes are always the same. They are either to convert them to cash or to establish credit or the appearance of solvency and substantial assets.

In using stolen securities in applying for a loan or in simply selling them outright, the culprit sometimes assumes a false identity. Usually he establishes a relationship of legitimate dealings with a financial house and then, after gaining the confidence of the institution, he negotiates a sizable transaction and enjoys a big profit. In this manner, the criminals turn the time tested banker's rule of "know your customer" against the bank itself.

The organized crime operative would prefer to sell the security for its face value. But he must also weigh the risks involved in selling. Often it is safer for him to use securities as collateral in a loan and then take the cash to finance loan sharking and gambling and other organized crime pursuits.

In other situations organized crime may "rent" stolen securities to a legitimate businessman who needs cash and plans to use the securities as collateral himself for a loan. One witness cited an example of a businessman who "rented" $1.25 million in stolen securities from a gangster for $70,000. The criminal was not directly exposed and, while his return was nowhere near the face value of the bonds, the profit was still substantial and there was nothing to prevent him from "renting" the certificates again and again.

Another use of stolen securities has evolved, this one even safer than charging a legitimate businessman to use the securities as collateral. Organized crime provides stolen securities to businessmen to bolster a sagging financial institution.

In this procedure, a businessman calls in a reputable accounting firm and presents among his assets these "rented" securities. He obtains a certified statement of his apparently sound business and on the basis of this statement is able to win a fresh line of credit.

This method can also be used by financial institutions such as insurance companies and brokerage houses. Many brokerage houses are in financial difficulty today. In turn, they must maintain certain ratios of assets to liabilities. This is a perfect spot for stolen securities. They do not get negotiated. They just sit in the asset file of the brokerage house or the insurance company. It is anyone's guess as to just how many stolen or counterfeit securities are currently in insurance company or pension fund portfolios. Moreover, there are no regulatory bodies of either the financial community or of government to detect bogus or stolen securities used in this manner.

Not all thefts of securities are performed by thieves directly associated with organized crime. On Wall Street, in financial houses throughout the Nation, in big airports, so-called "amateurs" are stealing securities.

But they more often than not do not have the knowledge or the resources to translate the certificates into cash. So they—the small time crooks—must turn to organized crime for disposal.

The subcommittee found one example in which one such small time operator stole $2.2 million in securities. A "fence," who was backed by organized crime, knew the thief did not know what to do with the securities so he offered him a new Mustang for them. The offer was accepted.

Many of the stolen securities reach the highest levels of organized crime. From there, they are applied to business transactions—such as in sales and loans already mentioned—and some of them are used overseas in banking centers like Brussels and Zurich in stock manipulations and other questionable procedures.

The men the mob sends to high finance circles do not fit the image of the tough, streetwise, violent thug. Instead, they are often very articulate, engaging, and brilliant. Gerald Martin Zelmanowitz is such a man.

ZELMANOWITZ TESTIMONY

Zelmanowitz, 36, testified before the Investigations Subcommittee July 13, 1973. He had given testimony that was used to convict Mafia leader Angelo "Gyp" DeCarlo in 1971. Zelmanowitz had then been "redocumented" by the Justice Department—that is, given a new identity and credentials to prove it—under the Department's witness protection program.

Zelmanowitz had very little formal education, had been in trouble with the law from a young age and had been dishonorably discharged by the Marine Corps. But at some point in his life, while not giving up crime, he had learned the accouterments of respectability as he showed himself to be not only intelligent and wise in the ways of business and finance, but also sophisticated and urbane. He purported himself with all the aplomb of a brilliant young banker with an annual income of $100,000, which was what he said his income was when he was with the mob.

Zelmanowitz said that he had personally dealt with banks and brokerage houses in Western Europe and in the United States in disposing of millions of dollars worth of stolen securities.

He said secret foreign accounts were frequently used in transactions with stolen securities which involved the buying of gold and gold certificates, arbitrage

and the creation of conduits to move funds to foreign corporations and persons.

In European banking capitals, he set up accounts for such well-known crime figures as Joseph Colombo, Angelo DeCarlo, Daniel Cecere, and others. These accounts, Zelmanowitz said, were used to house profits from organized crime activities and in the converting of stolen securities to cash. Once the illicit profits were deposited in secret foreign accounts, he said, the money was invested in legitimate transactions and then funneled back to the United States.

Zelmanowitz said many bank officers did not examine these transactions close enough. If they had, they would have noted irregularities. Sometimes the bank officials seemed to be deliberately looking the other way to avoid detecting questionable procedures in order to gain sizable accounts or commissions.

Zelmanowitz said foreign and American bank officials could do more to keep organized crime money out of their banks. Zelmanowitz added:

The organized crime elements could not function without the help of commercial bankers and stock brokers in the United States and their counterparts overseas.

BRIBES ARE USED

Zelmanowitz said he often gave gratuities or bribes to bank officials to encourage them to bypass certain regulations for him. He also said he had bribed agents of the Internal Revenue Service in return for favors. Zelmanowitz gave the names of the IRS agents to subcommittee investigators who are looking into his charges. The names were not mentioned during the hearings, however.

Zelmanowitz gave several examples of how he used stolen securities in foreign financial transactions. He said on one occasion he took $100,000 in stolen Montreal Metro bearer bonds to DePosson de Cherisey, a brokerage firm in Brussels. He said that his broker at this house obtained a 90-percent loan on these securities.

Zelmanowitz said the broker did not investigate the origin of the bonds or seek to authenticate them in any other way. Zelmanowitz said the broker later sold the bonds, paid off the loan and kept the remainder of the proceeds for himself.

As for the original loan, that money was transferred to Swiss accounts and credited to the assets of organized crime, Zelmanowitz said.

He said that one reason brokerage houses did so little checking on the authenticity of stolen securities had to do with the commissions the houses and their brokers received. Zelmanowitz said these commissions were often quite large due to the worth of the stolen securities and that the brokers, anxious to earn the commissions, were not inclined to do anything that might stop the proposed transaction.

INADEQUATE RECORDS

The question many people have asked when they first learned of the extent of the traffic in stolen securities is, why do not the financial houses keep better track of where their securities are? Why do not they report these thefts to the police just the way auto owners report car thefts?

The answer is that records are inadequate concerning where individual securities are at any given moment. Racketeers know this and exploit it. They know there is little likelihood that, first, the securities they hold will be promptly reported stolen, and second, that the banking or brokerage house will ever bother to check on the authenticity of securities which come to them.

Fortunately, the financial community is trying to improve itself in this regard. But progress has been slow. With some elements of the financial world, progress has also been reluctant.

The first important steps forward were in early 1969, in the midst of high-volume trading, shortage of trained back office personnel and the collapse and merger of several major brokerage houses. At that time, the financial community was faced with what is commonly known today as the back office crisis.

Within this period of confusion, a unique type of organization was created called the Joint Bank Securities Industry Committee on Securities Protection. The committee was formed to review and act upon the latest information related to organized crime and unorganized crime in securities thefts.

The committee was comprised of members of the major banking and securities firms, the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers and the Association of Stock Exchange Firms.

The Joint Bank Securities Industry Committee on Securities Protection developed the concept of a centralized data base structure of reported lost, stolen and missing securities information.

DATA BANK CREATED

It was hoped that with an easily accessible centralized data base brokers and banks throughout the Nation would have a tool to enable them to frustrate securities thieves by quickly determining the authenticity of any given stock certificate.

After it was found that the National Crime Information Center—NCIC—maintained by the Federal Bureau of Investigation, could not provide the centralized data facilities required by the securities industry, proposals were sought from commercial institutions.

In August of 1970, a firm known as Sci-Tek, Inc., was selected to provide the service. Sci-Tek developed the Securities Validation System, a computerized system which was made available to all members of the financial community to report—and confirm the authenticity of—lost, stolen or missing securities.

Using WTZ, Telex, Dataphone, and other devices, banks, brokerage houses and other financial institutions could, for the first time, find out almost immediately the status of specific securities which had been reported missing to Sci-Tek.

By June 1, 1971, the data base of the Securities Validation System had some 11,000 individual securities listed with a total value of about $100 million. About 25 financial houses were participating in the system.

At that time, with an admittedly limited sampling, officials of the Securities Validation System came before the Investigations Subcommittee and estimated that the total worth of stolen, missing, or lost securities came to $1.2 billion.

A year went by. Now—in the summer of 1972—the Securities Validation System was formulating its projections on a data base of 169,000 individual securities with 120 financial houses taking part in the service. The total stolen, lost, or missing securities figure was now $1.8 billion.

PROJECTIONS—$50 BILLION

Another year passed. Some 252 financial houses were contributing information to the Securities Validation System. Officials were now operating a data base that represented 10 percent of the total dollar value of stolen, lost, or missing securities. And, on that basis, Securities Validation System officials were projecting a total dollar value in 1973 of $50 billion in unaccounted for securities. This projection was based on $5.3 billion in missing securities which were specifically listed in the data bank.

This figure—massive by any measure—included the total dollar value of stolen, lost, or missing Federal, State, municipal, and corporate securities.

The chairman of the board of the Securities Validation System is W. Henry duPont. He testified before the Investigations Subcommittee June 29, 1973. Concerning the $50 billion estimate of stolen, lost, or missing securities, duPont said that Securities Validation System statisticians had arrived at that figure after careful assessment of reports and inquiries which were coming into the system center at a rate of about 5,000 a month.

Mr. duPont pointed out that while 5,000 a month may seem like a large number, the Securities Validation System could handle many more requests for information.

Many financial institutions do not use the system, duPont said, because their officers were apathetic or did not wish to disturb their holder in due course status. That attitude among brokers and bankers was reflected several times in the course of the subcommittee inquiry. In addition, witnesses asserted that the financial community in the United States—and worldwide, as well—is cautious by nature, often unwilling to adopt new techniques and face new problems.

PROBLEM IS NEW

In turn, the problem of stolen and bogus securities is, by all counts, a very new problem. It is only in the last few months that anyone has even begun to estimate its true size. And it is only in the last several years that it has been having a major impact on the financial community. But that impact is strikingly apparent now and it will get worse before it gets better.

Financial houses are finding their insurance rates going up. Next, they are finding that their own housekeeping and bookkeeping procedures are so inept that they cannot properly account for what securities they are responsible for. This was evidenced by huge amounts of unaccounted for securities in such major firms as Goodbody & Co., Hayden, Stone,

and McDonnell & Co. after they collapsed in 1971.

The long term effect of sloppy procedures, coupled with the growing numbers of stolen and lost securities, is that the fiscal strength of many financial houses is being undermined severely. One brokerage house—First Devonshire Corp.—is positively identified as having collapsed because of stolen or missing securities. Others have been crippled by stolen or missing securities but the causes of collapse are not so clear.

HAACK'S TESTIMONY

Testifying on these points before the Investigations Subcommittee June 17, 1971 was Robert W. Haack, the president of the New York Stock Exchange.

On the subject of housecleaning and recordkeeping procedures of brokerage houses, Haack said:

> I would say that in the case of some of the firms in question the records were so disarrayed and so inadequate that it is difficult to tell whether or not the securities were stolen, lost, misplaced or whatnot.

As for citing examples of houses that went out of business because they could not account for their own securities, Haack said it was difficult to say whether bankruptcies were due to stolen stocks, to poor bookkeeping, inadequate records or all three. In any event, there were, he said, disciplinary actions the New York Stock Exchange could impose on sloppily managed brokerage houses but that these measures were not strong enough to bring about needed reform.

Haack said the burden of securities losses and thefts is borne by the financial house through its insurance—and that this protection is becoming more costly.

Haack said:

> I would admit that the matter of the insurance coverage of the securities is a problem. Premiums have tended to rise and some underwriters themselves have tended to veer away from the risk taking.

One of the most sweeping indictments of the financial community and of its inability to police itself in the matter of stolen securities came from Murray J. Gross, an assistant district attorney in New York.

GROSS TESTIFIES

Gross, who testified June 9, 1971, had worked the previous 5 years as chief of investigations into the illicit traffic in stolen securities.

He said the financial houses of Wall Street, while they suffered the most because of securities thefts, also had to bear much of the blame for the rapid growth of this racket.

Gross said:

> If I were to describe the situation on Wall Street, I would call it a free-for-all, as far as the thefts of securities are concerned . . .
>
> We are faced with a situation . . . where everybody is stealing, be it the messenger, be it the clerk, or even supervisory personnel.
>
> It is less than 10 years since most of law enforcement and the financial community became aware of the mushrooming problem created by the illicit traffic in securities and during this period the dollar value of the thefts have increased enormously.

Gross said even by its own incomplete and conservative estimates Wall Street itself noted the increasing size of the problem, as it reported in 1966 some $9.1 million in thefts, some $37 million in 1967 and 1971 securities thefts of "upwards of $100 million."

Gross detailed the methods organized crime deploys to infiltrate financial houses along Wall Street and in other centers of high finance.

To begin with, he said, most thievery within the financial institutions is the work of employees. These "inside jobs" are not difficult to get away with since there "is an almost casual handling of securities" and security precautions, while improving, are insufficient.

Employees who steal securities, Gross said, are either simply greedy, are in the debt of loan sharks or gamblers or are actually representatives of organized crime.

Gross said:

> Organized crime operating through an employment agency places budding criminals with falsified references in stock houses in New York and other cities.
>
> It is of no great consequence the position in which they are employed because they will either have direct access to the securities or the opportunity to recruit other employees or as in one of our cases he was able to "finger" another employee, a messenger, and set him up for a robbery.

Most of the thefts, however, consist of simply taking the securities and hiding them on the person. Gross cited one employee of a brokerage house who successfully removed $2.5 million in securities by carrying them out in his brief case.

ONE MILLION DOLLAR RECOVERY

While there have been efforts to tighten security measures in brokerage houses, thefts are still commonplace. Only last week, in fact, confidential information provided by the Investigations Subcommittee to the New York District Attorney's Office led to the recovery of $1 million in securities stolen from two firms, duPont, Walsten & Co., Inc., and Hornblower & Weeks-Hemphill Noyes.

In the Hornblower & Weeks case, $500,000 in bearer bonds were found to have been mailed out to an organized crime operative from the firm's mail room—and Hornblower & Weeks paid for the stamps.

Three suspects were arrested in this recent $1 million securities recovery and all three of them are connected with organized crime.

This was not the first time confidential information provided by subcommittee investigators resulted in the recovery of stolen securities. Since our own investigators have been working on this subject, they have exchanged information with Federal, State, and local police and have been responsible for the recovery of $5.5 million in stolen securities.

Previously, subcommittee investigators provided information to law enforcement agencies that led to these actions:

In Los Angeles on April 29, 1971, the Organized Crime Strike Force of the Department of Justice recovered $400,000 in stolen U.S. Treasury bills and arrested four persons for possession and interstate transportation of stolen securities.

On May 5, 1971, the New York District Attorney's Office recovered $2.6 million in stolen stock certificates and arrested seven persons who were charged with grand larceny.

In Las Vegas on May 26, 1971, the Clark County Sheriff's Department recovered a $1 million U.S. Treasury Note which had been stolen from the Chase Manhattan Bank. Three persons were charged with possession of interstate transportation of stolen securities.

On September 17, 1971, the Justice Department's Organized Crime Strike Force in New York recovered $500,000 in five stolen U.S. Treasury bills and arrested one person who was charged with their possession.

AIRPORT THIEVERY

Thefts from brokerage houses and banks account for a major portion of stolen securities. Another principal source is the U.S. mails. Here a favorite target of the mob is the mail cargo operations in the Nation's big airports. Airport thievery has long been a serious problem in the large terminals such as the John F. Kennedy International Airport and it is not surprising to find agents of organized crime tapping this lucrative source.

But, in the past, thieves who stole from air cargo wanted only cash or resaleable items like jewelry. They did not want stocks or bonds or any other securities because they were not worth anything unless they could be converted into cash and, in most instances, thieves did not know how it was done. All that has changed now.

CUDAK TESTIMONY

From all the information the subcommittee has gathered about airport thievery, investigators believe it is rapidly becoming one of the most financially rewarding crimes there is. Too many airports simply have inadequate security procedures. The illustration of the Cudak gang of airport bandits makes the point clearly.

In September of 1966, Robert F. Cudak, then 25, answered a newspaper advertisement of Northwest Orient Airlines for a job as a ramp man at JFK airport.

Cudak, who testified before the Investigations Subcommittee June 16, 1971, had convictions of grand larceny, auto theft and burglary, and had spent about 2 years in jail. But the airline hired him anyway. He told airline officials his identification papers had been stolen and his new employers took him at his word and put him to work.

For the next 4 years, Cudak, in league with about 10 other men, systematically looted freight terminals at JFK and other major airports. Cudak estimated that he and his men stole $100 million in stocks, bonds, jewelry, furs, and cash.

The $100 million figure seemed large. Before having him testify, subcommittee staff investigators, working with insurance inspectors and law enforcement authorities, compared Cudak's account of his activities with available records such as insurance claims and police records. Subcommittee investigators pressed Cudak on providing exact dates and specific information about individual financial certificates he stole.

GANG'S TOTAL THEFTS

Subcommittee investigators then concluded that the Cudak group probably stole more than $100 million over the 4-year period. They speculated, in fact, that the Cudak gang may have carried out the biggest continuous string of thefts in criminal history.

Cudak told Senators that he found early in his airport thievery career that U.S. mail pouches were a rich and relatively easy target. He said that at first he ripped open mail bags and took promising looking envelopes. But then he decided it was simpler to take the whole bag so he did. He said that he and his partners took as many as eight mail bags in one haul. One time, he said, he stole an entire truckload of first-class mail and parcel post packages.

Cudak soon discovered that being an employee of an airport was not essential to being an airport thief. He said that by dressing like an employee—by wearing coveralls, a white helmet or ear mufflers—he and his associates had free rein at any big airport. They could come and go as they wished. Some airports required name tags. Cudak said he had counterfeit name tags printed up. Moving in and out of airport operations areas was easy.

Cudak said:

The security at all of the airports we hit was very poor. In my view, there weren't many airports that had good security. If I had to grade them for security at the time I was operating, I would say that Kennedy and O'Hare were very bad generally and Atlanta Airport had no security at all. The airports in Florida were all poor in that regard. The only one I ever considered fairly well protected was Los Angeles. We thought they were pretty tough out there.

While the true value of the securities and jewels they stole was about $100 million or more, the Cudak gang members had to "fence" their loot and had to settle for a small percentage of the actual worth. Cudak recalled that in 4 years he probably was paid $1 million in cash for his efforts.

But his million did not last long. He lived high, gambled wildly and now claimed to be broke. Since his arrest and conviction in 1970, he said, he was penniless.

Independent inquiry by the subcommittee showed that there were two gangs operating at major airports in the late 1960's—the Cudak group, which had 11 men, and an organization headed up by Anthony Capucci which had 6 men.

Cudak said the Capucci gang was not as adept at thievery as his and did not appear to have stolen as effectively—or as much.

Airport thefts for that period were primarily securities taken from the mails. A subcommittee study estimated that together the two gangs—Cudak's and Capucci's—were responsible for about $300 milion in stolen securities and items such as jewelry.

The airports most frequently stolen from were JFK and LaGuardia in New York, and from airports in Newark, Miami, Tampa, Los Angeles, Atlanta, Cleveland, Pittsburgh, West Palm Beach, Fort Lauderdale, Chicago, Boston, and Philadelphia, and the Washington airports of Dulles and National.

Most, if not all, of the "fences" the Cudak and Capucci gangs used were connected with organized crime.

FENCING THE LOOT

Cudak gave this account of how one fencing procedure was handled:

On September 13, 1967, for the first time I stole entire bags of registered mail. I passed four of them to Jimmy Sanatar [a member of his gang], who took them to his house at Lake Ronkonkoma. I went there and we opened the bags and sorted the contents. We put all the securities in a large suitcase.

By the time we finished the suitcase was completely filled with common stock, bearer bonds, and Treasury notes. We filled a teacup with diamonds ranging from half a carat to two or three carats each.

One package held a 16-carat Marquise diamond. I managed to slip that diamond into my pocket before Jimmy Sanatar saw it. We also had about 50 watches and about 10 pounds of gold jewelry. We also found a small amount of cash in the bags.

We telephoned Frank Mannarino to tell him that we wanted him to fence the loot. At his house, we asked for $40,000. He said he would call his partner, John, and soon thereafter the man known as John arrived, looked at the loot and said he would call an expert.

We waited two hours for Albert DeAngelis, who examined the items and said he would take everything but the stock. He finally agreed to take both stock and jewelry and pay us $30,000.

Separately, I showed DeAngelis the 16-carat diamond. He took the stone, said he would have it appraised and promised to pay me separately for it.

I met him later in his car on Rockaway Boulevard in Queens, where he gave me a brown paper bag containing $30,000 for the loot, as we had agreed. He also gave me another bag holding $10,000 for the stone. I split the $30,000 with Sanatar and kept the $10,000 for myself.

Subcommittee investigators traced the September 13, 1967, registered mailbag thefts at JFK which Cudak was responsible for. Official records showed that some 46 claims had been made. They totalled $2,418,125.96, including $2,142,-499 in securities and $141,667.12 in jewelry.

Subcommittee investigators established that the 16-carat Marquise diamond Cudak said he sold to DeAngelis for $10,000 was worth $100,000. In all, Cudak said he and Sanatar were paid $40,000 for what subcommittee investigators determined to be, according to insurance claims, $2.4 million in stocks and jewels.

Robert Cudak's work in stolen securities was one aspect of a career in crime in which he was mainly on his own. In airport thievery, he dealt with organized crime because it was to his advantage to do so. He needed organized crime to fence his stolen securities. But he was not a criminal who came out of the ranks of organized crime.

TERESA TESTIMONY

By contrast, another dealer in stolen securities—Vincent "Vinnie" Teresa—was almost predestined to be part of the mob. Growing up in Massachusetts, Teresa was around many big time gangsters as his uncle was a bodyguard for Joseph Lombardi, a boss of the Boston underworld, and his grandfather had actually been a member of the Mafia in Italy before coming to the United States where he settled in Boston and assumed the exalted title of "Don."

As a boy, Teresa met well known gangsters like Joe Lombardi, Tony Santonello, Jimmy "Spats" Lombardi, Buttsy Morelli, Raymond Patriarca and Fat Tony Salerno.

By 1967, when he first got into the stolen securities racket, Vinnie Teresa was a member of and a well known operative for organized crime. In 28 years of criminal activity, Teresa had worked as a burglar, a holdup man, a bookmaker, a loan shark, a car thief, a hijacker, swindler, fence, arsonist, and counterfeiter.

Trafficking in stolen securities was a trade Teresa got into because, he said, "it seemed like a gentleman's business." Teresa talked about his activities in stolen securities in a July 28, 1971 appearance before the Investigations Subcommittee.

Teresa was active in the stolen securities field, dealing, he said, in some $30 million in certificates over 2 years. But in 1969 he was convicted in a stock swindle and was sent to prison. His sentence was reduced in 1971 in return for giving prosecutors information about organized crime. It was under this grant of immunity that Teresa testified before the Investigations Subcommittee.

EVENTS OF 1968

Teresa was a most informative witness. If anyone doubted the heavy role of organized crime in the stolen securities racket, Teresa did his best to persuade them otherwise. In language that sounded as if it were from a Damon Runyon short story, Vinnie Teresa recounted episode after episode of how organized crime worked stolen securities. In this quote from his testimony, Teresa told of events that occurred in 1968.

Teresa said:

Freddy Sarno and Bobby Cardillo had received $53,000 worth of stolen Jefferson County school bonds from Skinny Fred Guarino. They wanted to know if I would move them. Skinny Freddy has a big connection in two or three different joints in Wall Street where he gets his stocks and bonds. One place where he was well connected was Hayden Stone & Co. In fact, most of the stuff he gets he disposes of through customers in Montreal, Canada and the Bahamas and he makes frequent trips carrying shopping bags filled with stolen stocks and bonds . . .

. . . [Guarino] had connections with guys that were working right in the brokerage firm. They would call him and say, 'Do you need some stock? I will take some out for you. What kind do you need?' He would give them orders for what he wanted like, 'I want IBM' or 'I want DuPont'.

They would steal it out of the vault . . .

Teresa said he took possession of the school bonds and combined them with two $100,000 U.S. Treasury notes. Through an associate who dealt with a bank in Baltimore, Teresa sold the school bonds and borrowed on the Treasury notes, realizing a return of $161,000. Of that sum, he said, he gave himself $17,000, deposited another $38,000 in an account owned by an organized crime gambling enterprise he was involved in

and distributed the rest of the money to six persons who had worked with him on the deal.

JACK MACE HELPS

Teresa's colleague Jack Mace—a well known organized crime figure whose real name is Jacob Maislich—helped him get involved in another big transaction.

Teresa said:

Through Jack Mace I had met the Cangiano brothers, Frankie and Gus, of Brooklyn, who were also dealers in stolen securities. It was common knowledge that the Cangianos were associated with the organized crime family of Joe Columbo in Brooklyn and had access to many millions of dollars in stolen securities. I received securities from the Cangianos on many occasions but had always turned them back to them as they were always too hot to handle.

In the latter part of 1969 I went with Frank Cangiano to an empty apartment in a building in Brooklyn and spent approximately five hours going through a closet full of stolen securities. After going through these securities, I took $5 million worth of Gulf and Western Industries stock, which was a part of a multimillion dollar theft from JFK International Airport. Shortly after that I left New York City and returned to the Boston area.

I turned over the $5 million in Gulf and Western stock to a man named Bernie who was in the air conditioning business in Somerville, Mass. He, in turn, turned them over to a man named Antonio from Venezuela with the intention of investing these securities in coffee futures.

The deal was this: We gave him $5 million in securities. He, in turn, would negotiate a deal where we would get $4 million in coffee futures, and the $4 million would be whacked up between Bernie and myself. Shortly after this, I started serving my prison sentence and have no knowledge as to what happened to these securities.

At this same time Bobby Cardillo, myself, Phil Wagenheim and Willie D, also known as Willie Dentamore, were going to open up a company under a phony name in Miami and then open an account in a brokerage house in Miami and play with some stock. We needed a lawyer to handle the corporation papers from this company.

Willie D. said he had a lawyer on the shady side who would go along with this. We made an appointment to meet this guy, Bernard Berman, at the Thunderbird Motel in Miami. We told him what we wanted. Berman asked us how much we would get in securities and we told him $10–15 million worth. Berman suggested that instead of selling the stolen securities, we could put them up to buy an insurance company in Texas. Berman said that he knew of a way to do this.

Berman started setting up a corporation in Miami and we turned over to him $10 million worth of stolen securities in the name of Milk and Co., Apple and Co., and Greely and Co. and others.

When I was sentenced to prison I was unable to follow through on this insurance company deal and was informed that the whole thing had fallen through. However, I did find out that this was not so, that Berman had purchased an insurance company in Alaska and started to purchase another one in Florida using the stolen securities . . .

NEW LAWS NEEDED

These have been some of the highlights of the Investigations Subcommittee's examination of the stolen securities racket and organized crime's key role in it.

Our inquiry has shown that the problem of stolen securities must be attacked on many levels. New criminal and procedural laws may be necessary to protect the banking, brokerage and insurance industries. Such laws, however, must be coupled with responsible action by financial institutions and a coordinated program of enforcing the law at the Federal level.

With regard to coordinated law enforcement, it should be pointed out that after our first set of hearings dealing with this type of criminal activity, my distingushed predecessor, Senator JOHN MCCLELLAN, recommended to the Department of Justice that a separate, centralized prosecutive and investigative arm be established within either the Criminal Division or as a separate division of the Department of Justice to deal with the totality of securities crimes.

The implementation of this recommendation is apparently being considered, but to date Justice and a variety of Federal investigative bodies, including the FBI, the Postal Inspection Service, and SEC, and Secret Service of the Department of the Treasury and the various banking regulatory agencies continue to work with overlapping jurisdictions and functions.

In my view this tends to diminish the Government's ability to cope effectively with the overall problem. Accordingly, I have renewed this recommendation of my predecessor.

To make this prosecutive and investigative arm effective, it is necessary to establish a system which quickly identifies stolen securities so that investigative moves can be made while the trail is hot. This is not the case now.

In the new round of hearings which will begin Tuesday, September 18, we will examine what the staff has termed "the anatomy of an international stock swindle."

Each of the four key witnesses will testify about his own role in a multimillion dollar fraud that was perpetrated on the basis of stolen and counterfeit securities.

ADDITIONAL STATEMENTS

THE PHILADELPHIA ORCHESTRA TOURS CHINA

Mr. SCOTT of Pennsylvania. Mr. President, the Philadelphia Orchestra has embarked on perhaps the most exciting musical voyage of its career. Maestro Eugene Ormandy and the orchestra have arrived in the People's Republic of China to perform a concert tour, the first of America's great orchestras to play in that country. I am proud to have suggested to Premier Chou En-Lai, during my visit with Senator MANSFIELD to China last year, that the Philadelphia Orchestra be invited. As Eugene Ormandy said the other day, music is a marvelous export. It is my great hope that the Pittsburgh Symphony will follow.

Sandy Grady, in his column in the Philadelphia Evening Bulletin, September 10, described the excitement of the Philadelphia Orchestra over this "20,000-mile musical odyssey" that will bring America's greatest music to the people of mainland China. I ask unanimous consent that Mr. Grady's column be printed in the RECORD.

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

OUR NO. 1 TEAM OFF TO CHINA

(By Sandy Grady)

Eugene Ormandy's dressing room is tucked down a short runway from the Academy of Music stage. Like the manager of a ball club, Ormandy sits there after a performance, unwinding, brooding over errors, musing about the future.

That's where the Philadelphia Orchestra trip to China began, in one of Ormandy's post-game ruminations. The orchestra leaves today on a 20,000-mile musical odyssey, the first American orchestra to penetrate the Bamboo Curtain.

But in April 1971, no Yankees had penetrated China except a ping-pong team. In his dressing cubicle, Ormandy was talking to Boris Sokoloff, the lanky, scholarly man who manages the orchestra road trips.

"If a ping-pong team can go, why can't we?" said Ormandy. "How would you get an invitation to China, Boris?"

"Let's write the White House," said Sokoloff. "Nixon's always liked the orchestra."

Ormandy sent a letter to President Nixon, suggesting an orchestra tour of China. A White House staffer—amazing they had time for such protocol on those pre-Watergate days—advised Ormandy to contact the Chinese ambassador in Ottawa.

"Nothing happened," said Sokoloff. "It was like dropping the idea down a well. But Ormandy didn't forget the idea."

UNITED STATES-CHINA RELATIONS THAW

The thaw then hit U.S.-China relations at a blistering pace. Dr. Henry Kissinger, Sen. Hugh Scott, and Mr. Nixon's grandiose visit—Americans were turning the Pacific into an Interstate Highway. But it was probably Hugh Scott who turned on Chou En-lai to the orchestra trip.

Between toasts at a party, Scott told the Chinese premier his state had two great orchestras in Pittsburgh and Philadelphia. "I think your people would enjoy hearing one," said Scott.

Polite nods. For the Philadelphians, though, the break came when the Chinese noted they were playing at Nixon's inauguration. "We're just guessing," said Boris Sokoloff, but somebody at the top in China must have said, 'Gee, they're No. 1 in America.' The inauguration probably led to the China trip."

Nixon telephoned Ormandy at his Barclay apartment last spring and told him of the Chinese invitation. Dr. Kissinger also got on the phone to confirm it. But after that, the Chinese became very inscrutable—Ormandy still doesn't know where his orchestra will stay, what the schedule will be in Peking and Shanghai. ("All Maestro knows is that the Chinese don't want Debussy, Richard Strauss or any Russian music on the programs," said one orchestra official. "But they don't mind us playing John Philip Sousa.")

Joe Santarlasci doesn't play a horn, fiddle, or even a harmonica. But Joe, a stubby, grey-haired man, is the Most Valuable Player on a trip like the Chinese venture. He's the assistant manager who must move 10 tons of equipment, along with 106 musicians, into the Orient.

"LIKE GOING TO THE MOON"

"This one's like going to the moon," said Santarlasci. "We don't know what to expect. South America was the toughest tour. Everything was manana. Russia in '58—there was some hostility. But China, well, I've been told they'll handle details when we get there. It's not good to arrive in the wrong town with 20,000 pounds of equipment."

Despite the mystery ahead, everyone from Ormandy down to the stagehands is psyched up for the Asian adventure. And it will be an

expensive one. Orchestra brass consider talk of money to be uncouth, but the Chinese trip forced a rebate on one week of the Philadelphia concerts. The Chinese trip could cost $300,000, and the State Department is reportedly picking up only half the tab.

"You can't turn down an opportunity like this," said Sokoloff. "It's great publicity for the orchestra, expensive as it may prove. But Ormandy is right when he says this is, 'bigger than music'."

Oh, yes, Mayor Frank Rizzo agreed to bid the orchestra farewell at the airport, while Gov. Milton Shapp declined. And some people insist that politics behind the Bamboo Curtain is complicated.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there are some men who argue that American ratification of the Genocide Convention will bind our Government hand and foot to the treaty's articles. Their contention is that such an international agreement would subject American citizens to prosecution and perhaps persecution from foreign powers. In addition they fail to see any safeguard against such outside intervention.

However, once again the implementing legislation is clear on this point. It reserves great powers of discretion for the Secretary of State. It is he who serves as the ultimate check and safeguard. In the words of the implementing legislation:

> It is the sense of the Congress that the Secretary of State in negotiating extradition treaties or conventions shall reserve for the United States the right to refuse extradition of a United States national to a foreign country . . . where the United States is competent to prosecute the person whose surrender is sought . . . or where the person whose surrender is sought has already been or is at the time of request being prosecuted for such offense.

As is prudent, the United States would never consent to any international agreement which would allow foreign states a free hand in American jurisprudence. The articles of the Convention and the subsequent legislation allow our Government to retain jurisdiction over our own affairs. American citizens have the full protection of their Government in all instances.

The argument of foreign intervention and unjust extradition treaties is unjustified in light of the provisions of S. 3182. Again I urge the Senate to ratify the Genocide Convention.

CONSERVING CLEANER FUELS

Mr. McCLURE. Mr. President, the Director of the Energy Policy Office, Gov. John Love, has announced a proposed program to temporarily prohibit utilities, industry, and commercial firms from switching to cleaner fuels, except where such a shift is required for meeting air quality standards relating to human health—the primary standards. This proposal is designed to help alleviate the tight heating fuels situation facing us this winter.

The need for such a program is being dramatically illustrated by actual cases being received by the Office of Oil and Gas, under the voluntary petroleum allocation program. Across the country, local and Federal and environmental decisions are necessitating the replacement of coal and residual fuel oil with cleaner distillate oil, needed for home heating. In Maryland, Bethlehem Steel Corp. has been instructed to switch all boiler fuel from heavy industrial oil to home heating oil by November 1, 1973. In Pennsylvania, the Shenango China Co. has been ordered to convert from coal to home heating oil. In Ohio, Antioch College is being forced to convert from coal to home heating oil. In Wisconsin, the Baker Co. was forced to switch from coal to natural gas, which is not available, and is now urgently searching for fuel oil. These are a few examples of the fuel switching which is contributing to the critical heating oil situation facing homeowners this winter.

I commend the administration for proposing a program to conserve the scarce supplies of clean fuels needed for the coming winter. It is unfortunate that such a program could not have been implemented earlier, in order that its effectiveness during the coming months would have been greater. A rapid implementation at this time, however, could significantly improve the bleak situation facing many Americans during the season of high heating oil demand. There are four points which I would like to briefly present today, with the desire to insure an effective and equitable program. My first point is basically a warning and a reassurance.

I believe that the temporary nature of this program must be emphasized. This is not an approach which we should come to rely upon for future years. In that regard, I am pleased that the effective date has been set for 1 year. This provides necessary time for improving our supply-demand situation, without sacrificing our ultimate goals in the area of air quality.

Second, I believe that the American people must be better informed as to the difference between primary standards and secondary standards. Congressional intent, as spelled out in the Clean Air Act Amendments of 1970, was that the primary standards, required to protect human health, be met by 1975. Secondary standards, however, while important to the future of our environment, were not mandated for a specific time. In other words, the proposed program will not degrade our air quality as affects human health, nor violate the intent of Congress with regard to the secondary, or nonhuman effects.

My third point is that the administration should reconsider the baselines established in the proposed regulation. As presently set, there will still exist wasteful uses of cleaner fuels, in those areas where this practice presently exists. In other words, utilities which have been blending home heating oil with residual fuel in order to obtain 0.2 percent or 0.3 percent sulfur content may continue to do so, instead of accepting 0.5 percent or 0.7 percent sulfur levels. The primary air quality standards should be the criteria for use of lower-sulfur fuels, not some arbitrarily established level set in the past, during the 1-year period.

My fourth and final point is that consideration should be given to inclusion of low-sulfur crude oil, or "sweet" crude, in the program. I believe that we are all aware of the shortages which have been experienced by some refineries designed to use only sweet crude, while refineries designed for "sour" crude use the sweet oil because of local restrictions. Wherever a refinery can use sour crude oil without an adverse effect on primary air quality standards, it should do so, thereby increasing the availability of the scarcer sweet crude for those refineries which can use no other.

In summary, I believe that the proposed regulation contains the necessary safeguards for public health—namely the temporary effectiveness of 1-year and the automatic exclusion wherever health is threatened. With the two suggestions which I have made, I believe that the proposed program will be an effective and reasonable aide to the well-being of the American people during the approaching winter months.

We should remember, however, that this program is only a partial solution to the energy shortages which face us for at least 3 more years. A total solution will require a program to allow conversion of existing oil-fired boilers to coal, combined with a new foreign-economic policy to provide for increased oil imports from producing nations such as Saudi Arabia. Designing such a program—to allow conversion to coal without sacrificing clean air and to increase oil imports without sacrificing our economic well-being or compromising our foreign policy—is the major task that faces us. In addition, efforts to greatly increase domestic production of oil and natural gas, together with the necessary refining and transportation systems, must be strengthened and given more than lip-service. Implementation of the proposed regulation will be a beginning, but we must not stop there. The big job still lies ahead.

AMERICAN FOLKLIFE PRESERVATION ACT

Mr. ABOUREZK. Mr. President, on May 17 I introduced S. 1844, the American Folklife Preservation Act. On that date I was joined by 13 cosponsors. Since then an additional 18 Members of the Senate indicated their support for this measure by becoming cosponsors. Today I am pleased to announce that Senators SCHWEIKER, SCOTT, STEVENS, HATHAWAY, and METCALF have also agreed to cosponsor this bill. This brings the total number of cosponsors in the Senate to 37.

In addition, a companion measure has been introduced in the House of Representatives. At this moment 126 Members of the House have cosponsored various equivalent bills to S. 1844. I understand that a number of other Members have indicated their interest and will be added by a further introduction in the near future.

This measure enjoys a very broad range of support, both geographically and politically. As evidence of this, I ask unanimous consent that a list of all cosponsors of this bill by State be printed in the RECORD at the end of my remarks.

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

[See exhibit 1.]

Mr. ABOUREZK. Mr. President, many of these cosponsors have further developed their interest in this idea through comments in the CONGRESSIONAL RECORD. For example, on May 22 the Senator from California (Mr. CRANSTON) said:

> I believe we need a comprehensive program of Federal assistance for the folk arts—a vibrant web of experiences and expressions that are basic to who we are, what we do, and why.

And on August 3 the gentleman from Illinois (Mr. ANNUNZIO) stated:

> It is my belief that a better understanding of the contributions of various races and faiths and ethnic backgrounds to our cultural heritage would contribute immensely to lessening tensions, eliminating prejudices and bringing about a better understanding among people.

I would not want to suggest that the only support this bill has is on Capitol Hill. Nothing could be further from the truth. In fact, I have been very pleasantly surprised by the broad-ranging support throughout the Nation that the measure has engendered. For example, the National Folk Festival Association Newsletter for July, 1973, said:

> The National Folk Festival Association feels strongly that public support of this bill is needed if the work of NFFA and similar organizations is to continue.

As further evidence of this support, I ask unanimous consent that a sampling of the letters I have received on this bill be printed in the RECORD at the conclusion of my remarks.

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

[See exhibit 2.]

Mr. ABOUREZK. Mr. President, let me stress that these letters are a representative cross-section and by no means exhaust the voluminous file of correspondence that I have received in support of S. 1844.

Of the correspondence I have received, none has more accurately expressed the intention of this legislation than the letter I received from the distinguished Professor of English and Folklore, Dr. Francis Lee Utley. Dr. Utley teaches at Ohio State University but is at present on leave teaching at the University of Virginia.

His letter makes seven specific points in regard to the American Folklife Preservation Act. These are:

> (1) This great pluralistic nation (should I remind us of our motto E pluribus unum?) has many groups: occupational; rich and poor; well-educated and badly educated in the schools; well-educated and badly-educated in the arts and crafts of life; urban, rural and suburban; WASP, Chicano, Black, Indian (and that of great diversity); Asiatic, European, and Latin American.
>
> (2) Each of these groups has its own code of values, values which often clash if they are not understood by the other groups. Pride in such values aids men in appreciating other points of view, especially if those who have made a specialty of studying the dangers of ethnocentricity are able through publication, archiving, study, and museum demonstration to show all our citizens the rich variety of their respective cultures.
>
> (3) Such work, done by individual scholars and universities and museums, needs centralization, and the Washington locale, already well-provided with the Library of Congress and the Smithsonian, needs to be strengthened by specific mandate and by appropriation.
>
> (4) In a time like the present, when a hundred unpredictables have led to cynicism, vandalism, and insecurity, we must use all our resources, primarily those of a spiritual and an ethical nature, to strengthen the national ethics—not by a bland melting pot concept, but by the study of the varied elements which in the past and in the present strengthen rather than weaken culture and government.
>
> (5) The science of folklore has greatly extended itself in recent years, from a somewhat casual earlier study of casually collected folktales, ballads and "superstitions," to an extended contextual study of the functions of folk literature and belief, their historical context and meaning for a growing society, their social context and value to the human personality and to the interaction of men and women, their influence on group relationships and on the clashes and cooperation between groups of all kinds.
>
> (6) In a technocratic society, with all of its blessings and all of its tensions, there is much to be gained by the study of simpler life patterns, rural and urban—a study which appeals not only to scholars but to a broad public old and young. I cite as one simple example the extraordinary interest and popularity in FOXFIRE I and II, two books conceived in a university community but being sold and read widely as a way to better appreciate the simpler/technical crafts and their value in a society which sometimes thinks of itself on the road to catastrophe.
>
> (7) These arguments, which merely repeat in part so well expressed in S. 1844, and reinforced by the broad base of support which the bill is acquiring. It appears to have support from honorable men and women in all political parties and in all shades of political opinion—a point not surprising, because the bill is a modest one, a well-thought out one, one not demanding extensive or expensive further bureaucratic structure, one which can command the valuable help of many trained scholars who need financial support and cooperation but need these things only because they are willing to devote a good deal of their busy lives to work with the folk, to the study of the life of the folk and their creative arts, crafts, and letters, and to their meaning for a great nation which has the power of understanding the pride of its diverse parts in order that those parts may better cohere for the goals of the nation. We need peace throughout the world, without question, but the best way of achieving it is to seek in our own microcosm of ethnic units the ways which will lead to peace among them.

I would like to reemphasize Dr. Utley's seventh point. This bill is a modest one. It does not need an extensive or expensive bureaucratic structure. In fact, I have received an estimate from the Library of Congress that the costs of administering the work proposed for the Center would be $175,000 for the first year and would not exceed a total of $1,000,000 for the first 5 years added together. This is a modest amount indeed.

I would hope that both Senate and House can give this measure careful, but speedy consideration. The coordination that this bill would provide is desperately needed but it is not costly. I hope that more of my colleagues will see fit to join this effort, and that our effort will be successful.

EXHIBIT 1

SUPPORTERS OF THE AMERICAN FOLKLIFE PRESERVATION ACT BY STATE

*Senator; D.—Democrat; R.—Republican.

Alabama: Bevill—D., Buchanan—R.

Alaska: *Gravel—D., *Stevens—R., Young—R.

Arizona: *Goldwater—R., Rhodes—R.

Arkansas: *Fulbright—D., Alexander—D., Mills—D., Hammerschmidt—R., Thornton—D.

California: *Cranston—D., *Tunney—D., Moss—D., Burton—D., Dellums—D., Edwards—D., Sisk—D., Hawkins—D., Corman—D., Bell—R., Roybal—D., Wilson—D., Veysey—R.

Colorado: Schroeder—D.

Connecticut: Sarasin—R.

Florida: Young—R., Lehman—D.

Georgia: *Talmadge—D., Young—D., Davis—D., Landrum—D., Stephens—D.

Hawaii: *Fong—R., *Inouye—D., Matsunaga—D., Mink—D.

Idaho: *Church—D., Hansen—R.

Illinois: *Percy—R., *Stevenson—D., Derwinski—R., Collins—D., Young—R., Annunzio—D., Anderson—R., Railsback—R., Findley—R.

Indiana: *Bayh—D., Brademas—D.

Iowa: Mezvinsky—D.

Kansas: Sebelius—R., Winn—R.

Kentucky: *Cook—R., *Huddleston—D., Stubblefield—D., Mazzoli—D., Carter—R., Breckinridge—D., Perkins—D.

Louisiana: *Johnston—D., Boggs—D., Treen—R., Breaux—D., Long—D.

Maine: *Hathaway—D., Kyros—D., Cohen—R.

Maryland: *Mathias—R., Sarbanes—D., Mitchell—D., Gude—R.

Massachusetts: *Kennedy—D., Conte—R., Harrington—D., Moakley—Indep.

Michigan: Conyers—D., Esch—R., Riegle—R., Harvey—R., Vander Jagt—R., Diggs—D., Nedzi—D., Ford, W.—D., Dingell—D.

Minnesota: *Humphrey—D., *Mondale—D., Quie—R.,

Missouri: *Eagleton—D., Clay—D., Symington—D., Hungate—D.

Montana: *Metcalf—D., Melcher—D.

Nebraska: Thone—R.

Nevada: *Bible—D.

New Hampshire: Cleveland—R.

New Jersey: *Case—R., *Williams—D., Howard—D., Thompson—D., Widnall—R., Roe—D., Rodino—D., Daniels—D.

New Mexico: *Domenici—R.

New York: Rosenthal—D., Chisholm—D., Abzug—D., Gilman—R., Dulski—D., Kemp—R.

North Carolina: *Ervin—D., Jones—D., Preyer—D., Broyhill—R., Taylor—D.

Ohio: Ashley—D., Miller—R., Seiberling—D., Stokes—D., Vanik—D.

Oklahoma: McSpadden—D.

Oregon: *Hatfield—R.

Pennsylvania: *Schweiker—R., *Scott—R., Eilberg—D., Yatron—D., McDade—R., Moorhead—D., Heinz—R., Johnson—R.

Rhode Island: Tiernan—D.

South Carolina: Gettys—D.

South Dakota: *Abourezk—D., McGovern—D.

Tennessee: *Baker—R., *Brock—R., Quillen—R., Duncan—R., Baker—R., Evins—D., Fulton—D., Beard—R., Jones—D., Kuykendall—R.

Texas: Eckhardt—D., Pickle—D., Price—R., Fisher—D.

Utah: Owens—D.

Virginia: Wampler—R.

Washington: Meeds—D., Hansen—D.

West Virginia: *Randolph—D., Mollohan—D., Staggers—D.

Wisconsin: Reuss—D.

Wyoming: *McGee—D.

DELEGATES

Guam: Won Pat—D.
Puerto Rico: Benitez—D.
Virgin Islands: de Lugo—D.

EXHIBIT 2

AUGUST 9, 1973.

DEAR MR. ABOUREZK: I've been reading about S. 1844, The American Folk Life Preservation Act which you have introduced, & I am very much in favor of it.

Many Americans are interested in preserving our country's rich heritage of folk traditions which are so varied because of our individual backgrounds.

It's very important that we preserve this, and I am most pleased that you are aware of the need for preservation.

Thanks much!

Sincerely,

ALICE B. NUGENT (Mrs. Carl G.).

LINCOLN, NEBR.,
September 1, 1973.

Senator ABOUREZK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ABOUREZK: It is with great delight and satisfaction that I note your sponsorship of Senate Bill 1844, "American Folklife Preservation Act." I have spent the past fifteen years working in the area of Plains folklore and folklife—Sioux log construction in South Dakota, the songs and stories of the Plains, the soddy, round barns, horsetrading stories, the foods and tales of the Omaha Indians, the hammered dulcimer of the German-Russians; I have published four books (*Treasury of Nebraska Pioneer Folklore, Sod Walls, Folklore Methodology,* and *Shingling the Fog and Plains Lies*) and have four more at publishers and I can assure you that the great mother-lode of Plains folklore remains untouched and richer than we can imagine.

As a student of American folklife and as a plainsman I applaud your work and sincerely wish you the best in this effort.

Sincerely,

ROGER L. WELSCH,
Centennial Fellow,
University of Nebraska.

THE UNIVERSITY OF TEXAS,
TEXAS MEDICAL CENTER,
July 30, 1973.

Senator JAMES ABOUREZK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ABOUREZK: Senate Bill 1844 on the establishment of an American Folklife Center is one of the finest bills the Congress could pass.

As a social scientist whose personal work deals with mathematical and quantitative models, I have become quite aware of the vast work needed in the non-mathematical side of social science. Establishment of a Folklife Center has great potential for stimulating creative and significant work in vital areas of thought. Its long run importance to the nation for intellectual discovery should not be overshadowed by the obvious benefits in historic or folkloric activities.

I strongly encourage passage of the bill, and congratulate you on your foresight in sponsoring it.

Sincerely,

PAUL BALLONOFF,
Adjunct Assistant Professor of Population Genetics.

THE UNIVERSITY OF ILLINOIS PRESS,
Urbana, Ill., July 3, 1973.

Senator JAMES ABOUREZK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ABOUREZK: Since you introduced S. 1844, a bill to provide for the establishment of an American Folklife Center in the Library of Congress, I have followed reports of its growing list of sponsors with much interest. Let me offer you my support and encouragement.

As you point out, scattered governmental agencies have, from time to time, paid serious attention to American traditions. The Library of Congress Archive of Folk Song, for instance, has been extremely helpful to me in my own research. There is so much that could be done, though, and it is going to take more than the random efforts, however energetic, of governmental agencies and private scholars. Hence the need for just the kind of center you have proposed. Other countries recognized this need long ago; the Finnish Literature Society was founded in 1831, for instance, and the Irish Folklore Commission in 1935.

You are right to stress the diversity of cultures in this country. Our citizens, native and immigrant, have a rich variety of traditions, which can give them some sense of identity and worth. One fairly immediate and relatively inexpensive dividend of the American Folklife Center would be the rebuilding of positive values, which have suffered such an erosion of late.

My views are further spelled out in a letter I have sent to Senators Stevenson and Percy, a copy of which I enclose.

Sincerely,

(Mrs.) JUDITH MCCULLOH.

CENTER FOR INTERCULTURAL STUDIES
IN FOLKLORE AND ORAL HISTORY,
Austin, Tex., September 5, 1973.

Senator JAMES ABOUREZK,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR ABOUREZK: I am delighted to hear that you have reintroduced the Folklife Preservation Bill. Right now folklore and folklife studies are just beginning to demonstrate their public usefulness, and this bill is especially timely. The Smithsonian Institution, with whom I work, both as a Counselor to Secretary Ripley and as a member of the Folklife Advisory Committee, have made some preliminary moves in demonstrating the applied uses of folklore studies in the past few years, with more than modest success. But this type of thing can and must be carried on throughout the United States, and only an action such as that contemplated in your bill will enable this to be accomplished.

Let me give one example from your state. I have been working with the school system in Stephan, on the Crown Creek (Dakota) reservation. They are trying to put together an appropriate educational approach for Dakota Indians, and are finding it difficult because they have been taught for so many years that anything Indian is no good and must be forgotten. Much has remained, however, and myself and another folklorist, J. Barre Toelken of Oregon have been demonstrating to the staff how to observe these practices, and how to use them in their classrooms and curriculum development. But Sister Charles and Augustus and the other good people there need much more local help (we represent the National Humanities Faculty) and this could be accomplished through this bill.

We are delighted to see that you have been able to garner such broad and multi-partisan support from your fellow senators. Hoping for further successes, I remain

Respectfully yours,

ROGER D. ABRAHAMS.

THE NEED FOR BIPARTISAN COOPERATION WITH THE PRESIDENT

Mr. SCOTT of Pennsylvania. Mr. President, in his September 5 column for the Los Angeles Times Syndicate, Roscoe Drummond most effectively puts into perspective the great need for bipartisan cooperation with the President to get this Nation back on track on the business of the people. Mr. Drummond asks:

Is it acceptable to the American people to see the nation so perilously divided when it is not necessary? Bear in mind that the biggest loser will not be Richard Nixon or his political opponents in Congress; it will be the United States of America.

Mr. President, I share this view very strongly. We must have cooperation from now on out as the only viable path to effective governance. I ask unanimous consent to have Mr. Drummond's column printed in the RECORD.

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

IMPEACH OR COOPERATE?

(By Roscoe Drummond)

WASHINGTON.—The gravest consequence of Watergate, which can do untold harm to the nation, is now upon us. It is starkly visible in these two circumstances.

1—It is evident that President Nixon's political opponents in Congress and the press have no intention of letting him off the mat to do his job effectively—if they can possibly help it.

2—It is also evident that Congress has no wish and no taste to remove him from office.

Hence the ominous prospect that we face many months of a nation half-governed and half-stalemated, a crippled President and a hostile, partisan Congress more intent upon punishing the President than upon his governing the country.

Is it acceptable to the American people to see the nation so perilously divided when it is not necessary? Bear in mind that the biggest loser will not be Richard Nixon or his political opponents in Congress; it will be the United States of America.

There is an answer and it does not rest on the assumption that the President is entirely in the right or that his congressional opponents are entirely in the wrong. But it does rest on the premise that the nation cannot safely continue for long half-governed and half-stalemated.

I believe we have reached the point where there is no other answer than this: Impeach or cooperate.

In other words, isn't it the clear duty of the Democratic majority in Congress to stop harassing the President over Watergate—so that together the President and Congress can begin to govern effectively—or take the only step open to them to get rid of him; namely to institute impeachment proceedings?

It seems to me that this is the clear, clean and constructive choice between alternative courses of action—impeach or cooperate.

The purpose is not to punish Richard Nixon nor to benefit him. The purpose is to stop punishing the nation. If the President's political opponents in Congress are not willing to move to impeach him, the overriding goal is not just to let the President up off the mat but to let governing the nation up off the mat.

I am not suggesting that if Congress is not going to impeach the President all the cooperation needed to deal with crucial decisions must come from the Congress. It must come from both. There must be give and take and some of the give must come from the White House. Watergate has strengthened Congress and fortunately it has alerted the President to a fuller awareness that he cannot govern alone.

The time is right for rebuilding a needed and workable partnership between Congress and the President in order to move forward on urgent matters which have been painfully neglected by both for months.

Congress needs the initiative of the Presi-

dent. The President needs the discriminating support of Congress. The diplomacy of peace and the welfare of the American people are at stake and new actions will be stunted and stalled if some degree of cooperation does not replace the kind of civil war between the two which has prevailed for months.

Much needs to be done.

We must re-create the will and mechanism for a nonpartisan foreign policy which can build on the improved relations between the United States and Russia and China.

New legislation is needed to enable the President to expand U.S. trade with the Communist countries and negotiate new commercial agreements to avert a worldwide trade war.

Crucial appropriation bills are backed up and require reasonable compromise.

New measures dealing with tax reform, defense, welfare and health ought not to be delayed.

The truth of the matter is that Congress cannot govern without the President and the President cannot govern without Congress.

If the Democrats in Congress want to move to impeach the President, so be it. But if they don't, then in the interest of the nation, they ought to co-operate with the President and demand co-operation in return.

RESTORATION OF DIPLOMATIC RELATIONS WITH SWEDEN

Mr. MONDALE. Mr. President, I would like to call to the attention of my colleagues an editorial entitled, "Sweden on the 'Enemies' List," which recently appeared in the Minneapolis Star. This editorial calls on the President to "move promptly to reestablish full diplomatic relations" with Sweden. The administration has not sent an Ambassador to Sweden since August 1972 because of criticism made by Prime Minister Palme of our Indochina policy.

The maintenance of this position toward a nation with whom the United States has always had the friendliest of relations was never justified in my view; it cannot possibly be justified now that the United States has completely removed its military forces from Indochina. Indeed, as the Star editorial states:

> And what of China and Russia, which conducted a vitriolic propaganda campaign against U.S. actions in Indochina? Should they be forgiven, while Sweden continues to be condemned?

I therefore wrote to Secretary of State-designate Henry Kissinger asking if he will recommend to the President a resumption of normal diplomatic relations with Sweden. As of yet, I have not received a reply to my letter of September 4.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point.

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

SWEDEN ON THE "ENEMIES" LIST

Sweden has been on the Nixon administration's "enemies list" for more than a year. Because its leaders openly expressed their displeasure at U.S. bombings of North Vietnam, the President did not replace the American ambassador to Stockholm when he retired in August 1972.

Later, when Sweden's Prime Minister Olof Palme criticized the renewed bombings last December, Nixon withdrew the No. 2 man in the U.S. mission in Stockholm, and further announced that a new Swedish ambassador, to replace the envoy who had retired, would not be welcomed in Washington.

This atttiude toward Sweden, as Sen. Hubert Humphrey has said, is "infantile petulance." Humphrey introduced, and the Senate Foreign Relations Committee approved, a resolution calling on the President to resume full diplomatic relations with Sweden. Rep. Donald Fraser, of Minnesota's 5th District, has introduced a similar resolution in the House. Still another Minnesotan, Sen. Walter Mondale, has written to Henry Kissinger, the secretary of state-designate, asking if he will recommend a resumption of relations with Sweden.

The administration's attitude is indeed "infantile." Sweden was not the only country to criticize the U.S. bombings. And what of China and Russia, which conducted a vitriolic propaganda campaign against U.S. actions in Indochina? Should they be forgiven, while Sweden continues to be condemned?

Palme, at least, was honest in his criticism. The same cannot be said of officials in Peking and Moscow, who offered friendship from one side of the mouth, and vitriol from the other. Nixon should respect Sweden's honesty and move promptly to reestablish full diplomatic relations.

THE CONSUMER PRODUCTS WARRANTIES BILL

Mr. HANSEN. Mr. President, I would like to take a few minutes to comment on a bill that this Chamber passed by voice vote yesterday.

The consumer product warranties bill, S. 356, has some good concepts. I certainly support the clarification and enforcement of warranty language. It is essential that warranty terms are cogent, so as to avoid misunderstanding by either the producer or the consumer.

Conceptually, the bill has some sound proposals, which could provide effective consumer legislation. The troubling aspect of S. 356, as passed by the Senate, is that several provisions lack necessary specificity in terms of litigational procedures. It is my understanding that section 203 of title II authorizes the Federal Trade Commission to regulate the details of virtually all contract rights and, in this regard, to all intents and purposes is a class action provision. If the provision does in fact allow suits to be brought by the FTC on behalf of consumers in Federal courts, what provision is made to deal with the many problems inherent in class action litigation?

Imprecise and sometimes nebulous language in legislation opens the door for administrative confusion. It is somewhat ironic that the very bill designed to insure that warranty terms say what they mean and mean what they say is itself vague.

OVERTHROW OF ALLENDE GOVERNMENT IN CHILE

Mr. McGEE. Mr. President, the overthrow of the Allende government in Chile by a military coup will most certainly be the subject of considerable discussion, speculation, and conjecture in the next few days.

There may even be the temptation on the part of some individuals to exploit the situation in an attempt to draw a correlation between the ITT revelations of a years ago and Allende's demise. However, I would urge that everyone exercise caution and not engage in hasty conjecture and simplistic analyses as to what led to Allende's fall from power. To do so would be to ignore the complex nature of the Chilean political system—a system which has had a strong constitutional tradition, making Chile particularly resistant to interference in its internal affairs by outside forces.

As chairman of the Subcommittee on Western Hemisphere Affairs of the Senate Foreign Relations Committee, I have had more than just a passing interest in Chile and the rest of Latin America. Therefore, it is my belief that in the absence of any drastic change in domestic policy on the part of the Allende government, the coup of 2 days ago was unalterably charted from the beginning of this year.

In light of this, I was particularly interested in two analyses of the Allende government—one by Lewis Diuguid of the Washington Post which appeared before the coup and the other by Jeremiah O'Leary of the Washington Star-News which appeared yesterday. Both Mr. Diuguid and Mr. O'Leary are recognized as journalists who have considerable expertise on Latin American affairs. I found both articles reflective of this expertise on Latin American affairs, and I believe both placed the situation in Chile in the proper perspective. Therefore, I would urge that my colleagues give particular attention to what their observations are.

Before concluding my remarks, I would like to make one additional observation. I do not believe anyone can take any satisfaction in the fact that the Allende government was overthrown. The issue of his government, in my estimation, was not based upon the ideology of Allende the politician. While Allende was a Marxist he never allowed his ideology to overcome his belief in Chile's constitution. Although his programs may have been the outgrowth of a Marxist ideology, he still resisted pressures from his own Socialist left to use force as a method of circumventing the constitution and, thus, consolidate his hold on power in Chile.

Allende's death was a tragedy, just as the series of events and incidents in Chile culminating in the coup was a tragedy. I do not believe that the Chilean opposition parties or the military take any great satisfaction that this was Chile's first coup in more than 40 years. Quite the contrary, for whatever other reasons, I believe this last drastic step was taken with great reluctance. Thus, it would behoove us all to reserve our judgments as to what this portends for the future of not only Chile, but the rest of Latin America as well. In this vein, I would urge my colleagues to also give particular attention to the editorial appearing in yesterday's Washington Star-News.

I ask unanimous consent that the O'Leary and Diuguid articles and the Washington Star-News editorial be printed in the RECORD.

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

[From the Washington Post]

ALLENDE'S FUTURE

(By Lewis H. Diuguid)

Chilean President Salvador Allende has served just about half of his 6-year term, but his chances of completing it look dimmer now than they did in 1970. Even then there were plenty of skeptics. They pointed out that Allende had won only 36 percent of the popular vote, that as a Marxist he would be unique in Chile's—and the world's—democratic history, and that his program for socialism was bound to antagonize such anti-Marxist powers abroad as the United States.

Still, there was the proven capacity and flexibility of the Chilean political system. It had, after all, permitted Allende to come to power. Moreover, military intervention did not seem to be a threat in a nation where the soldiers really did keep to barracks.

Santiago was agitated by the impending changes, to be sure. On the one hand, there was euphoria among the Marxists who had sought power so long. On the other, there was panic among the rightists. But a tolerant skepticism could be found among many between those poles who were willing to wait and see.

In Chile today, tolerance, flexibility and euphoria are as scarce as potatoes and cooking oil. And soldiers are in the streets.

Allende has presided over the polarization of an electorate that just three years ago was still highly diverse. Civil war is a real possibility, and this comes as a shock to Chileans who took pride in their nonviolence.

The basic cause for the crisis is Allende's determination to carry out his program of sweeping change without majority support. The Chilean multiparty system is founded on compromise. It accommodates a minority president, but the parliament is a check against his imposing a program unacceptable to the majority.

Allende, however maintains that to modify his socialism would be to defraud his supporters. And so there is an impasse.

But if Allende's refusal to compromise is the basic cause of the crisis, other factors contribute: the parallel intransigence of the opposition, incapacity in the ruling coalition, and the difficult-to-define foreign factor.

The Christian Democratic and National Party opposition has shown as little willingness to compromise as has Allende. It is just that the onus is on Allende as President. They seemed more willing at the outset, when Allende was stronger. They are less so now, when he seems weaker.

Christian Democrats have accommodated to the conservative National Party even as they have deepened the split with the Allende coalition—though their own ideology is much more akin to the Marxists'.

While both sides have contributed to the crisis through intransigence, Allende's government has itself been a major factor through its incompetence. Many of its leaders concede this freely.

Policies agreed upon at cabinet level and among leaders of the coalition's six parties are diluted or even discarded in the field. The government's chain of command frays into separate hierarchies layered through the ministries by the Communists, the Socialists, and the Christian Left. None trusts the others.

So far, the exigencies of power have not coalesced the Popular Unity coalition. Allende's election was possible because the disparate Marxists at last pulled together for that limited goal. As one of them said, "We had a program for election, but not for government."

While Allende proved to be an icy brinksman in conflict with the opposition and in cabinet crises, he has shown a curious inertia when purges of the government ranks were called for.

Incompetents are rarely relieved of responsibility, and almost never fired outright.

A couple years ago, when violence was on the rise in Santiago, a newly arrived reporter asked Allende's press secretary about the possibility of wide conflict. He replied by pulling a .38 caliber pistol from his desk drawer and snarling, "If it comes, we're ready." The Socialist Party stalwart was infamous for such gaffes, but he lost his post only after he left the country in hurried pursuit of his fleeing wife. It got pretty embarrassing for the Allende crowd. Yet the gun-toting secretary is now back on the President's personal staff.

Equivalent cases of old-boy relations among the new Marxists abound in the ministries charged with directing the economy and the critical mining sector. And the inflation and copper problems are the bane of the government's existence.

How big is the U.S. role in the crisis? The Nixon administration's antipathy for this socialist experiment has been clear enough. Allende expected it—his program called for taking over property of influential American corporations.

The U.S. ambassador was negotiating in behalf of the copper companies before any action was taken against them, and the cutoff of American credits began about the same time. ITT's anti-Allende activities received official sympathy if not connivance.

But the United States has made a major de facto contribution to Allende by failing to come to terms on rescheduling Chile's huge debts—on-and-off negotiations have provided a painless two-year moratorium. Minor aid efforts, such as Peace Corps and Food for Peace, continue.

By the public record, it would appear that the U.S. role in the Allende crisis actually is marginal. But it is real, and it rankles those who see no reason for any American involvement. Should he fall, many will wonder if Chile's experiment failed on its own terms.

Allende may weather the crisis. But while the question in 1970 was whether he would be able to carry out his program, it now seems to be whether he can just hold the government together. With the polarization extending now to the armed forces, his room for maneuvering is tight.

[From the Washington Star-News, Sept. 12, 1973]

ALLENDE

(By Jeremiah O'Leary)

Dr. Salvador Allende Gossens, who called himself a Marxist but lived the dolce vita of Santiago's upper class, survived as president of Chile for just less than half of his six-year term.

The 65-year-old Socialist Party leader apparently sealed his own doom by carrying out some of the most unorthodox economic policies in South America. One of his first acts after being elected by a margin of 1 percent over a divided opposition in 1970 was to announce a new economic order for Chile.

What he did simply did not work. He ordered pay raises of about 30 percent for everybody; he froze prices and he ordered all production doubled.

Many observers were astonished that he endured for three years. But Chileans are a democratic and law-abiding people who thought, in the main, that he ought to have his chance to try socialism so long as he had won fairly and squarely in the election.

Even the armed forces and the well-disciplined carabineros (national police) resignedly went along with Allende and his theorists. Chile had not had any semblance of a military coup since the early 1930's and the nation was proud of that record.

But Allende never really had much of a chance, given the incompatible rules for conduct that he set for himself. Many observers believe his pre-election promises were made because he never expected to be elected. But when he was elected he had to try to deliver.

One of his first acts was to burn most of the friendly bridges with the United States, source of millions of dollars of aid and investment in Chile. Allende nationalized the American copper companies without paying for them, no doubt a popular thing to do for the masses, but it cut him off from most world sources of credit.

Then, when youths of the leftist MIR organization began helping peasants seize farmland, a siege of food shortages began that persists to this day. No one would plant any crop of importance because it was never known when the government or the peasants would seize it. Allende looked the other way when the land seizures took place and production plummeted.

The anti-Marxist news papers went into shock when Allende won the election. But when they recovered their courage, Allende had a vocal and talented opposition press on his hands that often exceeded his own press coterie in bombast and rhetorical excess. By trying to be both a democrat and a Marxist, Allende was barred from seizing the opposition papers and he failed in an effort to control their access to newsprint through the efforts of the newspaper unions.

All along, Allende had a government in which the executive branch was Marxist, the legislature was dominated by centrists and conservatives and the armed forces were lukewarm. Few of the officer corps liked the prospect of serving a Marxist president but most of them determined to try so long as he did not violate the constitution.

In the end, it was the wave of strikes by Allende's own people, the miners, the teachers, the unions and the truck drivers that contributed most to his downfall. He staggered from crisis to crisis while Chile's currency—the escudo—depreciated to the point of worthlessness, while store shelves emptied, while the cost of living soared and street demonstrations became regular.

He staved off a coup by the armored troops in July, another by the navy in August. Only the inclusion of military officers in the cabinet saved him from those and other crises. In the end, the situation had gotten so bad that the unity of the armed forces was threatened. It was then that the officers made their decisive move.

It is significant that they were joined by the carabineros, perhaps the best national police force in the Western Hemisphere. These police take their oath to the president, not the constitution.

Allende, who was born in Valparaiso where the revolt started, spent most of his adult life as a politician and leader of the Socialist party. He was a three-time loser for the presidency when he won in 1970 when a third-party candidate drained off just enough anti-Marxist votes to permit his victory.

He took up immediately with Fidel Castro who came to Chile and stayed a month until even the Marxists were tired of him. He gave the Chilean people an unmanageable government and a creed nearly 60 percent of them did not favor and, worst of all, their lives grew miserable with shortages of nearly everything.

He himself never seemed to flag in the face of three years of adversity. He cut down on his drinking, which had been a problem to him over the years. He worked as hard as he could to put square pegs in round holes.

His wife Hortensia and his three daughters—one of them married to a Cuban intelligence agent—were an asset with his backers. His sense of humor rarely left him. His lifestyle remained high. His home in a San-

tiago suburb, his natty clothes and his liking for fine cars did not go well with the state of affairs for his deprived citizenry.

If he expected massive help from the Soviet Union, he never got it. As one diplomat said, "If we have to have a Marxist government freely elected, I can't imagine a better place than Chile. It's 8,000 miles from anywhere."

Despite the ITT-Chile "plot" of which Allende and the Senate Foreign Relations Committee made so much, the United States actually did no drastic intervening. Washington's orders to all concerned were to "sit on your hands." Apparently no CIA operations were run against Chile, no matter how often people discussed doing it.

It wasn't necessary. Allende was such a poor economist, the nation went bankrupt. He was a good politician but even that wasn't enough for a man who had the enmity of a majority of his legislature, his armed forces and his people.

The round-faced, voluble, smiling Allende tried as hard as he knew how to make a socialist state of Chile. But the Chileans seem too individualistic for any such structure of life. The pro-Allende miners, thus, were the most ardent and damaging strikers against him.

One anti-Allende Chilean said, "He might have made it if he had ignored the constitution and gone all out for Marxism when he was first elected. But a man who has been a congressman all his life is a natural-born compromiser. He compromised and finally he ran out of compromises."

The new regime could be cast in one of these forms:

A military junta that would retain power only until it can hold elections or present the presidential sash to the ranking member of the Senate, former President Eduardo Frei.

A Uruguayan-type solution by which the military would retain actual power by using a bland and neutral civilian figurehead.

A Brazilian-type solution under which the military would retain the appearance as well as the reality of power.

Chilean military officers here said they expected the military chiefs would want to hand power over to civilians as fast as possible. But that depends on whether the takeover leads to civil war or whether the national mood is one of acceptance of the change.

[From the Washington Star-News, Sept. 12, 1973]

HANDS OFF CHILE

Chile suddenly presents the Nixon administration with its biggest test in this hemisphere. Throughout 1973 presidential spokesmen—most notably former Secretary of State William P. Rogers in Latin America this spring—have proclaimed American determination to let our southern neighbors determine their own destiny. The Chilean military assault on Marxist President Salvador Allende now becomes a dramatic case in point.

We think that the United States, true to its promises, should stay strictly on the sidelines. Neither by word nor deed should Washington fuel the slightest suspicion that it somehow is behind the upheaval overtaking this major Latin American country.

First signs are that the Nixon administration agrees. We applaud the immediate decision yesterday to divert a flotilla of four American warships from Chilean waters. The ships had just left Peru for routine maneuvers later in the week with the Chilean navy, but their presence now would certainly have proved an embarrassment in handling the crisis.

It is no state secret that Allende and the United States had been at loggerheads almost since the day he was elected in 1970. The Allende experiment in socialism meant the confiscation of large private American investments, including copper and telephone companies, with precious little compensation. The United States became the convenient "imperialist" whipping boy for everything wrong in Chile.

Nor have American hands been clean in fighting Allende. It is now part of the public record that the International Telephone and Telegraph Company approached a not-unsympathetic CIA with a bagful of dirty tricks to get rid of the elected Marxist president. The fact that the plans never got anywhere does not excuse underhanded intervention.

All the more reason now for the United States to take a scrupulously pure hands-off position. Voices from the left are bound to cry that Washington is at last trying to have its way in Chile, just as forces on the right will do their best to gain the mantle of respectability through support from Washington. But it is a Chilean battle and the solution must be a Chilean solution.

Fortunately the official American presence there is in the hands of Ambassador Nathaniel Davis, a thoroughly level-headed and professional foreign service officer. His first concern must be for the safety of the 2,500 American residents of Chile, and we trust that his superiors in Washington will not complicate that task by taking sides in whatever struggle may ensue.

MEDORA, IN THE BADLANDS AREA OF NORTH DAKOTA

Mr. YOUNG. Mr. President, one of the most interesting and fascinating places in the whole world is the Badlands area in western North Dakota. The little town of Medora in the Badlands is the most picturesque and scenic western town that can be found anywhere in the United States. It is named Medora in honor of the lovely wife of one of the Badlands area's first pioneers, the Marquis de Mores, a fabulous young Frenchman of the last century.

It was to this area that Teddy Roosevelt came to ranch in that period of history. He often said that if it had not been for the time he spent in this area of North Dakota, he never would have been President of the United States.

Mr. President, while some of the old town of Medora still stood, it has now been restored to its original status of nearly 100 years ago by Harold Schafer, head of the Gold Seal Co. He has made this into a wonderful and fascinating spot for any vacationer to visit.

Mr. Schafer is one of the most successful businessmen of our State and has devoted much of his time, energy and resources into making this a most attractive spot. Among the many attractions he has brought to Medora is a great theater production in the natural setting of the Burning Hills Amphitheater. The professional talent on this tremendous program is among the best that can be found anywhere in the United States.

Mr. President, I ask unanimous consent to have printed as a part of my remarks an editorial appearing in the Bismarck Tribune of August 2, 1973, entitled "An Evening at Medora." I had the privilege of spending one of these evenings in Medora which the editorial speaks of. It was one of the most memorable and enjoyable evenings of my life.

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

AN EVENING AT MEDORA

Take a western North Dakota evening, with just a murmer of a cooling breeze, warm enough for shirtsleeves but cool enough to have a jacket ready.

Add the setting rays of the lowering sun against red-topped Badlands buttes.

Stir in a thousand or more chatting, laughing, expectant people.

And then add the 1973 Medora Musical, with its Burning Hills Singers, "old-timer" Bob Mantzke, Victor Julian and his canine stars, and a comedy team like Bob and Ginny Lewis for seasoning.

What you have is something so delightful that you're sorry when it's over. You want to see and hear more. And you want to come again.

That was the general reaction of more than 1,600 persons who saw the show in the butte-side amphitheater just southwest of Medora last Saturday evening, and, judging by reports, it's been the unanimous verdict of all who have seen it this summer.

One of the good things about it is the reaction it is producing from the many out-of-state tourists who always are included in the audiences.

They come in looking a bit hesitant and wary, as though in doubt that 'way out here in cow country there could be much that would impress and really entertain them.

Before it's over they're standing to applaud with the rest of the audience, and you know that when they get back home one of the things they're going to talk about is that wonderful evening they had in a place called, let's see, oh, yes, Medora, North Dakota, where Teddy Roosevelt once ranched.

Bob Mantzke asks out-of-staters at the show to stand, and at least a fourth of the 1,600 at last Saturday's performance stood at his request.

Medora always has been a fun place to visit, but this year there's more than ever to make it interesting.

For one thing, there's the big, new chuckwagon, a cool and airy building where hundreds can be served. For another, there's the Medora Gallery, with a fascinating collection of old guns. Just to mention one more, there's a place to fish for trout, and many do.

All this and the Roosevelt National Memorial Park with its visitors center, the Chateau de Mores, excellent camping facilities and all kinds of exciting Badlands scenery.

It's been said that North Dakota may have a hard time developing terminal vacation attractions—that is, a place to which people from Chicago and New York and Grundy Center, Ia., will drive to spend a week or two—but Medora with its Badlands and developed attractions could have the makings. So, for that matter, could the Metigoshe area and perhaps others like the Four Bears area, with proper development and promotion. Especially with the present threat of gasoline shortages curtailing mileages.

But for the moment, don't overlook Medora. It's great.

A COMMUNICATIONS REVOLUTION?

Mr. HARTKE. Mr. President, it has been said that we live in an age of instant communications as audio and video signals bounce all over the world and from outer space itself. The effects of our commercial television are debated in academic circles as we recognize that any American born no more than 24 years ago has likely had his or her total consiousness influenced to an unknown degree by television. Mr. President, as a member of the Subcommittee on Communications of the Senate Commerce

Committee, I am concerned about the role of television in our daily lives. If we are not fully cognizant of what television has already done to our lives, we certainly cannot quite comprehend how television will affect us in the future.

Mr. President, Douglass Cater of the Aspen Program on Communications and Society has contributed a scholarly and intellectually stimulating article on this matter. For the perusal of my colleagues, I ask unanimous consent that Mr. Cater's article in the Wall Street Journal of August 6, 1973, be printed in the RECORD.

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

A COMMUNICATIONS REVOLUTION?

(By Douglass Cater)

The experts have been signalling a coming communications revolution. Satellite, cable, cassette and accompanying gadgetry promise what one foundation-sponsored commission has called "television of abundance." Wilbur Schramm, a leading communications authority, predicts that this will change American life styles as radically as the motorcar did in the 1920s.

Dr. Schramm's prediction is not far-fetched; as are only dimly beginning to perceive the extent to which our lives are shaped by the media that give us our images of the world. The revolution he sees may not come as suddenly as the prophets once predicted for huge economic and political problems still must be solved before the nation can be wired and the new channels filled with programming. But when and if the technology is implemented, it will affect society in powerful ways—for better or worse.

Consider the picture painted by the enthusiasts about the coming revolution. There will be more channels into the home: by coaxial cable 20, 40, 80 or, by the perfecting of fiber optics, hundreds and even thousands. You will have a Home Information Center (HIC), capable of printing out your daily newspaper even while you are watching the latest rerun of "I Love Lucy."

You will be watching not a picture tube but a wall-sized screen creating third dimensional illusion (and the possibility of X-rated movies in 3D). HIC can provide "narrowcasting" aimed especially at you and your neighbors or you and your interest group. HIC can also provide "interactive capacity," meaning that you will be able to talk back to your television set—or at least send back a signal of some sort.

With the video cassette recorder, you will be liberated from the tyranny of broadcast schedules. Connected to the computer, HIC can bring the town library or even the Library of Congress directly into the home. A dish on the American homeowner's roof can pick up telecasts direct from the People's Republic of China. There are few technological barriers, although there may be political ones.

But the major promise, according to the prophets is that telecommunications will no longer be an economy of scarcity. Minority audiences—ethnic, religious, cultural—will be freed from the dictates of Mr. Nielsen's ratings. In their enthusiasm, the prophets foresee a vast flowering of services:

Social—entire channels devoted to universities without walls and round-the-clock delivery of health services;

Civic—fire and police surveillance, meter reading, electronic mail delivery;

Political—town meetings by the fireside, instant plebiscites, the nation turned into a Greek marketplace of democracy;

Economic—shopping on the tube, business conferences by picturephone, relief for congested transportation systems.

Perhaps most dramatic of all, Dr. Peter Goldmark, the former President of CBS Laboratories, foresees demographic benefits. Pointing to present migratory trends which by century's end will place half of America's population in five areas of urban sprawl, Dr. Goldmark believes that efficacious use of the new communications can provide incentive for families and businesses to quit huddling together and to spread themselves more evenly throughout our vast land.

NOT ALL ARE OPTIMISTIC

Not all who contemplate the coming communications revolution are so sanguine, however. A gathering of professors concerned with public policy at Berkeley reacted with unabashed horror. Phrases like "unravelling of the social fabric," and "weakening of nationhood" were uttered. The slightly more optimistic view offered by one political scientist was that the new technology will create an information overload of such massive proportions that people will tune out. There will be no one at the end of the line.

The professors voiced more specific concerns:

Political—Can a nation govern itself by marathon plebiscite? Who will perform the role of leadership once the *demos* has the power to register its opinion instantaneously? How will government cope with problems that require anticipatory planning and sustained commitment?

Economic—Will he plethora of channels cause a further dilution of quality? Who will provide the money for high cost programming? The three networks, for example, currently spend an estimated $150 million to $250 million annually on news and public affairs. If they lose their present dominance of the marketplace, will they continue to provide this service indispensable to an informed citizenry?

Societal—Is the fractionation of audiences a net social gain? Many social scientists believe that the mass media have played a vital role in building the sense of national community. What happens when each minority group can tune in its own prophets? When there are no more Walter Cronkites each evening to reassure us that despite all its afflictions the nation still stands?

Libertarian—What happens to the individual in an era when technology invades and records and computerizes his deepest privacy?

The changes in communication technology also promise to upset delicate political and social balances that have grown up around present broadcasting.

No one has suggested a way of monitoring much less controlling excesses on the cable. FCC regulations are ambiguous about the cablecaster's responsibility for programming produced by access groups and others. Already, there have been a few hairy instances of sex and sordid language. If, as seems likely, program packagers test the outer limits of the permissible in their quest to capture attention, a political outcry against this invasion of the home is dead certain. Yet to devise restraints whose curse is not worse than the cure will be a far more difficult task for the open marketplace of cable than for over-the-air broadcasting.

Other demands on the new communications are being asserted in Washington. The copyright lobby insists on better terms for those who produce the programming; the unions are anxious to extend their tight hegemony over labor practices; consumer groups are stipulating conditions of access. Regulatory purists argue that the cable should be governed as a common carrier with strict separation between conduit and content. All these claims prompt some to speculate that technological progress may be stalled by excessive expectations. Unless there is opportunity for substantial profit, they argue, entrepreneurs are simply not going to invest in either conduit or content.

One economic fact seems quite clear: feeding the avaricious appetite of the new communications will be a great deal more costly than installing the hardware. How is it to be paid for? Traditionally, the commercial broadcast industry in America has relied exclusively on advertising revenue to sustain program production. Though this represents a sizable total—$4 billion a year for commercial radio and TV—it amounts to only two or three cents per viewer message and appears to be a fairly inelastic source of revenue. Manufacturers with something to sell are not likely to lay out greatly increased sums simply because more channels are available.

A BITTER BATTLEGROUND

This points toward what is likely to be a bitter battleground of the coming communications revolution: subscription programming. Those who favor selling directly to the subscriber programs on the cable foresee an opportunity not only to tap a new source of revenue but to free television from mass market commercialism. At long last, they argue, the consumer can get what he wants—i.e., what he is willing to pay for. Paul Visher, of Hughes Aircraft Corp., claims that surveys show potential profitability for comparatively limited audience programming. Dore Schary, who is developing a pay service called Theatrevision, is confident that serious discussion programs will be able to earn their way.

Such arguments arouse fury among broadcasters. They deride the notion that pay programming will release a vast outpouring of theater, opera, and the like. What the cablecaster really wants, charges a group station executive, Wrede Petersmeyer of Corinthian Broadcasting, is to siphon off the most popular and profitable programs from the "free" (i.e., advertiser-supported) air waves. Broadcasters would dearly love to find a regulatory sanction to prevent this.

How to pay for programs which can muster neither advertiser nor subscription revenues? In a fit of euphoria, the FCC has tentatively reserved cable channels for educational, municipal government, and public access use. But no one has the foggiest idea where the money to program them is coming from.

The dilemma is posed even more starkly by the effort to harness the new communications to the nation's needs for education beyond the classroom. Experts point to a vast and growing demand in an era when changing technology itself imposes a requirement for lifelong learning. In theory, the cable could become a valuable instrument of continuing education.

Again, how does a society long accustomed to tax-supported schooling finance this new departure The experience of public financing of educational television fails to provide hopeful answers. A public television system now embracing more than 230 stations in limping along on an operating budget less than one-fourth per capita of Britain's BBC–TV, just over one-fourth Japan's NHK, and one-seventeenth that of U.S. commercial television. Expert estimates are that a quantum jump of at least two and a half times present revenues will be needed to put the system on a viable basis.

What is to be the role of government in the coming era? In recent years, it has become starkly apparent that government has a varied capacity to meddle with the media. The frontal attacks by Vice President Agnew and others are the least of these meddlings. Less visible and therefore more sinister can be the subtle pressures of tax and antitrust policy, program rerun rulings, copyright revisions, etc. Government policy toward the new communications represents a bull whip over the old.

MR. WHITEHEAD'S PREDICTION

Clay T. Whitehead, who heads the Office of Telecommunications Policy, predicts a free-

ing up of controls as the new marketplace of competition develops. Yet, paradoxically, Mr. Whitehead has come to personify governmental intrusion into the most sensitive areas of broadcasting. There is a mounting outcry in and out of Congress to abolish Mr. Whitehead's office. But I doubt that the solution lies in prohibition. Government's capacity to manipulate could persist and grow more virulent even if exercised by officials without title.

A wiser course would be to bring policy-making out into the open and to create more effective checks and balances. The process by which government shapes economic policy offers a useful precedent. This would require an annual report by a Council of Communications Advisors to be reviewed in open hearing by a joint congressional committee created from the dozen or more subcommittees now holding partial jurisdiction. Both the Communications Council and the joint congressional committee would need to counter-balance the expert staff resources available to Mr. Whitehead.

Other advice should come from outside—from universities and institutes not beholden to government. There is presently a dearth of funding for study of the larger policy issues in the communications field. We need both public and private institutions through which we can learn more about how to shape the coming revolution.

A half century ago, Walter Lippmann defined the function of communications in society "to make a picture of reality on which men can act." As we contemplate the dizzying advance of technology, we should constantly question how well or badly the new communications will serve that function.

THE SALE OF U.S. GRAIN TO RUSSIA

Mr. DOLE. Mr. President, the sale of U.S. grain to Russia continues to be an issue of national attention.

Rumors about this controversial issue can distort the actual situation, particularly when given national publicity by our news media.

That is apparently what happened last week when a story said to be based on Italian newspaper accounts was widely distributed by a major U.S. news wire service.

The account said a ship unloaded 22,000 metric tons of Soviet grain at a port near Rome. This transaction was apparently the result of American wheat sales to the U.S.S.R.

The story indicated that this could well be another indication that Soviet traders knew more about world conditions than we did and took advantage of our negotiators not only to supply their own needs but to reap huge profits on the world market—all subsidized by the American taxpayer and consumer.

The facts, ascertained by an inquiry to the U.S. Department of Agriculture, are:

First. The Russians were not involved in the sale in any way.

Second. The shipment consisted of 22,000 tons of wheat and 13,000 tons of corn.

Third. The wheat was sold on July 4 by a principal American exporter, through an agent in Milano, to a Swiss importer for shipment to an Italian port.

Fourth. The carrier was a ship of Indian registry. It was loaded at the Port of Galveston on July 11.

Fifth. The sale was made on commercial terms. There was no U.S. subsidy involved.

Mr. President, some questions about the Russian grain sales may be valid. A failure to clearly investigate the facts thoroughly could lead us in the wrong direction in remedial actions. I hope setting the record straight in this instance will preclude any harmful results.

SENATOR ARTHUR V. WATKINS

Mr. MOSS. Mr. President, last week the State of Utah sustained a stunning loss in the death of Arthur V. Watkins, my predecessor in the U.S. Senate. "Viv" Watkins, as he was generally called, in his home State, was—at 86—one of our most distinguished elder statesmen—a man who unquestionably contributed to the strength of both Utah and the Nation.

Senator Watkins was perhaps best known in Utah for the leadership he gave to the Upper Colorado River Storage Act of 1956, which authorized the central Utah project. He was one of those who helped convince President Eisenhower to back the bill, and thus strengthened its chances of passage. The full implementation of this act is essential to the future of Utah, and those of us who have followed Senator Watkins have devoted much of our time and energy to building upon what he accomplished.

Nationally, Senator Watkins was celebrated as the chairman of the special seven-man Senate committee which recommended censure of Senator Joseph McCarthy. When he was named chairman, few felt that this mild-mannered man from Utah could handle the tough job given him. But handle it he did, presiding fairly and in a fully judicial manner, and the hearings became the turning point in the reign of terror which had become known as McCarthyism. They were Arthur Watkins' finest hours.

The St. Louis Post Dispatch said Senator Watkins' performance would place him among the "legendary giants of the Senate," President Eisenhower called it a "very splendid job." The Senate itself responded by voting censure by 67 to 22.

Senator Watkins wrote his own evaluation of the McCarthy censure hearings in his memoirs entitled appropriately "Enough Rope," published in 1969.

Arthur Watkins was Utah born and bred. His birthplace was Midway, a small town in Wasatch County, high in the Wasatch Mountains. He was one of six children.

He went to high school in Vernal, in the eastern part of the State, and was graduated from Brigham Young University, where he played on a basketball team which won the Utah State championship. He took his law degree from Columbia University in New York City in 1912, and was assistant Salt Lake county attorney for 2 years. He was elected district judge in 1928. In 1936, he ran unsuccessfully for Congress. However, in 1946 he was elected to the U.S. Senate.

A Member of the Senate for two terms, he served on the Senate Interior, Judiciary, and Joint Economic Committees. He was responsible for revising immigration law, and was the sponsor of legislation to admit refugees from countries torn by World War II.

Senator Watkins died at the home of his daughter in Orem, in Utah County, the town from which he began his political career, and where he had also managed a commercial orchard and turkey farm.

Although Arthur Watkins and I differed on some issues, and sometimes challenged one another on political philosophy, I admired him as a man of courage, and of principle. He was a kind, compassionate man, who faced life head on. He proved again and again what can be accomplished by resilience and a calm, unruffled spirit.

He was head of a fine family of 1 son, 4 daughters, 26 grandchildren, and 18 great-grandchildren.

I extend deepest sympathy to all of the family.

HOWARD FLEIGER'S EDITORIAL ON DÉTENTE

Mr. THURMOND. Mr. President, I have been exceedingly pleased with the fine editorials expressed in U.S. News & World Report. Mr. Howard Fleiger, like his predecessor, David Lawrence, displays commonsense and wise counsel in his articles. Unfortunately, these traits cannot be claimed by all the news writers.

Mr. Fleiger's most recent editorial on détente and its possible ramifications is must reading for everyone. His observations, while not completely encouraging, are nonetheless valid.

Accordingly, Mr. President, I ask unanimous consent that Mr. Flieger's editorial entitled "New Play, Same Game," which appeared in U.S. News & World Report, September 17, 1973, be printed in the RECORD.

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

[From the U.S. News & World Report, Sept. 17, 1973]

NEW PLAY, SAME GAME

(By Howard Flieger)

Now that Washington and the Kremlin have gone out of their way to dismantle the cold war, can Americans relax in the comfort of live-and-let-live?

Don't bank on it. See the remarks of Presidential Counselor Melvin Laird on page 39.

Two examples of the world of difference between the way Americans and the Soviets define "peaceful coexistence" come to mind.

"Pravda," official organ of Russia's Communist Party, says: "Coexistence does not mean a discontinuation of the class struggle but only the renunciation of military methods."

And Malcolm Mackintosh, consultant to the London-based International Institute for Strategic Studies, says:

"The Soviet Union is basically hostile to the United States. It would like to see a weakening of American power and influence all over the world. It would like to see America's alliances disintegrate and American resolution and determination to aid its friends fade and disappear."

In plain words: To most Americans "peaceful coexistence" signals an end to dangerous tensions and the start of a period when defense and arms spending can be downgraded. To the Communists, it means that rivalry

with the U.S. will continue to be pushed—by all means short of actual war.

Their actions show this. For instance:

Soviet military power is being substantially increased, despite the end of the draft and other military cutbacks by the U.S.

Russia continues to maintain 31 divisions in Eastern Europe to keep its grip on Communist satellites when the U.S. is pulling back forces from most of the world and debating a cut in its troop strength in Western Europe.

In the nuclear field, Russia's development of a multi-targeted warhead—while not unexpected—is significant in direction.

At a time when U.S. is accepting—even encouraging—the development of Western Europe as an economic rival, Russia reserves the right to provide "fraternal assistance" to Eastern Europe. This political rhetoric means it will use military force, if that is deemed necessary, to squelch independence.

The Kremlin continues to probe for opportunities to expand its influence at America's expense—for example, by making a security treaty with India, promoting subversion in the Arabian Peninsula and encouraging the Arabs to use "oil blackmail" against us.

Police-state controls are being tightened against dissidents in Russia. Meaningful contacts with foreigners are discouraged.

In short, it is a needle in a haystack to find any evidence that Russia's masters have really changed their ways. Their determination to extend Communist rule worldwide is as firm as ever. So, if a facade of live-and-let-live helps for new, they'll use it.

The danger has been summed up this way by the British weekly, "The Economist":

"The uncomfortable truth is that democracies are bad at dealing with periods of low-tension confrontation . . . There is an almost universal human desire to believe that peace is the natural condition of man, that armies are temporary nuisances, that conflicts of interest can be dissolved by a policy of good will. None of these things is true, but people like to believe they are."

A leading European authority on Soviet affairs recently put the Russian strategy for ending the cold war in these words:

"Above all, in Russia there is the conviction that, in the long run, history is on the side of the Soviet Union. It is Brezhnev's and Kosygin's view that when opportunities present themselves and there is no danger to the security of the Soviet Union, history should be given a little nudge."

If the nudge becomes a shove, watch out.

THE NEED FOR PORTABILITY

Mr. HARTKE. Mr. President, I intend to introduce a portability amendment to S. 4.

Vesting and portability are not the same. Vesting without portability will often prove inadequate because first, employees will not feel the vested benefit alone is dependable and so may withdraw from the plan, thereby losing valuable credits and more importantly, second, without portability the value of vested credits can be eroded seriously by inflation, and third, a benefit that is vested but not portable is not available in the case of disablement.

THE LIMITS OF VESTING

Vesting means a claim to a future benefit conditioned upon first, living to normal retirement age and second, adequate funds in the plan. The uncertainties introduced by these conditions may persuade an employee in a contributory plan to withdraw his contributions thereby losing the larger value of the employer's contribution—the cash in hand is worth two in the employer's plan syndrome.

More importantly, without portability the value of a vested benefit can be wiped out by inflation. When an employee separates from a job and is eligible for a vested benefit, the benefit is determined by the plan formula at the time of separation. This means that those years of credited service do not participate in the plan improvements that constantly take place in response to inflation, improved productivity, higher living standards and the difference between the usually conservative earnings rate on reserves assumed as compared with actual experience. As a result, exiting employees may be separated involuntarily and receive less for the very same years of service than do employees who stay with the company.

Assume an employee separated with a vested benefit at age 45 payable at age 65—20 years later. Assume a modest annual rate of inflation of 3 percent—modest indeed by current experience. After 20 years, the vested benefit would suffer a 60-percent reduction in value. Put another way, the plan would pay out in dollars worth 60 percent less than when the credits vested.

THE FUNCTION OF PORTABILITY

However, with portability, the plan would pay out the discounted value of the benefit at or soon after the employee separated—the usual low-interest assumption used by actuaries would favor the exiting employee—the lower the interest rate assumption, the higher is the discounted sum necessary to produce any given level of benefits. When deposited to the employee's individual account in a clearinghouse, that sum would work to the employee's benefit. It would participate in the actual experience of the economy. Earnings rates would reflect inflation and help the benefit keep up with inflation. These better prospects, plus the account in the name of the employee, would encourage employees to opt for the several dollars of vesting versus the fewer dollars in hand at separation. Moreover, such benefits directly and currently credited to the employee would be available in the event of disability.

HOW PORTABILITY WOULD WORK

Pension portability requires a national pension clearinghouse or regional clearinghouses which coordinate their activities—its structure is described below.

EMPLOYEE CREDITS

When an employee separates from a job with a vested right, the plan would inform the clearinghouse of that fact and pay over to the clearinghouse the present value of the vested benefit under rules and regulation governing such valuation promulgated by the clearinghouse. The rules should provide that large amounts would be payable in installments over a period of 5 years. In this way, the funding of vested benefits would not be unduly favorable to separating employees as compared with continuing employees. In the case of an unfunded plan, the clearinghouse could compel immediate or phased funding of the vested benefit.

The funds thus provided would be deposited to the account of the employee with the vested right and would work for him. These would be trust funds invested in common with other such funds with all earnings and improvements in value creditable to the individual. The highly successful Teachers Insurance and Annuity Association does just this for tens of thousands of professors and employees in higher educational institutions.

The employee's credits would be payable to him should he become disabled—an advantage not available with conventional vested. Should the employee die, the credits would be payable as an annuity to his or her spouse or, if there is none, to his/her estate—an advantage not available with conventional vesting.

In most cases, the credits would provide annuity payments to the employee upon retirement and to the employee's survivor after his or her death. Unlike conventional vested benefits, the benefit would have increased in value and earnings by actively working as an investment for the employee. The erosion of benefits by inflation is becoming one of the most critical problems of pensions. And pensioners are the group in society hardest hit by inflation. Portability through the clearinghouse is the major means of offsetting the evaporation of value of vested benefits.

THE CLEARINGHOUSE—PREFERABLY A PRIVATE UNDERTAKING

The proposed amendment would provide private groups the first opportunity to organize the clearinghouse contemplated. The amendment provides a 9-month period during which private groups would develop proposals. The Secretary of Labor is authorized to provide technical assistance in these efforts. The idea is to have a competition in which private enterprises, such as insurance companies, banks, pension, and investment consultants, unions, and consumer groups, would seek to develop proposals that best protect retiree and survivor interests, best protect against conflicts of interest between the clearinghouse and the other enterprises conducted by the other institutions in which the clearinghouse stockholders have interests and—of great importance—provide for the dispersal of investment and the avoidance of undue concentration of investment power.

On the one hand, the enormous potential profits of the clearinghouse would attract the ingenuity, skill and attention of the private sector. On the other hand, the need to persuade Congress that its proposal serves employee, retiree and survivor interests best would tend to stimulate protective elements in the plans. The final protection for such interests is that if no plan is acceptable to Congress, the Secretary would be authorized to institute a federally operated plan. The Federal clearinghouse would be a last resort to be used only if the private sector fails to come up with a fair and workable plan. S. 4 and S. 1179, however, provide no opportunity for a private clearinghouse and, instead, propose clearinghouses that would not do the job.

The S. 4 clearinghouse would not be-

gin operation for 1 year. The amendment makes use of that 1 year to explore the feasibility of a private clearinghouse.

After the private proposals are submitted to Congress, with the assessments of the Secretary of Labor and the Secretary of the Treasury, the Senate Labor and Finance Committees and the House Labor and Ways and Means Committees would be required to hold hearings and to report a bill approving one of the proposals, or rejecting them all. As with the Reorganization Act, the reports would be required in 60 days and a floor vote would have to take place within 30 days thereafter. In this way, Congress would have to act. Of course, these periods might result in modifications of proposals provided some private group desired to make them, thus the competitive factor would continue to work. If no plan is affirmatively adopted the Federal clearinghouse would go into operation, but participation would be mandatory.

THE ADVANTAGES OF A PRIVATE CLEARINGHOUSE

A private clearinghouse would mobilize much of the varied talent of the private sector to promote employee pension interests. A few years ago, a White House Task Force called upon private industry to devise an effective clearinghouse mechanism. This proposal not only echoes that sentiment, but provides the concrete occasion and incentive for that to be done.

It would permit flexible investment of reserves in all sectors of the economy—debt, equities, directly in new enterprises, and wherever sound investment policy and the interests of retirees lead. In contrast, the clearinghouses of S. 4 and S. 1179 are restricted to Government guaranteed obligations, savings bank, and savings and loan accounts. Such limitations hark back to the long-outmoded and long-discredited limitation upon trustee and insurance company investments. The sponsors apparently were so afraid of public body investment in the private sector that they hog-tied the clearinghouses in S. 4 and S. 1179. Such limitations upon investment would insure that the clearinghouse could not do its basic job—help the value of the vested credits keep pace with inflation and the growth of the economy.

SPREADING PENSION PLAN COVERAGE

Spotty coverage constitutes the greatest weakness of the private pension system. According to the early 1973 "Interim Report—Study of Pension Plan Terminations, 1972," page 18, note 1, private pension plans—not including profit-sharing plans—cover only 23 million active employees rather than the 30 or 33 million so frequently talked of. Material from the Social Security Administration points in the same direction—"Employee Benefit Plans, 1971," 36 Social Security Bulletin, No. 1, 27, 28, April 1973.

This means that decidedly less than one-half the private workforce has pension coverage at any one time. It also means that when employees lose pension-covered jobs, as they constantly do, their chance of finding another pension-covered job are not good.

This is especially true of blue-collar workers who, studies show, frequently end up in poorly paid jobs which also tend to be nonpension covered jobs. The same thing has been happening to engineers, physicists, and executives in the recent past as shown by hearings I held in South Bend, Ind.

Given the limitations of social security, almost all employees need a private or government pension supplement when they retire. Hence, real pension reform means spreading coverage. Hearings held by the Special Committee on Aging indicate that the largest gap in coverage comes in the area of small business. That is understandable. Small company officials have their hands full. They have neither the time not the resources to deal with lawyers, accountants, pension consultants, banks or insurance company salesmen and officials—all of them now necessary to the "installation" of a private pension plan. Nor is he assured of a quality product and disinterested guidance. In addition, small companies tend to have short lives and so provide inadequate bases for private pension plans which assume corporate life of 30 or 40 years—as do the funding proposals of S. 4 and S. 1179.

If millions of employees working for thousands of small companies are to obtain dependable, low cost coverage, they must have available some simple choices that are designed for their purposes and problems, meet their limited time and money budgets, and are dependable because promulgated by an institution of unquestioned probity—the clearinghouse provided for in my amendment.

The proposal would apply to any employer with 300 or fewer employees—which is, in pension terms, a small company. The amendment provides that once covered, a company could remain covered with the national—or regional—plan, so that successful companies that grow would not have to disrupt the established relationship but could do so if that seemed desirable.

The employer, on its own or pursuant to a collective bargaining agreement, would be able to pay over to the plan whatever amounts were to be devoted to pension purposes. The plan would credit them to each individual employee's account. The plan would give credits in proportion to the amounts deposited—just as TIAA does for different salary range groups in higher education.

The plan—whether private or public—could provide for immediate, 100-percent vesting as TIAA does, or condition vesting upon specified service within the requirements of law applicable to all plans.

When an employee separates from a participating company, his credits would already be in the clearinghouse and remain to his account—thereby avoiding the costs and difficulties and possible abuses associated with transferring the values to another employer's plan—as provided in S. 4 and S. 1179.

Simplicity, low cost, dependability, and growth make this proposal a promising means of extending coverage on a voluntary basis.

PRIME MINISTER BHUTTO'S FORTHCOMING VISIT

Mr. PERCY. Mr. President, all of us are looking forward to the visit to Washington next week of Prime Minister Zulfikar Ali Bhutto of Pakistan.

I was pleased to meet with Mr. Bhutto in Islamabad in mid-August, just a few hours before he relinquished the presidency of Pakistan and was sworn in as Prime Minister. At that time we discussed the obstacles to an accord with India and Bangladesh on the return of Pakistani prisoners and an exchange of populations, problems which were soon resolved.

Prime Minister Bhutto has had an impressive career, starting from his student days in Bombay when he participated in the movement for the creation of Pakistan. After Pakistan was established in 1947, he went abroad to study political science, jurisprudence and law. He graduated with honors in political science from the University of California at Berkeley in 1950. He also studied at Oxford University where, in 1952, he received the master's degree with honors in jurisprudence. He lectured on international law at the University of Southampton in 1952–53 and he taught law at Sind Muslim Law College in Karachi from 1953 to 1957.

In 1957 he was a member of the Pakistan delegation to the U.N. General Assembly, and the next year he headed the Pakistan delegation to the U.N. Law of the Sea Conference in Geneva. In 1958 he was also appointed Minister of Commerce of Pakistan, at 30 years of age the youngest cabinet member in South Asia. In January 1960 he was also given the portfolios of Minority Affairs and National Reconstruction and Information. The same year he also took up the portfolios of Minister of Fuel, Power, and Natural Resources and Minister of Kashmir Affairs.

In December 1960 he headed the Pakistan delegation to the Soviet Union to negotiate an oil agreement, the first official economic contact between the two countries.

Mr. Bhutto was elected without opposition to the National Assembly in 1962 and continued in the cabinet. He was Pakistan's chief delegate to the Indo-Pakistani talks on Kashmir in December 1962. In January 1963 he was appointed Minister of External Affairs. He headed Pakistan's delegation to many sessions of the U.N. General Assembly and Security Council.

Following policy disagreements with Ayub Khan in 1966, Mr. Bhutto resigned from the government and began to organize a new political party, the People's Party. He was imprisoned from November 1968 until February 1969.

In the general elections of December 1970, his People's Party emerged as the strongest political party in West Pakistan.

During the Indo-Pakistani war in December 1971, Mr. Bhutto headed Pakistan's delegation to the U.N. Security Council, returning to Pakistan to become President.

In June and July 1972, he visited India

and helped develop the Simla Agreement which laid the basis for resolving the problems created by the recent war. He promulgated the new Pakistan Constitution on April 12, 1973. He, together with Prime Minister Ghandi of India and Prime Minister Ramon of Bangladesh, made possible the historic agreement just recently signed with new Delhi.

Members of the Committee on Foreign Relations will meet next week with the Prime Minister, the Foreign Minister and Ambassador Sultan Kahn and will be interested in the Prime Minister's views both on how the recent agreements in South Asia are being implemented and how they can lead to further constructive action for an enduring peace in the subcontinent.

COMMUNITY DEVELOPMENT REVENUE SHARING

Mr. GRAVEL. Mr. President, I strongly support the Housing Subcommittee's reevaluation of community development programs. These programs were developed to meet specific needs of communities that are faced with a myriad of problems. Some have been very effective, while others have wasted taxpayers' money. However, the problems still exist and justify continued Federal assistance.

One of the best ways to make community development funds more efficient and effective would be to increase local decisionmaking in deciding the use of such funds. I therefore support efforts to replace some of the categorical programs with a block grant or revenue sharing approach.

The Better Communities Act proposes replacing existing HUD categorical programs with special revenue sharing which enables local leaders to use Federal funds for community development in accordance with local objectives and priorities. Categorical programs that would be replaced include urban renewal—including neighborhood development programs, code enforcement, and demolition grants—model cities, neighborhood facilities, and water and sewer grants, open space and historic preservation, rehabilitation loans, and public facilities loans.

The special revenue sharing funds may be used for any community development activity permitted by the programs being replaced. This approach is sound. It allows localities, and citizens, a more effective voice in deciding the use of Federal funds.

While this method would improve the community development program by allowing localities to decide how to spend their money, it is very important that Congress be very careful in selecting the method used to allocate funds to the localities. The benefits of local decisionmaking are quickly consumed if the funds are not allocated to the local units properly. A town can better judge its own needs than the Federal Government, but that advantage is meaningless if its funds are cut off.

I am deeply concerned about methods that might be used to allocate funds under such programs, particularly the approach proposed by the administration in the "Better Communities Act." Under the Better Communities Act, the funds will go to the urban areas, but rural funds will be cut off. Federal assistance to community development would become an urban and not a rural program, and yet revenue sharing replaces programs that are vital to rural communities. As proposed by the administration, the program would allocate 78 percent of funds by the fifth year of operation to central cities in metropolitan areas, and cities with a population greater than 50,000, and urban counties with a population of over 200,000.

Community development programs funded by the Department of Housing and Urban Development should not be restricted to helping only large, urban metropolises. Many small urban centers and towns also need assistance. The funding allocation formula proposed in the "Better Communities Act," would result in our turning our backs on small towns until they become large urban metropolises with commensurate problems. We must help them now, before it is too late, and before we must solve major problems with a continued massive commitment of funds. Perhaps a better name for the "Better Communities Act" would be the "Bigger Communities Act."

One of the most important aspects of our economic system is that, exclusive of government where decisions are not determined by the market, funds flow to the most efficient use. The market "automatically" functions to insure the best use of capital determined by consumer preference. In allocating its funds, Congress must be careful in order to not subsidize inefficiency. However, setting up a permanent program which discriminates in favor of large cities over small does just that.

Let me explain this reasoning. Ideally, the cost of State and local government services and the cost of maintaining a viable, healthy community should be borne by that community. The costs of living there should equal the benefits or one should move to another community where the benefits should equal. This system of free choice is disrupted when part of the costs of living in a community are paid indirectly by a third party such as the Federal Government. Not only does this result in a misallocation of funds as one group of communities subsidizes another, but it also results in a weakening of the incentive to move out of the community where services and facilities cost more. Thus instead of solving a problem or lowering the costs of living in a community, which might be solved in part by migration, the problem is aggravated. I firmly believe that small communities should not subsidize the added costs of living in large urban centers.

Basic to the above reasoning is the assumption that subsidies are permanent. When this assumption is removed, there is another justification for Federal expenditures—to help eradicate problems that have arisen as a result of neglect. Many community development problems are a result of inadequate planning and deterioration over time. It is too late to collect from those that benefited from not paying the costs of adequate maintenance or for which it is unfair to make them pay the total amount of a social cost that was not recognized previously. Government must step in to assist in solving the problem, but there must be adequate planning and controls to insure that this situation does not again develop. I believe that this is the case in which many of the cities have found themselves today, and this is one of the major reasons that I support community development programs.

The problem, however, is not unique to large urban centers alone. Small towns have them also. While the problems may be larger in the larger cities because of their size, it is important to remember that the smaller towns must solve their "smaller" problems from a smaller tax base. Small towns need community development assistance. This is particularly important for small towns that are growing. Planning and building public facilities for future growth requires money, and a small town may not be able to finance facilities that are needed and will be needed to handle a larger population. They should build a water and sewer treatment plant that has enough capacity to handle population increases, but they may not be able to afford parks. A small town should plan ahead to provide adequate parks, but they may not be able to afford that either. Federal assistance is needed and justified if they are not to turn into the inner city slums of tomorrow.

Thus any community development program should not discriminate against any communities because of population size. The effects of such discrimination could be disastrous for many of our small towns. My own State, Alaska, serves as a good example of what can happen if there is discrimination. Alaska has many cities in need of community development assistance. In recognition of the problems in Alaska, the Department of Housing and Urban Development is spending over $4 million a year for community development assistance. This may not seem like a lot compared to other areas of the country where one city may be getting more than our entire State, but the funds are sorely needed.

The Department of Housing and Urban Development has finally responded to my request of 4 months ago and supplied me with their 5-year projection of how much funding would go to Alaska under the "Better Communities Act" based on a funding level of $2.3 billion per year. In the first year, with a full hold-harmless provision, Alaska would get $4.4 million. By the fifth year, when the hold-harmless provision has expired, Alaska would receive only $996,000. Seven cities which would be allocated $3.6 million in the first entitlement year would have no allocation in the fifth year, but would be competing with the rest of the cities in Alaska for only $187,000 of discretionary money allocated to the State for statewide use. Development funds will increase for only one city, Anchorage. In the first year it would receive $528,000, in the fifth year $622,000. In the first year, Cordova would receive $61,000; Fairbanks, $1,212,000; Juneau, $1,697,-

000; Kodiak, $436,000; Seldovia, $123,000; Sitka, $63,000; and Valdez, $53,000.

However, by the 5th year, not one of these seven cities would receive any direct entitlement. I am unalterably opposed to this approach to community development revenue sharing—which only provides assistance to the "better" communities.

I would also like to call attention to a provision in the State and Local Fiscal Assistance Act of 1972, which established the general revenue sharing program. In recognition of the higher cost of living in Alaska, it provided for a cost of living adjustment for the noncontiguous States. This should certainly be included in any block-grant or revenue sharing program for community development assistance. It is particularly important for financing the added costs of construction work in Alaska. The latest BLS urban family budget study shows that the cost of living in Anchorage, Alaska is 50 percent higher than the U.S. urban average for the lower budget. The cost of living in rural areas, for which data is not available, is even higher.

The concept of community development revenue sharing should be pursued, and I hope will be adopted. But it should not be pursued along the lines proposed in the Better Communities Act. I would rather have the Federal Government administer categorical programs with the full eligibility of all communities, than a revenue sharing approach contrived to help only the largest cities.

MISS SOUTH CAROLINA—FRAN JEAN RIGGINS

Mr. THURMOND. Mr. President, in the Miss America Pageant which was held last week at Atlantic City, N.J., the State of South Carolina was represented by a lovely and outstanding young lady, Miss Fran Jean Riggins.

As Miss South Carolina, she is an excellent ambassador for her State. Her talents and her character, as well as her attractiveness, make her a worthy holder of the title she bears. Our State can truly be proud of Miss Riggins in the performance of her duties during the coming year.

Her wholesome and vital outlook on life is described in a recent article published in the Baptist Courier of South Carolina. Accordingly, Mr. President, I ask unanimous consent that the article entitled, "The New Miss South Carolina Is Fran Jean Riggins," the Baptist Courier, September 6, 1973, be printed in the RECORD.

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

THE NEW MISS SOUTH CAROLINA IS FRAN JEAN RIGGINS

(By Fletcher Allen)

Out in the audience there was tension and excitement, some joy and some despair. On the elaborately decorated stage which was hot under television lights, the mistress of ceremonies intoned the names.

"And now, the second runnerup," she said. An attractive lady in the audience nudged her husband, "I belive she's saying a prayer," she said, pointing to daughter on the stage. "I know," he answered, looking with pride at the stately brunette whose hands were pressed together, steeple fashioned, at her chin.

The mistress of ceremonies continued. "The new Miss South Carolina is . . ." The name was obscured almost by the thunderous applause from the audience. One veteran pageant-goer remarked, "She's got her head in the clouds now." His companion replied, "But her feet are on the ground!"

And that's the way it was for Fran Jean Riggins on the evening of July 7. It was the climactic moment that brought her the title of Miss South Carolina. And for the 21-year old Baptist, it brought a trip to Atlantic City, N.J. She's there this week in competiiton for the Miss America crown.

Has her life changed? Well, she still sings in the choir at First Church, Easley, when she's at home. "Our family has always been a church-going family," she says. She admits that winning the title, along with the aplomb and adulation that go with it, has strengthened her spiritually. "I really depend more on God," she says.

The Riggins family—which includes Gene the father, Jean the mother, Fran Jean and Reggie the daughters—is well-liked and very popular. So they are used to a busy telephone and the opening of the back door by friends. But the traffic has increased—and that's about the only difference they see in their lives. False pride and conceit are strangers on their street.

Fran Jean Riggins is a tall beauty who has lived in Easley with her family almost all her life. And they have lived in their present home, on a 10-acre plot complete with pond for fishing and swimming, for 11 years. It's just a couple of blocks from Easley Baptist Hospital.

Church means much to the Riggins family—as does the town of Easley. "I like Easley, and because it's a small town, there's a special closeness and friendliness among the people," says Fran. The new Miss South Carolina gave her life to Christ when she was six. Without any prompting, she walked down the aisle at Ariel Church, Easley. "My mother was the choir director—and she and Daddy didn't know I was going to do it."

By that time, Fran Jean already had her first pageant crown. At age 2 she had been named "Little Miss Easley." Other beauty and talent titles were to follow.

What does church mean to Fran? "Well, I feel the church is there for you," she says, "and you are a part of it. The church fellowship tries to give you what you need, if you'll just take it. I go to church for my spiritual needs. It's the place of God—his special house. It's a vital part of my life."

She can't remember when she wasn't in church. "Even in the primary choir, and earlier than that, there I was, little Fran Jean, singing louder than anyone," she says. And mother Jean will quickly remind daughter and any listeners—"She was great in Sword Drills too!"

At Easley First, Fran has been a faithful member of Sunday School, Training Union and choirs through the years. She has worked with children's choirs also.

Her girlhood is strongly saturated with memories of family life. She believes that "being a member of a Christian home and family is a great experience. We know love and want the best for each other—all through life. That's the way it is with my family."

What's her favorite Bible precept, what does she live by? "I like the plain old Golden Rule," she says, "I'm learning to ask myself—would I want such a thing done to me? 'Whatever you would have people do for you, do the same for them' is a great way to live."

All the Riggins are active in the church. Mother Jean sings in the choir and Gene (the father) has been an usher for many years. And he is active in community life too—as one who supports the Easley High School athletic programs through the local booster club. So it's easy to see why Fran Jean was an enthusiastic cheer leader at Easley High for three years with 15-year old sister Reggie following in the same path.

Reggie is also interested in music, studying violin and piano at Easley First Baptist.

When Fran Jean gets through reigning as Miss South Carolina and/or Miss America, she will be a senior at Clemson University. She admits to a lifelong interest in music. She began taking voice lessons when she was 14. She explains her choice of elementary education as a major at Clemson by saying she was just tired of music. "I had always enjoyed helping Reggie with her school work—and I just thought I would like some kind of teaching. Right now my plans are indefinite but I'm sure music will be in my future."

Fran resumed her avid interest in music about two and a half years ago when she was persuaded by the Easley Jaycees to enter the Miss Easley contest. She won that title for two years—which propelled her into the Miss South Carolina contest this summer.

The refreshing beauty was Homecoming Queen at Easley High her senior year. Now she holds several other titles—Miss South Carolina Rose Queen, Miss Southern 500, and Miss Magnolia.

There's a ready answer if you ask Fran who has influenced her life most. "My mother," she says. "She has given me strength and guidance." Fran doesn't have any heroes or heroines that are famous. "I just want to be myself," she says, adding that living a Christian life is the greatest testimony. "I try to live like a good Christian girl. I want to be genuine. I know I must work on myself from inside. I always need to improve as a Christian."

The beauty and talent queen has some feelings about Women's Lib, too. "I'm sort of in the middle," she says. "I think women should be given equal chances for employment without discrimination because of sex, but I always want women to be treated as women! Homelife is important and the mother is really important to the family, but if she needs to work—she should have equal opportunity. Marriage should be a mutual affair."

Fran discusses family life easily and her memories seem pleasant. An active person who enjoys swimming, tennis, volleyball, horseback riding, she remembers when she fished and swam in the family pond.

A real believer in prayer, Fran says God has answered her prayers consistently. "Not always what I wanted," she quickly adds, "but according to his will."

What advice can Fran Jean Riggins give to young people? "I used to be the laziest person in the world," she says. "But now I'm not happy if I'm not busy, doing something. I would say to young people—set your goals high; strive to do your best in everything you encounter. Try to be the best person you can. Pray. Ask God's advice. I pray all the time. I have faith in God. It's the only way. I think belief in God is becoming more important to young people. That's a great thing."

Fran left Sept. 2 for Atlantic City where she will represent South Carolina in the Miss America Contest. She realizes the importance of the event and has the same confidence that was evident as she sought the Miss South Carolina crown. For South Carolinians, especially South Carolina Baptists, watching her perform on national television this weekend will be a special treat—especially as she sings "All the Things You Are."

They'll know that being a Christian is one of the things Fran Jean is!

SPECIAL NEGOTIATING MECHANISM DEMANDS FOR AGRICULTURAL TRADE

Mr. HUMPHREY. Mr. President, this fall the United States will enter a new round of trade negotiations. American agriculture has much at stake in these trade talks. Therefore, it is crucial that we must make every effort to insure that the American farmer gets a fair shake in the benefits accruing from any new trade agreements.

The major parties to the GATT expressed strong interest in making significant liberalization in agricultural trade on entering the last round of GATT talks. However, actual gains in the agricultural sector were few. I would hope that we can avoid the disappointed expectations which American agriculture had to accept in the Kennedy round.

What is becoming increasingly obvious is the fact that agricultural trade must be given special attention. The barriers to agricultural trade and the political and social obstacles against liberalization are in many ways unique.

The United States should seek general agreement among the negotiating parties that agricultural trade is fundamentally different than industrial trade and that agricultural trade deserves special consideration. We should make provisions for negotiation of agricultural trade is sues over a longer period of time within a commitment on the part of each nation to adjust its agricultural policies and programs to permit an orderly expansion of international commerce. Only by a realization of the close link between domestic agricultural policies and agricultural trade policies, and the difficulties involved in reorienting domestic policies, can substantive mutual benefits be effected.

Prof. Martin E. Abel, one of our Nation's leading agricultural economists has proposed a mechanism to extend the perspective on agricultural trade into a continuous dialog between the major trading nations of the world. I think Professor Abel has an excellent idea and I would like to share his paper with my colleagues.

It is time we realize that agricultural trade is unique; that the forces and constraints on agricultural trade are much more complex and sensitive than for any other economic sector. At stake is the availability of adequate food supplies to our Nation and the world.

I ask unanimous consent that Mr. Abel's paper be printed in the RECORD.

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

AGRICULTURAL TRADE NEGOTIATIONS BETWEEN THE UNITED STATES AND THE EUROPEAN COMMUNITY: A PROPOSAL FOR CONSTRUCTIVE ACTION

(By Martin E. Abel)

This paper concerns itself with the historical failures in agricultural trade negotiations within the GATT and a way around these traditional impasses, with a particular focus on United States and European Community (E.C.) agriculture. The arguments presented can also apply to other countries (exporters and importers), but the U.S. and E.C. are chosen for discussion in this note because of the importance of agricultural protectionism as a trade issue and the politically abrasive nature of past agricultural discussions between these two.

Let us get directly at the heart of the problem. There are two key dimensions to it. First, the GATT was designed to deal principally with tariff barriers to trade, rather than with non-tariff barriers. However, most of the principal agricultural trade barriers—quotas, variable levies, sanitary regulations, etc.—are of the non-tariff type. Second, agricultural trade barriers are typically part and parcel of domestic agricultural policies and programs. It is not possible to change one without changing the other. Therefore, when we talk about negotiating agricultural trade barriers we are, in effect, talking about negotiating domestic agricultural policies and programs. For example, if the United States were to significantly expand or eliminate quotas on dairy imports, we would have to either devise different means for providing income support to domestic dairy producers or change our income support objectives The same can be said for changes in the EC's variable levy system for grains. To date, we have not found a workable way to negotiate agricultural policies and programs within the context of GATT negotiations!

All signs indicate that the Nixon Administration is intent on following a course of action for agriculture in the next round of trade negotiations which is predicated on the assumption that the U.S. and the E.C. (and other countries as well) will put their agricultural trade policies, and therefore domestics agricultural policies, on the table. And, that out of this will come a liberalization of agricultural trade. This was the same posture which the U.S. took in the Kennedy Round. It didn't work then and it is unlikely to work in the current round of negotiations.

The reasons why negotiations of agricultural trade barriers were unsuccessful in the Kennedy Round and will likely be unsuccessful in the upcoming negotiations are simple, but yet not widely understood. At the time of the Kennedy Round, the EC was in the process of formulating its Common Agricultural Policy (CAP). Its position then was that it could not negotiate a set of policies and programs which were not completely formulated and implemented. Regardless of motives, this is not an unreasonable view. But possibly more important was the fact that the CAP was the practical glue which held the EC together. To negotiate such an important solidifying force was untenable in the eyes of the EC, particularly when one bears in mind the great deal of political difficulty encountered in the evolution of the CAP.

Today the EC finds itself in a similarly difficult position with respect to agricultural trade negotiations. First, it is and will be for some time wrestling with all the problems involved in expansion from six to nine members. The EC will be confronted with a difficult and painful period of adjustment of country policies to the expanded community. This is not the time for the EC to talk about large-scale negotiations of agricultural policies and programs. Second, there is a new problem for the EC, i.e., the harmonization of internal monetary policies. The recent realignments of currency values among countries has put things out of kilter within the EC and these problems will have to be rectified in order to reestablish free trade within the EC for agricultural and nonagricultural products alike.

But beyond the problems of the EC, it is doubtful that the U.S., in spite of all the rhetoric, was willing to seriously negotiate its agricultural policies during the Kennedy Round or is now in a good position to do so. The early and mid-1960's represented a period of transition in American agricultural policies from those of the 1950's to a set of policies and programs geared more realistically to the domestic and international environments. It would appear that the process of adjustment in U.S. agricultural policies and programs is far from complete. The dynamics (difficulties?) confronting U.S. agricultural policies and programs would not make for a strong willingness on the part of the U.S. to subject its policies and programs to international negotiations.

All this does not mean that either the U.S. or the E.C. have not or will not continue to adjust their agricultural policies and programs to changing demand, supply, price and social conditions. Quite the contrary. They have been and will continue to be changed as the need arises. But what should be appreciated by anyone concerned with agricultural policies is that the process of change is complex and time consuming, having to take account of economic, social and political realities in each country.

The process of negotiating agricultural policies in the framework of a GATT negotiation, which is carried out according to some fixed time schedule, and then expecting to "sell" what has been negotiated to respective national governments does not accord well with the realities of agriculture. (The epitome of this approach is contained in the Flanigan Report.) It would only be by the remotest of coincidences that the constellation of economic, social and political forces acting on major segments of agriculture in a large number of countries would be so auspicious in a short period of a few years as to permit wide agreement on relevant agricultural trade issues. Witness the wide swings in informed opinion about world food and agricultural trade prospects during the past decade—from a preoccupation with surpluses in the early 1960's, to a concern about the world not being able to feed itself in the mid-1960's, to a return to concerns about the surplus problem in the late 1960's, to the present euphoria with prospects of Eastern Europe, the Soviet Union, and the Peoples Republic of of China becoming vast markets for farm products.

What is needed in the agricultural trade field is a *continuous* dialogue between a relatively small group of people knowledgeable about and involved in the formulation of agricultural policies in the U.S. and in the E.C. The objectives of such a dialogue would be:

1. To gain a better mutual understanding of the economic, political and social forces which are shaping agricultural policies in both the U.S. and the E.C.

2. To agree, in principle, on a set of long-term objectives in agricultural trade.

3. To develop a framework in which countries or groups of countries would work toward liberalization of agricultural trade policies either independently or in concert whenever economic, political and social forces permitted such changes. Among other things, such an approach would have the advantage of countries gaining "credit" for unilateral changes in agricultural policies and programs which tended to expand agricultural trade. Two recent changes in agricultural programs clearly illustrate how the approach suggested in this paper might work better than traditional style negotiations. The U.S. recently expanded its import quotas on dairy products. This was done because it was in the U.S. interest. Yet, it is consistent with what the E.C. has wanted us to do. Also, recently the E.C. approved higher livestock support prices for next year but held grain prices about constant because it was in the E.C.'s interest to do so. However, this move is also consistent with what the U.S. has been trying to get the E.C. to do—namely, hold constant, if not reduce, grain prices and make livestock feeding more attractive.

Progress made toward expansion of agricultural trade within the above framework could be (but does not have to be) formalized within appropriate international trade institutions such as the GATT. This could

operate in just the reverse of the way in which we have approached trade liberalization in the past.

Such a continuous dialogue should be backed up by appropriate professional staff so as to gain an adequate factual and analytical basis for fruitful discussions. This is particularly important in the early stages when suspicions and misunderstandings about intent and operations of respective national agricultural policies and programs would probably be at a high level.

To start with, there is much that could be agreed upon by participants in the proposed effort.

1. It should be recognized that every country is committed to support farm income, improve the welfare of its rural people, and provide its citizenry with an adequate supply of food and fiber at "reasonable" prices. This will undoubtedly involve government interventions which will vary among countries and over time as general economic and social conditions change.

2. It should be recognized that because of different levels of national development, different levels of agricultural development or degree of modernization, differences in the importance of agriculture in the total economy, and different social objectives among countries, the systems for providing public support to agriculture and rural communities generally will vary from one country to another. Further, there is no one best system for providing public support to agriculture for all countries to use.

3. With due respect to different systems of support and different objectives, each country should, nonetheless, work toward meeting its agricultural policy objectives in ways which are consistent with the expansion of agircultural trade. The end result (trade expansion) is, after all, much more important than the means by which it is achieved!

What are some of the specific agricultural issues, beyond gaining a better understanding of respective agricultural policies and programs, to which the proposed effort should direct itself? A tentative, but by no means complete, list of possible topics is presented below.

1. Western Europe has historically been concerned with an adequate supply of food and fiber for its citizenry. There has been a strong policy orientation toward agricultural self-sufficiency. To what extent would a purposeful policy of maintaining "adequate" stocks of agricultural commodities, principally wheat, feed grains, and soybeans by the U.S., together with larger stocks for these commodities in the E.C., reduce pressures for further expansion of grain output in the E.C.?

2. The E.C. has a comparative advantage in livestock production, not grains. Yet E.C. pricing policies favor grain production relative to livestock production. To what extent is the E.C. willing to reorient its price policies more in favor of livestock production? To what extent would an assured supply of grain from the U.S. help facilitate such policy changes?

3. Proposals have been made within the E.C. to consider alternatives to high price support levels for agricultural commodities as the primary means of supporting farm income. High price supports, without production control, have contributed to substantial expansion of crop and livestock production in the E.C. while at the same time reducing consumption. To what extent would it be feasible in the E.C. to move toward systems of direct income support for farmers which are divorced from price guarantees? The U.S. has had considerable experience with such a transaction for a number of major commodities from the programs of the 1950's to those of the 1960's and 1970's. Also, to what extent is the E.C. willing to consider programs for facilitating movement of people out of agriculture into productive nonfarm employment and restructuring farms into more efficient sized units as a way to improve income of farmers and, at the same time, reduce dependence on high-priced domestic production?

4. To what extent does high-priced food and fiber contribute to inflationary pressures in the E.C.? Is inflation viewed as a serious, long-term problem? To what extent could a restructuring of farm programs and liberalization of agricultural imports by the E.C. help to dampen inflationay pressures?

5. To what extent do the highly protective agricultural policies of the E.C. endanger E.C. exports of nonagricultural products to the U.S.? It should be emphasized that U.S. farm interests were instrumental in achieving passage of the Trade Expansion Act of the 1960's. Their continued support for trade liberalization generally depends on what they perceive to be possible in agricultural trade liberalization. Furthermore, the E.C. must be made more aware of the seriousness of the protectionist mood generally in the U.S. and the importance of agricultural exports to the U.S. economy and to the total U.S. trade picture.

A better understanding on both sides of the Atlantic of these and other important issues might facilitate the liberalization of agricultural trade in ways that respect political processes and policy objectives of individual countries, build understanding with respect to national agricultural problems, and build upon actions which are divisive.

Those responsible for formulating agricultural policies and programs best know and appreciate the numerous practical difficulties involved. If we are to have meaningful liberalization of agricultural trade, the process by which it is achieved should be an integral part of the agricultural policy and program formulation process. This note suggests one way by which this integration could take place.

PROFESSIONAL TRAINING OF POLICE FORCES OF FOREIGN GOVERNMENTS

Mr. BUCKLEY. Mr. President, in recent months a film entitled "State of Siege" has been shown in several cities in the United States. This film sympathetically portrays the behavior of a group of Communist oriented urban guerrillas in South America who murdered an American AID adviser, Don Mitrione. Mitrione was a former chief of police in Indiana who was working on contract for the Agency for International Development to upgrade the training of local police forces. The film was in part produced by the American Film Institute, which is to say, by U.S. taxpayers.

One need not dwell on the ethically obscene character of the film's theme—that has already been done by virtually every serious critic who has reviewed the film. We can only hope that the next filmmaker who seeks to produce a film which condones murder will not find the U.S. Government to be the willing financial partner that the producers of the "State of Siege" found them to be.

This sorry incident has served to remind us of an important, but little noticed portion of our foreign aid program, namely to provide professional training to the police forces of foreign governments. A most effective and articulate review of our efforts in the field of foreign police training and their importance has been prepared by Dr. Ernest Lefevre, a senior fellow at the Brookings Institution. I ask unanimous consent that Dr. Lefevre's study and recent newspaper coverage of the controversy over the "State of Siege" be printed in the RECORD.

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

MURDER IN MONTEVIDEO: THE DAN MITRIONE STORY

(By Ernest W. Lefevre)

At 4:15 a.m. on Monday, August 10, 1970, the body of a stocky, unshaven, 50-year-old was found in the back seat of a stolen Buick convertible parked on Lucas Moreno Street in Montevideo, Uruguay. Blood was dripping through the floor board and running toward the curb. He was shot twice in the head and twice in the body. His eyes were bandaged. There were deep bruises at his left armpit close to a half healed gunshot wound. His inner arms bore 16 needle punctures.

This twelfth murder victim and fifth kidnap victim of the Tupamaro terrorists was Dan A. Mitrione, a former police chief from Richmond, Indiana, a father of nine children who was a U.S. public safety adviser in Uruguay. He had been "tried" by a Tupamaro "people's court" and accused of being a CIA agent, of teaching Uruguayan police advanced torture techniques, and of organizing a campaign of repression against "revolutionary" leaders. For these "crimes" he was condemned to death.

Mitrione's kidnapping and murder brought headline attention to one of AID's smallest and least known activities—the public safety program—then advising the civil police in 27 countries in Asia, Africa, and Latin America. Currently there are about 100 AID police advisers in 17 countries, including ten Latin American states. The program also provides police equipment and U.S. training for Third World police officers. It costs $7.5 million a year, less than one percent of grant AID funds.

The public safety program has always faced some criticism in Latin America from Communist and other left-wing groups, especially those seeking revolutionary change by violent or other illegal means. These critics usually castigate U.S. policy across the board for being "imperialistic" and "repressive."

The Tupamaro charges against Mitrione and the police assistance program he symbolized have been given currency in a new pro-Tupamaro film, "State of Siege," directed by Costa-Gavras, the "Hitchcock of the Left," and filmed in Chile with the active cooperation of its Marxist president, Salvador Allende. The film, which Costa-Gavras falsely claims to be a "factually exact" documentary on the work, kidnapping, and "execution" of Dan Mitrione, has been aptly labeled a "melodramatic left-wing restaging of recent history," by Paul D. Zimmerman in Newsweek.

The film aside, the charges of the Tupamaros and other Latin leftists against U.S. police assistance deserve an honest response. Public safety advisers have been accused of supporting repressive regimes, teaching or condoning police torture, and interfering in the internal affairs of other countries.

Mitrione's background and temperament hardly prepared him for the James Bond role his critics cast for him—a CIA agent directing the Uruguayan police in brutal and repressive activities. Discharged from the U.S. Navy in October 1945 as an Aviation Machinist's Mate, First Class, he joined the Richmond, Indiana, police force as a patrolman and by 1956 became its chief. In Richmond, he was deeply involved in youth and other community activities. Like more than 6,000 other American police executives, Mitrione took a 12-week course at the National FBI Academy, but he never worked for the FBI or the CIA.

In 1960 he joined AID as a professional

police adviser, spending seven years in Brazil, two years as an instructor in AID's International Police Academy in Washington, D.C., and a final year in Uruguay.

He arrived in Montevideo in mid-1969 to serve as chief of the public safety effort begun four years before. The four-man program focused on improving administration, training, investigation, radio communication, mobility, and human crowd control. He and his colleagues worked under an open contract between AID and the Uruguayan government and their activities were reported in the press. Mitrione was particularly interested in establishing a country-wide VHF–FM radio net and in improving police performance in the provinces through regional training courses.

"Dan was a staunch family man," recalls Cesar Bernal, a fellow police adviser in Uruguay, "and unusually compassionate. He earned the affection and respect of the Uruguayans. Brutality was foreign to his nature. He never carried a gun, convinced that no one—even the Tupamaros—would harm him." This is the typical picture of those who knew him.

Uruguay 1969 was not a reactionary police state as pictured by the Tupamaros. It was one of the most democratic and open societies in the world. Its president and parliament were popularly elected. Its two major parties and political groups to the right and left were free to debate, criticize, publish, and organize. The 37,000-member Communist Party had representatives in parliament and published a widely circulated daily newspaper.

Uruguay had no death penalty, the maximum sentence for any crime was 30 years, and the prisons were run by the Ministry of Culture and Education. Though the economy was stagnant, the per capita income was twice that of Brazil and more evenly distributed. The government operated one of the world's most comprehensive welfare systems.

With one of the most permissive governments of modern times, Uruguay was a marshmallow state. Liberty lapsed into license. The Communist Party and other radical groups took advantage of this vulnerable situation to press their self-serving demands through strikes and violent demonstrations.

The most notorious group was the Tupamaro Liberation Front, a small parliamentary terrorist organization similar to the Weathermen in America and the Black September fighters in the Middle East. In 1970 there were fewer than a thousand Tupamaros, with about 150 in prison or awaiting trial. Impatient with the present, the Tupamaros turned to terror to embarrass and overthrow the democratic regime. Their social goals were not clear, but they seemed to want a revolutionary order a la Castro or Mao.

Like the terrorist in Colombia, Venezuela, and Argentina, the Tupamaros were an odd mixture of idealists, romantics, nihilists, misfits, and common thugs. They pursued their immediate aim of social demolition through bank robberies, auto theft, arson, bombing, kidnapping, and murder. They killed their first policeman on December 16, 1966, shooting him in the back with a sub-machine gun. By last May their murder victims numbered 45. They intimidated witnesses to their crimes and officials by threats which were carried out often enough to make them credible.

In the early years the Tupamaros enjoyed a temporary Robin Hood image, but they never gained the support of even a significant minority of the Uruguayan people. At the zenith of their influence, the political faction nearest their view polled 4.3 percent of the popular vote.

The day after Mitrione's murder a Uruguayan Communist leader denounced the terrorists as "insane fanatics." In 1971, Moscow called them "petty bourgeois, pseudo-revolutionaries" and "rollicking, loud-mouthed thugs" using "gangster tactics."

The Tupamaro charge that Mitrione advocated and taught the use of police torture is without foundation. Increasing Tupamaro terror and police arrests were accompanied by increasing charges of police brutality in the left-wing press. It is difficult to get solid evidence on police abuse in any society, but competent foreign observers believe that there was relatively little police brutality in spite of a Uruguayan Senate committee that reported torture was frequent. A leading committee member said in private that the report's conclusions were exaggerated. Further, the police were painfully aware that they might share the fate of police inspector Moran Charqueo, who was accused of abusing Tupamaro prisoners and was found on April 13, 1970, with 29 machine gun holes in his body.

Whatever police abuse there may have been in Uruguay, neither Mitrione nor any other U.S. advisor had anything to do with it, except to advise tactfully but strongly against all inhumane or other illegal methods. Like advisers in other countries and instructors at the International Police Academy, Mitrione pointed out that the mistreatment of suspects was unprofessional and unethical, and that on the practical level a fingerprint or a chip of paint provided more reliable evidence than a worthless confession beat out of a man.

"No inheritors of the Iberian-Roman tradition," said Covey T. Oliver, Assistant Secretary of State for Inter-American Affairs, 1967–68, "seem to need [instruction in torture] from representatives of other cultures," adding that AID advice has doubtless had the effect of reducing these "cruel methods" in some countries.

The Tupamaros also alleged that Mitrione directed a secret Uruguayan police operation to repress "revolutionaries" by illegal and violent means. This, too, is without foundation. Public safety personnel are strictly advisory. All country AID agreements provide for technical assistance on any aspect of civilian police work requested by the host government, except political intelligence. Since the beginning of the program in 1954, no adviser in any of the 49 assisted countries has ever been accused by the government of interfering improperly in internal affairs and none has been declared persona non grata. No assisted government has ever requested the termination of a public safety effort. Few, if any, other U.S. programs abroad can match this record.

The program reached its peak in 1968 with an AID expenditure of $55.1 million and with 458 advisers in 34 countries, including some 200 advisers in South Vietnam, which took almost half the total resources. The January 27, 1973, ceasefire agreement ended the advisory effort in Vietnam. Usually a country has from two to four advisers. Thailand with 36 advisers has by far the largest current program.

To date public safety aid has provided training in a wide range of skills for more than 7,000 police officers and technicians from 73 countries, most of them at the International Police Academy, the only professional institution in the world devoted exclusively to training civil police from the developing world.

Supplementing training and advice, AID also provides police equipment. In 1972, for example, $7.2 million worth of commodities was provided worldwide, including Vietnam, as follows:

Item:	*Percent*
Radio equipment	37.5
Cars, motorcycles	29.4
Police weapons	22.4
General supplies	10.7

As of early 1973, the program had provided 43,000 low-cost radios, developed by AID-public safety technicians, to 30 countries. Supplies have also included police textbooks in English, Spanish, and French and the airlifting of several pedigreed German shepherd dogs, received gratis from the U.S. Army, to Guyana to upgrade the K–9 element in the police force there.

For political and humane reasons, certain commodities are not provided by AID. These include automatic rifles, electric shock police batons designed for crowd control, "sickening gas" which causes nausea and diarrhea, electronic recording equipment, and lie detectors.

The basic aim of police aid said Byron Engle, who was public safety director from the beginning to last April, is to help provide the assisted country with "an adequate measure of internal stability needed to facilitate economic, social, and political progress." To this end, said David E. Bell, AID administrator in 1964, the program seeks to "strengthen the capability of the civil police . . . to enforce the law and maintain public order with the minimum use of physical force, and to counter Communist-inspired or exploited subversion and insurgency" and to encourage and develop "responsible and humane police administration." The emphasis of the Kennedy Administration on assisting in counter-insurgency efforts has in the past five years largely given way to "institution building," the creation of self-sufficient police services that have some chance of carrying on effectively after U.S. aid is terminated.

The charge that police assistance has been used to uphold reactionary and repressive regimes has also been leveled against military and economic assistance, often by the same critics. This criticism, which is sometimes heard on Capitol Hill, is more difficult to deal with because one man's "repressive regime" is another man's viable government. Since 1947, Washington has provided aid to a broad spectrum of governments, from left-wing socialist to right-wing military, when it was deemed in its interest whether or not it approved of the regimes in question.

At the same time, public safety and military aid have been terminated, suspended, or turned down on a number of occasions when the State Department concluded that the behavior of the regime would nullify the objectives of the assistance. In Korea, Laos, and Indonesia, police aid was ended when the regime prevented its police service from operating as a reasonably nonpartisan and professional law enforcement instrument. In Venezuela, Bolivia, and Laos, requests for such aid were turned down when these countries were in the grip of what Washington regarded as a repressive regime.

The Eisenhower administration refused police aid to Perez Jimenez, the anti-Communist dictator of Venezuela, but such aid was given to Romulo Betancourt, his more democratic and liberal successor. Washington also provided such aid to the leftist regime of Goulart in Brazil and for several years to its military successor. Police assistance to Brazil was terminated in 1972.

Has this low-cost, low-profile program served U.S. interests at an acceptable cost? According to the testimony of those in the best position to know, the answer is a decisive yes. In interviews with some 200 persons, largely U.S. and local officials, in 15 program countries last year, the author received these responses to four questions. The answers apply to the country where the interview was held:

1. Has the program improved the efficiency of the police force? Significant improvement—70%, Some improvement—29%, No improvement—1%.

2. Has the program enhanced the professional attitudes and behavior of the civil police force? Significant improvement—40%, Some improvement—56%, No improvement—4%.

3. Has the program been criticized to the point where it has hurt the reputation of the United States? No negative effect on U.S. image—88%, Slight negative effect—6%, Potential negative effect—6%.

4. Should the public safety program be continued? If so, at what level of effort? Continue at present level—72%, Continue at increased level—19%, Continue at decreased level—6%, Terminate—3%.

By enhancing the capability of the police to maintain order and security more effectively, according to many interviewees, the program has contributed to constructive economic and political activity. This point was also made by six former Assistant Secretaries of State for Inter-American Affairs. One of them, Dr. Lincoln Gordon, said that the "modest and low-cost public safety assistance program made a positive contribution to economic and social development," especially in "view of the headlong pace of urbanization."

In several countries, increased order resulting from the program, has improved the climate for economic development. The neutralization of guerrillas (as in Guatemala) and the curbing of urban terrorists (as in Caracas and Montevideo) have created conditions favorable to agricultural reform, normal economic activity, and attracting foreign investment.

A half dozen U.S. Ambassadors credited the program with making the police more effective in humane methods of crowd control with the result that student demonstrations and election rallies were held without violence. They noted that effective law enforcement insures that political debate, organization, and elections can take place, thus encouraging peaceful adjustment and change.

A high AID official in Laos said he would be willing to sacrifice some development projects, such as agricultural research, in favor of police assistance, because the latter deals with the survival of the country without which there could be no peaceful development.

The public safety program has yielded two unexpected byproducts. By preparing police specialists in narcotics control and in counter-terror measures, local police in several countries have been able to work more effectively with U.S. Embassy personnel in supporting President Nixon's campaign against illicit narcotics and in the protection of American overseas personnel against terrorist attacks. In the early 1960s, AID-trained police in Ecuador aborted a terrorist plot to hijack a passenger plane in Quito. In 1973, an AID-trained specialist in Guatemala successfully identified and defused a letter bomb sent to the Israeli Embassy there.

From its beginning, the public safety effort has suffered from misunderstanding on Capitol Hill and among foreign policy-makers, especially those who have not seen the effects of the program in the field. This may reflect in part an undefined suspicion that many Americans have toward policemen and police work. Further, some AID officials find it difficult to see how police assistance fits into an agency devoted primarily to economic development. For these and other reasons, the public safety share of the AID budget has since 1968 declined more sharply than the budget as a whole and the future of the program is not assured.

Returning to Dan Mitrione who symbolizes the worldwide public safety program, the hard evidence establishes his innocence of the three charges made against him by the Tupamaro "people's court." He has also been vindicated by the Uruguayan people. The tragic murder of this man dedicated to justice and humane law enforcement seemed to turn the tide against the terrorists and and in the eyes of many Uruguayans he became a national hero. On the second anniversary of his death, the government issued a purple and gold postage stamp honoring Mitrione as a "Servant of Freedom."

[From the Sunday Star and Daily News, July 1, 1973]

HYPNOTIC LIES ABOUT TERRORISTS

(By Ernest W. Lefever)

The American debut in April of the film "State of Siege," produced by Costa-Gavras, was conceived in silence and born in controversy. The producer's reputation for "Z" and "The Confession" led the American Film Institute to schedule, sight unseen, "State of Siege" as the first foreign offering in its new home at the Kennedy Center here. But when AFI Director George Stevens, Jr. saw it, he abruptly canceled the film because it "rationalizes an act of political assassination" and was thus inappropriate to show in a memorial to an assassinated President.

The "censorship" furor precipitated by the cancellation soon gave way to a more serious debate about the basic character of this political film produced by the "Hitchcock of the Left" and co-written by the author of "The Battle of Algiers," Franco Solinas, a member of the Italian Communist party.

Is "State of Siege" a factual documentary, as its writers repeatedly claim, or is it fiction, propaganda, or a mixture of all three? Whatever the answer, does the film rationalize assassination and other forms of terrorism?

In a score of American interviews, Costa-Gavras asserted that the film is a factually exact portrayal of the public life, work and death of Dan A. Mitrione, an American AID police adviser in Uruguay who was kidnaped and murdered by the Tupamaro terrorists in mid-1970.

In the film, the interviews with Costa-Gavras and Solinas, and the book, "State of Siege" (the film script and supporting "documents"), the Tupamaros are presented as the heroes of the people's revolution against a repressive and semi-fascist Uruguayan government. Dan Mitrione is cast as a willing tool of American imperialism and repression, a super CIA agent who under the guise of an AID adviser promotes and teaches police torture and organizes and supports "death squads" to murder "democratic leaders." He is portrayed as a calculating and ruthless man, without sentiment.

The cool facts contradict the torrid film at almost every significant point. The film says Mitrione was sent to the Dominican Republic for two years to install, with the help of the U.S. Marines and the CIA, a reactionary junta regime acceptable to the United Fruit Co. and Cardinal Spellman. Actually, Mitrione never set foot on Dominican soil.

The film says Mitrione was dispatched to Brazil to replace "Goulart's democratic regime" with a repressive military government. In fact, Mitrione was not an agent of any kind. He never worked for the CIA or FBI. He was an AID police adviser in Rio de Janeiro and Belo Horizonte helping to improve law enforcement by encouraging the civil police to become more professional through better training, communications equipment and organization. He and his fellow AID advisers were there at the request of the government and advised the police under both the Goulart and successor regimes.

Currently AID has a small number of police advisers in 17 different Third World countries and provides training for police officers from twice that many at its International Police Academy here. Like other forms of U.S. technical assistance, the public safety program is open and its activities are often covered by the press. Its aim is to upgrade all aspects of civilian law enforcement, except those related to political intelligence.

The film says that Mitrione taught new and sophisticated forms of torture to the police in Brazil and later in Uruguay. There is not a shred of truth in this allegation.

From its beginning under the Eisenhower administration, public safety advisers have stressed professional, legal and humane methods in interrogation, crowd control and all other aspects of police work. In a worldwide study of the program at the Brookings Institution, including field work in 15 countries, I found no evidence to support the torture charge which has appeared in Communist and other far-left publications that typically portray the United States as a semi-facist and repressive power.

The film says Mitrione organized and directed fascist "death squads" who physically eliminated revolutionary leaders in Uruguay. Neither he nor any other American official had anything to do with such vigilante groups, which, in any event, did not even exist in Uruguay in 1970, the period of the film. Several sporadic groups did appear in 1971 and 1972, and they accounted for at least two murders, to the embarrassment of the Uruguayan authorities.

The film depicts the Tupamaros as latter day Robin Hoods—clean shaven, young, virile, disciplined, intelligent, competent and possessed of a dream of compassion and justice—but because of government repression they were compelled to kidnap and later "execute" Mitrione.

In fact, the Tupamaros stand somewhere between the American Weathermen and the Black September fighters. The Tupamaro terrorists have no positive political or social program and they never gained significant popular support. (At the zenith of their power in 1971, their most closely allied political faction gained 4.3 percent of the popular vote.)

The film dramatically portrays manufactured violence by Uruguayan authorities (incidents drawn from the future and twisted almost beyond recognition) but shows almost no Tupamaro violence.

The Tupamaros initiated terror in Uruguay; Mitrione was their twelfth murder victim. The film acknowledges only the Mitrione murder, but this brutal and senseless act is not shown, presumably to make the Tupamaros had a long record of terror-recruit common criminals into their ranks, the Tupamaros had a long record of terrorism, including assault, robbery, arson, kidnapping, and bombing. In 1969 alone they made violent assaults against 38 policemen; four policemen were murdered.

The film implies that a "state of siege" was put into effect in 1968. This was not true.

Uruguay in 1970 was one of the most open and democratic countries in the world. There was no death penalty and the maximum sentence for any crime was 30 years. The prisons were run by the Ministry of Culture. The wide spectrum of political groups were free to organize. The Communist party had 37,000 members with elected representatives in both houses of Parliament and published a daily newspaper. There were no "political prisoners," only persons held for committing ordinary crimes.

(Basic Democratic rights continued in Uruguay until April 15, 1972,—almost 20 months after Mitrione was murdered—when a form of martial law was declared by parliament in response to Tupamaro terror. Last Wednesday, the president in cooperation with the army closed parliament and created a Council of State, in its place, to deal with "left-wing subversion" and the economic crisis.)

"State of Siege" is a Marxist diatribe that omits, fabricates or twists facts to serve its propaganda purpose.

The reason for the film's existence, said Solinas, is American "imperialism, with its mechanisms of repression, its murders, its tortures. The occasion for the film was the capture and death of a person who symbolized this mechanism." Costa-Gavras added: We "also felt we had to make a movie" that would prompt the audience never again to regard "an American Embassy as just an embassy, but as a center of

espionage, surveillence and political pressure."

Though some critics saw through it and said so, the documentary claim was accepted at near or face value by other American critics. Judith Crist in New York Magazine saw the film as an authentic document. Costa-Gavras, she said, has performed a "public duty that the American media has failed in." Noting that the co-authors "researched and documented their case," she is horrified at revelation "heaped upon revelation" portrayed by this "brilliant" expose of "American imperialism in Latin America."

To Penelope Gilliatt of the New Yorker, it was a "thoughtful new political film;" to Liz Smith in Cosmopolitan, "the most important political film of this decade;" to Donia Mills of The Star-News, "powerfully reasoned;" and to Archer Winsten of the New York Post it was of "inestimable value."

Costa-Gavras, despite protestations to the contrary, not only rationalizes but justifies and romanticizes political assassination and terrorism, though Solinas appears to have some misgivings about the political utility of assassination. As a loyal communist, Solinas may be aware that the Tupamaros were denounced in 1971 in Moscow as "petty bourgeois pseudo-revolutionaries" and "rollicking loud-mouthed thugs" using "gangster tactics."

But Costa-Gavras has no such reservations. He said the Tupamaros represent an intelligent and effective "liberation" movement, characterized by "perfect organization" and "held together by serious, passionate idealism."

In several interviews Costa-Gavras says that the murder of Mitrione was necessary, justified and efficacious, an example to be emulated. Even with his reservations, Solinas says the Tupamaros, like the "Black September fighters at Munich," did not want to kill their hostage, but they were "forced to execute him."

Costa-Gavras goes further in a rhetorical question: "Who killed him? The Tupamaros with three or four bullets, or the government, backed up by the American Embassy, which decided not to free the 150 political prisoners?"

How will different viewers be affected by the film? Perhaps the isolationist will be confirmed in his conviction that America has no business working for orderly development. The guilt-ridden American may find strange satisfaction in the lashes of two professional America-haters. To angry, idealistic and frustrated young people, the hypnotic simplicity of the virile and romantic Tupamaros may suggest a way out of their helplessness and alienation. To the Arthur Bremers and the Sirhan Sirhans with their twisted psyches, it may suggest one final act of political violence that will enshrine them in immortality.

THE EASTERN MARKET ON CAPITOL HILL

Mr. TAFT. Mr. President, I am pleased that Congress has now appropriated money for repairing the Eastern Market on Capitol Hill. Even though the total amount needed was not appropriated in the District of Columbia appropriations bill we recently passed, there is certainly enough money for substantial repair work to proceed.

I believe that the preservation of institutions such as the Eastern Market is vital to the future of our cities. At this point I ask unanimous consent that an editorial from the Washington Post concerning the Eastern Market be printed in the RECORD.

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

EASTERN MARKET

When the Eastern Market on Capitol Hill, at 7th and C Streets SE, was built more than 100 years ago, it was lit by pull-down oil lamps. The iceboxes, cooled with ice brought by ship from Canada, were in the cellar. The farmers hitched their horses to iron staples in the curb. Today the market has electric lights and refrigeration. Parking meters replace the iron staples and the farmers drive trucks. Little else has changed.

The potatoes and onions in winter, the strawberries in spring and the apples in fall are just as fresh and succulent as ever, to say nothing of the eggs that never saw a deep freeze, the live crabs from Chesapeake Bay, the thick slabs of Virginia bacon and all kinds of garden-grown herbs and greens. A smile and a chat come free with each purchase. A good many customers have become personal friends of the dozen or so farm families that sell their goods at the Eastern Market. They greet each other by name and customers and their children are often invited to "drop by and see the farm."

But Eastern Market, one of the few traditional farmers' markets left hereabouts, is more than a good place to buy good food. It is a historically important structure, listed on the National Register of Historic Buildings. It is also an important community center. Local artists use part of the hall to make and sell their artifacts. Friendship House uses the Market area for its annual fund-raising "Market Day." It has become the setting for art shows, lectures and theatrical productions. All this generates a unique atmosphere and a spirit of neighborliness and personal service that attracts people from all over the city, keeps nearby merchants in business and adds immeasurably to the livability of our town.

The Eastern Market needs substantial repairs. The brick work needs repainting. Cracked walls need patching. Doors and windows must be fixed. The slate roof, copper guttering, downspouts and flashing are in need of replacement. The air circulation system needs renovation. These repairs are estimated to cost $275,000 for the block-long building. It is a relatively small item in the city's capital improvement fund. But it is of great importance to the Capitol Hill community and the entire city. The new Metro station at the corner has been named "Eastern Market." It will draw thousands of additional visitors to this vital community center. They should see more than a dilapidated, historic relic. We urge the District Appropriations Committee to approve this small but important investment in an institution which is both a source of pleasure and a part of our past which deserves to be preserved.

DROUGHT-STRICKEN WEST AFRICAN STATES OUTLINE REGIONAL APPROACH TO RECOVERY

Mr. HUMPHREY. Mr. President, the New York Times and the Washington Post carried stories today about the long-term recovery plans that have been developed jointly by the six drought-stricken West African States.

The purpose of these plans was best expressed by the minister of industrial development in Mali, Mamdi Keita, whom David Ottaway quoted as saying:

> They give us 30 tons of sorghum, 10 tons of rice, but we eat that up and it's gone. What we need is aid to increase our production so we can feed ourselves.

Representatives of donor organizations and of the governments involved agree that the problems of the Sahel can only be solved through a regionwide approach.

These countries have for years been losing pasture and farmland to the steadily encroaching Sahara Desert. Yet there are tremendous unused water resources in the Senegal and Niger Rivers which could irrigate thousands of acres. The five dam projects proposed in the recovery plan developed by the six-nation Committee To Combat the Drought are, therefore, essential to economic recovery in the region.

Other projects outlined in the $872 million plan include the stockpiling of food for the predicted food shortage next summer; roads, rail, and river transport projects; and the creation of research and communications programs aimed at halting the advance of the Sahara.

Both emergency relief assistance to these nations and the planning of long-term recovery projects have involved coordination of multilateral and bilateral efforts on an unprecedented scale. Under Secretary General of the U.N., Bradford Morse, has urged that this coordination be maintained as the emergency assistance efforts for next year and the long-term recovery projects get underway.

USAID is to be commended for its role in the relief efforts which have kept millions from starving and in encouraging a coordinated international approach to the problems of this area. But, as Maurice J. Williams, the President's special coordinator for drought relief, has said:

> If you bring this region back to where it was before the drought, it will not be good enough.

Having played a major role in providing food to those who were starving in the Sahel, the United States must now play a major role in seeing that this tragedy does not repeat itself year after year. This will surely be the case if donor nations are unwilling to provide assistance in these countries' efforts to develop their capacity to feed themselves.

The amendment I have introduced to the Foreign Assistance Authorization Act, S. 2241, would provide the funds necessary to help prevent starvation in the Sahel in the coming year, where every indication is that the food shortage will be even greater than it was this last year. It will also affirm congressional support of U.S. participation in the long-term recovery effort in the Sahel. The House has already passed this legislation, and the administration has given its support. It remains for the Senate to reaffirm the U.S. commitment to provide relief to those who are starving and assistance to those who want above all to help themselves.

Mr. President, I ask unanimous consent that David Ottaway's article from the Washington Post and Thomas Johnson's article from the New York Times be printed in the RECORD.

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

[From the Washington Post]

AFRICANS SEEK MORE LASTING AID

(By David B. Ottaway)

BAMAKO, MALI.—"We have been asking for help to build dams and increase our production for years. They give us 30 tons of sorghum, 10 tons of rice, but we eat that up and it's gone. What we need is aid to increase our production so we can feed ourselves."

Mamdi Keita, the minister of industrial development in Mali, spoke with a touch of bitterness in his voice about the $135 million international emergency relief program that is providing over 160,000 tons of grain to his country this year and a total 625,000 tons of food to the six drought-afflicted nations of West Africa.

Like many officials in the other drought-affected Western African countries, Keita has been somewhat astounded by the sudden world concern for the plight of people in this desert region after years of general indifference.

Western nations are now practically competing with each other to show their humanitarian concern for the several million Africans threatened with famine across the 2,600-mile-wide Sahel, or desert border strip, below the Sahara.

The United States has been talking about its "leading part" in the emergency relief effort—256,000 tons of grain worth $37 million, three C-130 transports for an airlift in Mali and various medical supplies.

But it has done less than most of the other Western nations in providing economic development aid to these countries, French-speaking West Africa being a low priority area for American aid programs.

Now, however, Congress has authorized $30 million in recovery assistance for the six Sahelian nations—Chad, Niger, Mali, Mauritania, Upper Volta and Senegal—and American aid experts are wondering how this windfall aid money can best be spent.

Keita has no problem answering this question.

"We have been asking for help for three or four years to get dams built and increase our production. We have lots of sites on the Niger River where dams could be built," he remarked. "But your country must understand that we need long-term aid to do this."

A visitor is immediately struck by the large number of small projects of marginal value various nations of the East and West have undertaken—often in competition with one another—and the small number of meaningful economic development projects such as major dams and irrigation schemes.

There are untold numbers of small, shallow wells, water-catching basins and small dams, stretches of hardtop road, and irrigated patches of land. There are projects to eradicate various diseases afflicting man and animal in the area and to increase herds and cash crops.

But there is no regional program to halt the encroachment of the Sahara on the lands of Mauritania, Mali, Senegal or Niger, even though this is by far the single most pressing problem all of them face. The desert has already consumed Mauritania, has long since jumped southeast over the Niger River in Mali, and is now at the gates of Niamey, the capital of Niger.

And there is still no dam on either of the two major rivers flowing through the Sahel, the Senegal and Niger, and precious little use of their waters to irrigate their banks and nearby arid lands. The only dam on the 2,600-mile length of the Niger is the Kainji Dam in oil-wealthy Nigeria.

The drought, however, has prodded both foreign aid experts and local officials into making a sweeping reappraisal of the kind of aid that has been going into the region.

Many of these experts have come to the conclusion that far too many economic development projects undertaken have been ill-conceived, misdirected, and a waste of time and effort.

[Heads of state of the six drought-affected African countries are scheduled to meet today and Wednesday in Ouagadougou, Upper Volta, to discuss projects costing some $2 billion to restore their shattered economies, AP reported. The conference will also be attended by representatives of the world's major donor nations, relief agencies and development organizations, which are expected to provide most of the funding for these projects.]

"It's first a problem of defining development," remarked one discouraged U.S. Agency for International Development official interviewed recently in Niamey. "I don't think it's clear in their minds, and it's certainly not clear in our minds, how to go about development in these countries. We've wasted a lot of our efforts and theirs on programs that don't have any priority for them."

The question now is whether foreign governments and international development agencies, which have the money and technical expertise, and these countries' leaders, who alone can mobilize their people and promote new ways of thinking and acting, can agree on what programs should be given priority.

Niger President Hamani Diori, who has called for a "Marshall Plan" of recovery for the six drought-stricken Sahelian nations, seems to think wells are the answer. He wants the international aid community to drill 2,500 wells, at an average depth of 900 feet, across his country, an enormously ambitious project that would irrigate 6 million acres and cost upwards of $250 million.

But even the mention of well-digging sends the eyes of AID officials rolling. AID made a major investment in well digging around the world in the late 1960s only to discover that many either went dry or fell into disrepair. And the Common Market Fund for Economic Development has spent around $45 million in drilling wells in these West African states, the result of which, along with the drought, has been to lower drastically the water table in parts of the Sahel.

Worse yet, in many instances wells have served to expand the desert rather than contain it, according to foreign aid officials in the region. This is because they attract nomads, and their herds overgraze the surrounding land and destroy the vegetation. Such destruction has been particularly widespread recently because of the drought.

"You can't just go all over the country drilling wells," remarked one United Nations diplomat interviewed in Nouakchott, Mauritania. "It has to be carefully planned and well thought out to prevent desertification."

Well-drilling schemes are thus likely to arouse less enthusiasm, and funds, within the international community than dams, whose time seems to have come.

There is a major dam-and-irrigation project on the Senegal River that would help three of the six affected countries—Mauritania, Senegal and Mali—and has finally caught the attention of Western governments.

It is a $1.1 billion multi-project scheme that has been under study now for 10 years and has reportedly generated 10,000 documents but no financial backers. The three states on the Senegal River have formed a regional organization whose raison d'etre is to promote the scheme.

One part involved the construction of a $30 million dam on the Senegal River delta to halt the flow of the ocean's salt waters upstream, raise the river's depth more than 6 feet, and restore vast stretches of land now lost to the desert.

Another part calls for building a $150 million earthen dam complex further up the river in southwestern Mali, controlling the flow of water, generating electric power and irrigating arid land. Together, the two dams would make much of the Senegal navigable and permit the irrigation of over 7 million acres, making it by far the most extensive and expensive—$900 million—land irrigation project in the region.

Western governments, including the United States, have heretofore been noncommittal toward the scheme pending the conclusion of one or another feasibility study. Even the Chinese were evasive when asked this year to finance the Manantali dam in Mali, promising only to make yet another study of the project.

But with growing pressure on all Western governments to do something on behalf of these six nations locked in a struggle to keep back the desert, there is now a good chance that at least the delta dam in Senegal will get built. The United Nations is undertaking a synthesis of all the studies done on the Senegal River, and this should be finished before a meeting of potential donor governments and agencies tentatively scheduled for June.

Regional AID officials seem to feel the delta dam-and-irrigation project is probably the best way the United States could spend the $30 million rehabilitation and recovery money Congress has authorized in a special amendment to the Foreign Assistance Act. They hope to get some support for the project now while this usually forgotten part of the world is still in the international limelight.

"Our strategy is to get some top flight guys working on the U.N. synthesis of the delta studies and speed it up," said one AID official in Dakar, Senegal. "In another few months, nobody will remember where the Sahel is."

But there are signs that even as the drought is galvanizing foreign nations to action, it is also pushing the three nations to turn inward and seek aid for their own separate national projects.

Mauritania, for example, seems as anxious to get more wells dug throughout the country as the Senegal River dam is built. This is because 80 per cent of its 1.2 million population is nomadic, and the drought has left hundreds of thousands of nomads in desperate straits.

Similarly, Malian officials now talk more about the Salingue dam closer to the capital than about the Manantali dam, which was their only interest in the joint Senegal River development scheme.

This is partly because the drought forced power cuts in the Bamako area affecting factories as well as homes and offices (electricity was rationed for nearly two months in the city), and the Salingue dam would lower the cost of electric power in the capital to one-tenth of what it is now and permit the expansion of industry here.

But it is partly, too, because neither the Chinese nor any Western nation, including the United States, has shown interest in financing the Manantali dam, while both the French government and the U.N. Development Fund have shown signs of willingness to invest in the Salingue dam.

There is thus the danger that each Africa state will pursue its own particular priority project and that regional development efforts will splinter even as foreign nations are gearing up to make a sizable joint investment in the first major regional dam-and-irrigation scheme.

[From the New York Times, Sept. 11, 1973]

AFRICAN NATIONS PUT DROUGHT NEEDS AT $827 MILLION

(By Thomas A. Johnson)

OUAGADOUGOU, UPPER VOLTA, September 10.—Six African nations just south of the Sahara estimated today that their immediate and long-range aid requirements as a result of five years of drought and famine would cost $827-million.

The estimate came in a report issued by their permanent Committee to Combat the Drought, made up of ministers of agriculture and rural development from Upper Volta, Mauritania, Senegal, Mali, Niger and Chad.

The report, presented to representatives of more than 20 nations and international and

charitable organizations gathered here, said there was a need for emergency food assistance, regional dams and irrigation projects, roads, rail and river transport projects and the creation of research and communications programs aimed at halting the advance of the Sahara.

REQUESTS SCALED DOWN

The report is a distillation of work by technicians, who had urged programs that would have cost more than $3-billion. But the requests were scaled down, according to reliable sources, after some would-be donors had suggested levels that "could be more seriously considered."

Several representatives of * * * they would consider the requests. The representatives, meeting in the National Assembly here, have already committed more than 470,000 tons of grain to the region to prevent threatened wide-scale starvation in an area as large as the United States and with a population of 25 million.

The presidents of the affected nations, with the exception of Chad, are scheduled to hold a meeting here tomorrow. It is expected that they will meet with representatives of the organizations, including the United Nations, the United States Agency for International Development, the European Economic Community, Caritas International, the International Bank for Reconstruction and Development, the African Development Bank and the Organization of African Unity.

LONG-RANGE HELP URGED

Bradford Morse, an Assistant Secretary General of the United Nations, has urged that donors attempt to coordinate their efforts to avoid duplication.

Maurice J. Williams, President Nixon's special coordinator for drought relief, said the world community was interested in supporting emergencies in the region.

"If you bring this region back to where it was before the drought, it will not be good enough," he said.

Mr. Williams said he had asked a team of experts to make a month-long study beginning Sept. 21 to recommend programs that could be started before the first of the year.

The United States has been the major donor during the same 256,000 of the 470,000 tons of grain when it was feared that six million people might die for lack of food.

The region expects a harvest of summer millet, sorghum and peanuts in mid-October. But in the desert region to the north deliveries by rail, road, river and airlift are still necessary to keep herdsmen alive.

One proposal of the ministers calls for the stockpiling of food against shortage next summer. Another is vaccination of cattle.

Long-term projects include the building of five dams that along with hydroelectric power would open the rivers to year-round barge traffic and irrigate thousands of acres.

The dams have long been recommended by French, United Nations and American aid studies and are part of the plans of the Senegal River Basin Commission and other authorities in the region.

The requests mark the first major regional approach to problems of the six nations which receive little rain in the best of times.

GRANTING CREDIT TO COMMUNIST COUNTRIES AT PREFERRED INTEREST RATES

Mr. THURMOND. Mr. President, the Aiken Standard of Aiken, S.C., recently published an editorial which I think should be brought to the attention of my colleagues. The editorial points out that consideration is now being given to extending long-term credit to Communist countries at an interest rate of 2 percent, while the prime rate in the United States is over 9 percent.

Mr. President, there has recently been an outcry in Congress and among the public against the Government subsidy involved in the Soviet wheat sale. Many Americans resent the use of the taxpayers' money for such a subsidy when we have so many unmet needs at home. I agree with them. Not only are many domestic needs unmet, but this sale also resulted in inflation in the price of bread and related items, to the detriment of the consumer.

I believe it is time this country recognized its fiscal plight. As one example, consider the carrying charges on the national debt already accumulated for this generation. Simple arithmetic discloses that it costs the taxpayers of America $40,000 a minute simply to pay the interest on money spent in excess of receipts by the Federal Government. Mr. President, this must stop. There is no reason satisfactory to me why we should subsidize other countries, and particularly communist countries, with a 2-percent interest rate, when the taxpayers of this country are being required to pay roughly 9 percent for the money which the Government borrows in their name.

Mr. President, I ask unanimous consent that the editorial in the Aiken Standard titled "Subsidizing Communism," be printed in the RECORD.

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

SUBSIDIZING COMMUNISM

Not too many years ago Soviet leader Nikita Khrushchev forcefully told the United States of America that "we will bury you." He was speaking of ideology, of economics and very likely in the area of military strength.

Five-year plan after five-year plan have followed his words and the Soviet Union continues to fall farther and farther behind the industrial countries of the West in industrial and agricultural output.

Then came the great political thaw of 1972 and 1973—new East-West communications, new Communist efforts to woo bourgeois technology and even Soviet and Communist Chinese dependence upon U.S. funds. All of this was academic in many ways because the Communist failures also left them without the funds for the massive purchases that they require.

Now Senate and House members are discussing the granting of long-term credit to Communist countries at an interest rate of 2 per cent—while the prime interest rate in the United States is bumping 9 per cent.

The subsidy is interesting since nothing really has changed in the Communist attitudes. Red China has said so, Cuba has said so.

The Communist purity of ideology apparently is willing to compromise only to the extent of taking the fruit of capitalism—Western money.

WHY PUNISH SWEDEN?

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues a recent editorial in the New York Times entitled "Why Sweden?"

This editorial advocates changing the tenor of our relations with Sweden by sending an American Ambassador to Stockholm and ending Sweden's diplomatic isolation from the United States.

I am in total agreement with this position. I was pleased to see that the New York Times endorsed Senate Resolution 149 calling for normal and friendly diplomatic relations between the United States and Sweden.

Also Senators may be aware that Secretary of State designate Henry A. Kissinger, at his confirmation hearings, informed members of the Foreign Relations Committee that he would give this matter of Swedish-American relations his full attention as well as fill all vacant ambassadorial posts by November 12.

I plan to follow this matter closely and I indicated to Dr. Kissinger that I would be doing so. It is my hope that the Senate will consider Senate Resolution 149 in the very near future.

Mr. President, I ask unanimous consent that the editorial which appeared in the New York Times on September 5, 1973 be printed in the RECORD.

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

WHY SWEDEN?

As one of Europe's traditional neutrals, Sweden has performed many mediatory and goodwill missions in the international community. More recently the Swedish Government has ventured at times to act as a moral spokesman. Thus, last December Prime Minister Olaf Palme was particularly forceful in expressing the outrage and dismay which many Europeans felt at the renewed United States bombing of North Vietnam only a few weeks after the Nixon Administration had announced that "peace is at hand."

The Administration has tried to punish the Swedes for their temerity by putting them in a diplomatic deep-freeze. When the last United States ambassador retired from his post in Stockholm in August 1972, he was not replaced. When Prime Minister Palme made his bombing criticism, Washington not only withdrew its deputy chief of mission but also took the unusual step of announcing publicly that a new Swedish ambassador would not be welcome here. As a result, Sweden has had no envoy in Washington since the last ambassador retired in January.

But why punish Sweden? The anti-bombing opinions officially expressed by Sweden last year were shared by many political leaders throughout Western Europe. Moreover, the United States has ignored much harsher comments by the controlled press of China and the Soviet Union. Senator Hubert Humphrey has accurately characterized the Administration's attitude toward Sweden as "infantile petulance." On his initiative, the Senate Foreign Relations Committee earlier this month approved a resolution calling upon President Nixon to restore full diplomatic relations with Sweden. A similar resolution introduced by Representative Fraser of Minnesota is pending in the House.

Experience has repeatedly demonstrated that the withdrawal of ambassadors is an ineffectual, self-defeating method of showing disapproval of a foreign country. That is true even if the other country is a bloodstained dictatorship or a totalitarian tyranny. But when the country is the peaceful democracy of Sweden, the position of the United States is not only inconsistent but ridiculous.

CHANGES IN AMERICAN MOTIVES FOR SEEKING SUCCESS THROUGH WORK

Mr. PERCY. Mr. President, there are indications throughout the American

work force that men and women are underutilized in their jobs. Contemporary American blue-collar—and white collar—workers are weary of authoritarian work environments and monotonous, mindless jobs. It has been demonstrated that worker frustrations can be alleviated through work quality efforts such as job redesign—elimination of piecemeal, assembly-line work; increased worker participation in company decisions and policies. To fully understand the reasons that make these industry changes necessary, however, we must be aware of the changes over recent decades in the U.S. attitude toward work. The dissatisfaction of the contemporary worker with a job which was welcomed and coveted 10 or 20 years ago can be traced to the changed U.S. attitude toward work and the different needs it is expected to fulfill today.

Dr. Frederick Herzberg of the University of Utah School of Business has addressed this situation in a thoughtful article, "Why Bother To Work?" published in the July 16 issue of "Industry Week." His point is that we now have to find fresh reasons for pursuing success. I call the attention of my distinguished colleagues to Dr. Herzberg's essay, and ask unanimous consent that it be printed in the RECORD.

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

WHY BOTHER TO WORK?

(By Dr. Frederick Herzberg)

The traditional motives for achieving success no longer serve as forces that make people work. They linger on as half-hearted slogans, but we will have to search for new measures of "success."

We will have to search for new reasons for achieving success. The old answers to the question, "Why bother to work?" are no longer valid.

We have just come through one of the most ambitious periods in American life. For a quarter of a century since the end of World War II, we Americans have attempted five Herculean tasks:

The reconstruction of Europe and the defense of much of the world.

The generation of maximum economic growth.

The attempt to nation-build in Southeast Asia.

The attempt to people-build among our minorities in this country.

A beginning to earth-building in our new awareness of ecological problems.

Those of us who have lived through this quarter century were caught up in the challenge of these immense tasks and found in them justification for our strivings.

We now face the end of the Vietnam War with a feeling of dullness, fatigue, and disillusionment and with an inability to sort out our feelings. It seems the younger generation of students must face mostly a philosophy of negativism as the guideline for their own strivings.

Historically, there have been five justifications for the success of some and the failure of the rest.

THE LIMIT OF POWER

First is the justification of power—power from whatever source it may arise. This justification is one of the earliest, most pervasive, and certainly the most continuous rationale for the success-failure difference among people.

Today, as we have seen illustrated so painfully in Vietnam, power has reached its limit of effectiveness. The escalation of all perimeters of life has stretched the use of power to counterproductive results or to the point of overkill. This limitation of power seen at the national level also is reflected in the limitation of power at the organizational and individual level.

What we have learned as a nation through profound tragedy, we will have to learn as individuals. Success will just as likely limit our power to influence others, to influence events, and most of all, to influence our own lives as it once was believed to enhance these influences.

ALTERNATIVES TO CAREERISM

The second obvious reason for pursuing success is the desire for a better life. The consumer society has indeed become a worldwide phenomenon, extending, at least in terms of aspiration, to the remotest regions of the earth.

A primitive native in the thickest jungle of Africa once felt deprived if his neighbor had two elephant's teeth and he had only one. Now, with modern communication facilities, he has the whole consuming world to compare his lot with, and his deprivation level has soared to astronomical levels.

Psychological perimeters stretch vastly beyond geographical boundaries and yet, in the 1960's, we experienced the affluent child's disillusionment with the values and the costs of the so-called better life. His achieving parents also began to experience the seamier side of their "better life": hippy children, soaring divorce rates, alcoholism, and sheer boredom.

The quality of life became an issue in opposition to the post-World War II devotion to the quantities of life. The historic philosophical question of the good life has surfaced again, tempering the validity of increased consumption as a reason for striving for success. The children of post-World War II achieving parents began to wonder, "Is success worth it?" They began to explore alternatives to careerism and to reject their parents as models for their future lives.

END OF AN ETHIC

The third historical reason for success has been a religious justification. The most famous of these was the Protestant Ethic which suggested that a sign of one's predestination was indicated by the earthly success of some people, particularly in economic areas, and God's design of damnation for the rest.

Religious purposes, too, are failing as a reason for success. Whatever our private beliefs are, from a psychological public health point of view of society, they are no longer such a potent force in justifying individual behavior related to the pursuit of success.

I suggest two obvious reasons for the dissipation of religion as a motive force and a rationale for individual behavior.

First, the explosion of knowledge and particularly its accompanying technology which—in addition to the intellectual conflict it has created between religious beliefs and "scientific beliefs"—made it impossible for religious convictions to permeate one's daily life. Religion, by necessity, has had to become a part-time activity of life whereas it once profoundly influenced all aspects of life. This isn't a matter of intellectual or moral conviction. It has become a practical necessity to disestablish religion in the practical affairs of coping with modern technology.

The other reason for the loss of religious values to justify success and failure has been, frankly, the idosyncratic nature of their morality, and often the immorality of religion in its translation from sermon to the realities of social responsibility. Again, not at the intellectual or faith level, but at the level of practicality. As a result, religion became too preoccupied defining its position and lagged nonreligious moral leaders and thought.

THE MYTH OF ECONOMIC LAWS

The fourth reason for success that no longer sustains an achieving society is the 19th Century concept of social Darwinism in which it was believed that success or failure was dictated by inexorable laws in the social and economic spheres of life and that these laws paralleled the inexorable laws of biology. The economic and social jungle was equated with the biological jungle where biological fitness determined success or failure.

Modern awareness of economics, sociology, and psychology has pretty much debunked this self-service determinism. Children in the ghetto are there because of social and economic deprivation and are not inevitably the products of some universal intractable law of social science.

BEATING OTHERS WON'T DO

The fifth reason for success that is becoming increasingly difficult to maintain as a rationale has been the 1950s and early 1960s belief in meritocracy: Those with better plans, better motivation, and better capability, and who successfully jumped the academic and social hurdles, supposedly had proved themselves worthy of their position.

The strange failure of meritocracy lay in its cheating the achiever of this sense of achievement. Achievement was not a measure of individual personal worth and growth; achievement became the sterile besting of others. No satisfaction ensued. It was only, "I am better than they." The richness of learning and personal growth was vitiated.

DEAD MOTIVES LINGER ON

All of these reasons—power, consumerism, religion, social Darwinism, and meritocracy—no longer seem to psychologically justify the pursuit of personal success. They will obviously linger on, but only as half-hearted slogans, and they will continue to exert a force in our society because of a lack of alternatives, and especially because of the excesses of the objections made to these reasons.

Because of Vietnam, power has been denounced as totally evil and wrong; we hear demands for complete demilitarization and isolation as a national policy.

The reaction to this naivete will serve to sustain power as a motive force in our society.

An economic recession, continuing inflation, and rising taxes have all combined to stall the movement away from consumption. The older generation has become obsessed with holding on to what it has, and in just a few years, as a result of the realization that the gravy train of assured good jobs is not automatically forthcoming, the younger generation has climbed back onto the bandwagon of careerism and consumerism.

The reaction against the force of religion has led to the extremes of social disorganization, the end of obligation, and its most grotesque protest—the drug culture. To protect ourselves from these overreactions, religion can proclaim the negative value of being the shield against this sort of human debasement.

The manifest failure of much economic, sociological, and psychological theory, particularly as it was translated into social engineering, will sustain the social Darwinist's belief in the inherent inequality of man. The search will be greater for locating success-failure differences in the genes.

And finally, meritocratic beliefs will be sustained by the effort to bring about an equality of results as opposed to the equality of opportunity.

We will need a fresh reason for pursuing success. As I have indicated, the five traditional justifications have been found wanting and are surviving only as warmed-over motives and in the extreme reactions they have produced. As our society settles down, and can take time to sort out its feelings, the

personal achievement motive may emerge as our justification.

CONSUMER PRODUCTS WARRANTIES BILL—S. 356

Mr. HUMPHREY. Mr. President, the consumer products warranties bill, S. 356, passed by the Senate yesterday, promises to vastly improve the ability of the consumer to obtain satisfactory compliance of product suppliers with their warranty and service contract obligations. It is one of the most important consumer bills before the Congress.

The consumer has too long been victim to the vague construction and almost nonexistent enforcement of written warranty and service contracts and the time has come for we in Congress to act on this problem.

There are presently no effective methods most consumers can employ to achieve compliance of manufacturers with their warranty obligations. Since there are no minimum standards for the writing of warranties, they are often vague and misleading, making it difficult for the consumer to hold a manufacturer responsible.

We can no longer tolerate an inadequate and deceiving system of warranties. Senator MAGNUSON's and Senator Moss' bill promises to alleviate this situation by delineating the obligations that manufacturers of consumer products assume when offering warranties and service contracts; and by assuring compliance with the conditions of the warranties through provisions for the effective enforcement of contract obligations.

By setting basic standards for the offering of a warranty, this legislation will make the consumer more aware of the conditions of the warranty and thus aid him in making more informed product choices.

The high costs of court action deter the average consumer from bringing suits against manufacturers. This bill will improve the ability of both the consumer and the Federal Trade Commission to take effective action in cases of breach of warranty or service contract agreements. Funds authorized in this legislation will provide for compensation to consumers who are successful in court proceedings, making it economically feasible, for the first time, for the average consumer to seek legal solutions to his warranty problems.

In addition, the Federal Trade Commission will be able to initiate action on its own in district courts where it is now represented by the Attorney General of the United States. This new authority will enable the Federal Trade Commission to effectively control practices which are unfair or harmful to the consumer.

This bill will, therefore, help the consumer by making the agency responsible for his protection more effective and at the same time improve the average consumer's own ability to protect himself. This is a badly needed piece of legislation and one I strongly support.

LESSONS FROM INDOCHINA CONFLICT

Mr. BUCKLEY. Mr. President, we have recently witnessed the end of active U.S. participation in the Indochina conflict but, as we all know, the conflict is by no means over. The United States has completed 98 percent of the task of assuring the people of Indochina that they will have the ability to maintain their own national independence. Two percent of the task remains, namely inhibiting the North Vietnamese from taking Cambodia by force for a base of operations to continue the conflict in Indochina despite the North Vietnamese signing of the Paris Accords last January.

A recent essay published in the London "Economist" has a very able review of the Indochina conflict since Spc. 4th Davis became America's first combat casualty in 1961. In this thoughtful essay, the author points to troubling lessons that we must learn from the Indochina conflict.

The trouble is that there are no simple wars any longer. Even in Europe, if it came to a war there, the Americans would not be fighting for friends they unreservedly approved or against enemies they wholeheartedly rejected. The last third of the twentieth century is not painted in blacks and whites; but the confrontation between the differences of grey goes on, and countries still need allies they can count on. It is the apparent failure to understand this, the failure of maturity at the heart of American opinion, that is disturbing. That is what a lot of people in Europe may be thinking about on Wednesday.

Mr. President, I ask unanimous consent that this essay be printed in the RECORD.

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

THE END OF AN ILL-TOLD TALE

It ends in Indochina on Tuesday midnight, and it leaves behind one lesson that is even more disturbing than the rest.

It has been a 12-year war, since Specialist 4th Class Davis became its first American combat casualty 10 miles outside Saigon in 1961, and for the people whose lives will most obviously be changed by its outcome the war is by no means over yet; but for the United States it is. From midnight on Tuesday it is hard to see a weapon that Mr. Nixon can legally use in Indochina without Congress's permission, or how he can get Congress to give its permission, or how in the present condition of his Administration he dare defy Congress. He can supply money and military equipment (see page 40), but that is that. The process of American government has reached its decision, and the Americans have switched off the war as if it were a television set: the reality will go on in Indochina, but they no longer want any part of it.

There are three things to be said in the week of the switching off. The first is that, having decided that they no longer wish to try to save their friends by their own exertions, the Americans now have to hope that their former enemies will do it for them. The preservation of something not wholly unlike the political structure of Indochina that John Kennedy set out to preserve a dozen years ago can still be achieved; but it depends on the hope that China, and to some extent North Vietnam, have changed their own minds since then about what they want to see happen on their southern borders.

It is possible that Chairman Mao and Mr. Chou En-lai are now sufficiently worried about the expansion of Russian influence in southern Asia to want to prevent a Russian-influenced North Vietnam from becoming the master of Indochina. If they are, they will try to persuade Prince Sihanouk not to let the Cambodia he seems to be in the process of recapturing become once again the North Vietnamese base it was before 1970. He owes the Chinese something for three years of hospitality in Peking, after all. A Sihanouk who tried to be genuinely neutral would limit the effect of the Cambodian collapse on what happens next door in South Vietnam; and South Vietnam remains the central issue of the war. It is also possible that North Vietnam has been badly enough damaged by the war, and by the quarrel between Russian and China, to have revised its own war aims. The North Vietnamese may conceivably mean what they said in the peace agreement they signed in January. They may tell the National Liberation Front that it will eventually have to settle for whatever its own strength inside South Vietnam entitles it to, and that it cannot count on North Vietnamese guns to do what it cannot do for itself.

Neither of these things—neither Chinese co-operation nor the sort of understanding between Mr. Kissinger and Mr. Le Duc Tho that would make the January agreement something more solid than a scrap of paper—is very probable in itself; and a combination of them is even harder to believe in. But that combination is what Mr. Nixon needs if the United States is to achieve even the minimum of what 50,000 Americans have died for in Indochina under three presidents. It is a measure of America's weakness that it should be relying on its adversaries' second thoughts to save it from the result of its own.

The second thing worth saying is that the reason why those three presidents sent American soldiers to Vietnam still seems a valid one. Leave aside the superstructure of the American argument for being in Indochina, the business of dominoes and the balance of power and the credibility of an American guarantee. There is something in all of those things, but the foundation they rested upon was a proposition about Vietnam itself. The underlying belief was that a non-communist South Vietnam would offer the people who lived in it the prospect of a better life than a communist one would; that North Vietnam was helping the people who wanted to make South Vietnam communist; and that it was right to resist that. Whatever else the war has done, it has not destroyed any part of that proposition.

WHAT IT WAS FOR

Since the Americans started to withdraw their troops in 1969, President Thieu's government has become more authoritarian than it was before: Mr. Thieu has taken more power to himself, and he has made even narrower the limits within which those who disagree with him are obliged to operate. The same sort of thing has happened in South Korea, in Thailand, in the Philippines, even in Singapore. It is one obvious result of the retraction of American influence from the periphery of eastern Asia. But it is still true that South Vietnam is a more open society than North Vietnam is, or that a communist régime in the south would be likely to be. It does have a parliament that can defy the president on an important issue, as it did in the election of the senate's leader last October. It does have newspapers in which a fairly wide range of dissent can make itself heard. It does not make it impossible for people to find out unpleasant things: Amnesty International could discover something about political prisoners in South Vietnam, but it could not in North Vietnam. It does offer the possibility of political choice, in-

cluding, if the communists would agree to it, an election in which one choice would be to vote communist.

South Vietnam also has something more important than all this. It has, as North Vietnam does not, a basic structure of power out of which something more like an American or European democracy could emerge in the remainder of this century. The obstacle to liberalisation in any communist country is the communist party's monopoly of control over every aspect of political and intellectual life. Mr. Thieu does not command, and cannot expect to command, such a concentration of authority in South Vietnam. He has to deal with men who are to some extent independent of him in the army, in the provinces, even in South Vietnam's first beginnings of a modern economy. It is no help in fighting a war, but it could be a decisive advantage after the war: the competition generated by a pluralist society is better for both politics and economics than a centralised system is. Even now, if it could have peace, South Vietnam would be a rather better place than the north for most people to live in. It would permit rather more diversity; it would allow rather more people the means for an independent life; its economy would undoubtedly grow faster. The margin of difference is not huge, and it is not as big as John Kennedy and Lyndon Johnson hoped it would be, but it is there. And given a generation or two of peace the probability is that the difference would widen rapidly. This is the answer to the argument that South Vietnam is not different enough from North Vietnam ever to have been worth fighting for.

THE HEART THAT BROKE

The third point is that no one yet knows whether this basic American objective is going to end in success or failure; but if it does end in failure it will be important to remember where the failure happened. This has been a hard war, hard to fight, hard to have to watch, and above all hard to understand. It was hard to understand because it required the ability to distinguish between friends and enemies whose politics were different shades of grey, and also because it was a policy war fought for balance-of-power reasons as well as for Vietnam itself.

The ideas the United States carried into the war have suffered a number of unmistakable defeats. The idea that American conscripts could fight a guerrilla war among an alien people, and fight it with understanding, has taken a beating. So has the idea that a rural Asian society could be democratised in half a dozen years by a crash course of American advice; it can be done, and it has been done in Japan, but it takes longer than that, and it needs peace to do it in. The old American faith in firepower, or some of the faith, has been broken too. When a B-52 spilled its bomb load over Neak Leung on Monday and killed up to 200 people it was a symbol of what has been worst about this war: it was a firepower machine trying to do what should be done more discriminatingly by men, and causing far more destruction than men would cause when it went wrong. These are all failures, and they will be recorded by history, but they are failures in the methods used to fight the war. If the purpose for which the war was fought at all also ends in failure, with South Vietnam getting the wrong government without even being asked whether it wants it, the reason will lie elsewhere. It will have happened because American opinion, and in particular the liberal community that claims to lead American opinion, failed to understand the war, and indeed let itself be rattled out of trying to understand it

Of course, it had reason to be rattled. The United States had other things apart from Vietnam working on its nerves in the 1960s, including a race rebellion and an apparent war of the generations. It had to watch the Vietnam fighting on television, and it is harder to measure the purpose of a war against its cost when you can see men dying in front of your eyes. It has also to be said that America's allies in Europe did very little to help it, and a lot to discourage it, in its difficulties. Those things are all part of the explanation, but the fact remains that the vital part of American opinion broke in the spring of 1968 and never really recovered. It never seriously tried to come to grips with the idea that a war can be fought on behalf of the rather better against the rather worse, or that it can be fought for the sake of the next couple of generations as much as for the present one. It never got down to the calculations that lie behind a balance-of-power war. It wanted a simple war, and when it found that it had not got one it either gave up, or swung right over to the opposite simplicity of supposing the other side were the heroes.

The trouble is that there are no simple wars any longer. Even in Europe, if it came to a war there, the Americans would not be fighting for friends they unreservedly approved of against enemies they wholeheartedly rejected. The last third of the twentieth century is not painted in blacks and whites; but the confrontation between the differences of grey goes on, and countries still need allies they can count on. It is the apparent failure to understand this, the failure of maturity at the heart of American opinion, that is disturbing. That is what a lot of people in Europe may be thinking about on Wednesday.

A FLEXIBLE TREATMENT TAX CREDIT—THE REACTION OF BUSINESS

Mr. PERCY. Mr. President, earlier this year I met with Chairman Arthur Burns of the Federal Reserve Board to exchange ideas on fighting U.S. inflation and restoring stability to our economy. We discussed the pros and cons at that meeting of a flexible investment tax credit, which would provide a more responsive tool for fiscal policy, and which we felt might be a prompt means to cool excessive business investment spending when such spending is excessive.

In order to have the benefit of business thinking on such a proposal, I wrote 250 of the Nation's largest manufacturing, retail and utility corporations requesting that they fill out a brief questionnaire on the economy in general and our proposal in particular.

By the beginning of the August congressional recess, I had received 175 replies to my letter and questionnaire. In the meantime, the Illinois Manufacturers' Association had also circulated the questionnaire among its more broadly based and diverse membership, and the National Association of Manufacturers had asked to send the questionnaire to its 350 Taxation Committee members. On August 3, 1973, I wrote President Nixon to advise him of Chairman Burns' and my proposal and of the results I had received from the 175 U.S. corporations. Since I wrote the President, I received from Mr. Orville V. Bergren, executive vice president of the Illinois Manufacturers' Association, the tally of responses to the questionnaire from Illinois businesses.

These findings are very interesting. The majority of the business community contacted feels that the current 7-percent investment tax credit is a positive influence on their investment plans.

The opposition to removing that credit is overwhelming, and a strong majority opposes putting it on a flexible basis. More than two-thirds of the respondents also believe that even a reduction—as opposed to a removal—of the credit would exert a dampening effect on their present investment plans which would be harmful as stimulating supply is necessary in many areas of critical shortages to combat inflationary price rises.

Other interesting findings were, first, the strong belief that the economy is headed for a downturn, second, that the administration's trade bill, with the exception of its taxation provisions, is highly desirable, and third, that inflation is such as to call for a budget surplus in fiscal year 1974.

The need for new approaches to our economic problems is evident from the economic uncertainty we experience today. I call the attention of my colleagues to the thinking of the business community on some of these problems as illustrated in the survey I have described. Mr. President, I ask unanimous consent that my letter to the 250 corporations, my letter to President Nixon, the tally of responses from the initial questionnaire, and the results of the poll of the members of the Illinois Manufacturers' Association be printed in the RECORD.

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

U.S. SENATE,
Washington, D.C., June 8, 1973.

DEAR SIR: I am writing to solicit your opinions about a highly important business investment issue.

There has been an increasing interest in proposals to change the nature of the investment tax credit in order to make it a more flexible instrument of Federal fiscal policy.

In part, such proposals are a response to growing concern that business investment is now running at too fast a pace, and that the tax credit should be removed or lowered. At other times, however, business investment lags, and needs the stimulus of a tax credit. There is a great need to create to the greatest extent practicable a sustained level of business investment and to prevent boom/bust investment patterns.

It has been suggested that Congress amend the law to provide a new and flexible investment tax credit. This could help to smooth variations in business investment and promote a more stable economy. In contrast to the current 7% investment tax credit, which certain elements of organized labor are demanding be removed entirely, I have discussed with Dr. Arthur Burns his proposal that the President be permitted to adjust the tax credit in a range of 3% to 15% unless either House of Congress disapproves within 60 days. I have suggested that Congress permit the President to adjust the tax credit with *approval* by *both* Houses within 60 days. The President's proposal would have privileged status so that it would not be killed by filibuster. Dr. Burns has reacted favorably to this suggestion.

This flexible approach to the investment tax credit could solve a problem with which Congress has been struggling for years. In general, Congress has responded sluggishly to Administration requests to impose or remove the tax credit. Creating a flexible tax credit adjustment that retains Congressional hold over the power to tax could meet the need for a much more flexible, responsive fiscal policy tool.

Attached is a brief questionnaire soliciting your views on this and related economic issues.

Your responses to these questions will be

extremely helpful in guiding our thinking. Chairman Burns, too, is deeply interested in having your response. Replies will of course be confidential.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

U.S. SENATE,
Washington, D.C., August 3, 1973.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: During the July 10 leadership meeting with you on economic policy, I promised to send you, for your staff's use, a report on the results of my June 12, 1973 poll of chief executive officers of the 250 largest manufacturing, retail and utility corporations in the United States.

As I said at our meeting, my main purpose was to obtain business response to a proposal of Chairman Burns and myself that the seven percent investment tax credit be put on a flexible basis. We proposed that you be permitted to adjust the tax credit within a range of three to fifteen percent with approval by both Houses of Congress. Special rules would require Congressional action within 60 days and would prevent filibuster. The reasons for proposing a flexible credit are to provide a more responsive fiscal policy tool that could be used to cool business investment spending when it is excessive, and stimulate it when it is lagging.

In addition to questions about the flexible investment tax credit I asked these leading businessmen (including members of the Business Council) for their views on fiscal policy and trade legislation. In all, I have received to date 175 complete or partial responses—many of these completed by hand by the individual corporate chiefs.

With regard to Federal fiscal policy, 63 percent of 140 respondents concluded that we should plan for an actual budget surplus in FY 1974, and 88 percent of 123 respondents opposed a general tax increase.

On the near-term future of the economy, 82 percent of 153 respondents anticipated a downturn.

On the issue of trade legislation, 91 percent of 137 respondents indicated support for your Administration's trade bill. A very large number of those who expressed support for the bill, however, commented that they did *not* favor its tax provisions. 98 percent of 108 respondents specifically opposed the Hartke-Burke bill.

On the subject of the investment tax credit:

Of 164 respondents, 50 percent indicated that the present seven percent credit is having a *significant* effect on business investment plans, and 48 percent said it has had a *margin* effect (two percent indicated no effect).

Of 162 respondents, 95 percent opposed removal of the credit.

Of 159 respondents, 66 percent opposed a flexible tax credit. Of those who favored it, a majority preferred a range of three to fifteen percent.

Of 158 respondents, 70 percent believed a reduction of the credit now would exert a dampening effect on their present investment plans.

From these responses, it is clear that the majority of these leading businessmen believe the current investment credit is a positive influence on their investment plans; an overwhelming number opposed removing it and a smaller but still very significant number opposed putting it on a flexible basis. And, more than two-thirds of the respondents believed that even a reduction (as opposed to removal) of the credit now would exert a dampening effect on their present investment plans.

I can only conclude that in spite of some strong expressions of opinion to the contrary, the investment credit is an important factor in business investment—that lowering it now would have a dampening effect on business investment plans.

With regard to the indication of support (one-third of 159 respondents) for the flexible tax credit, Dr. Burns and I are both somewhat surprised. Both of us expected a far smaller expression of support for this concept from the business community.

I think you should note with favor, as I do, that the majority of these leading businessmen supported your Administration's Trade Reform Act, and specifically opposed the major pending "protectionist" bill. I share the reservations so many of the respondents expressed about the adverse effects of the Trade Reform Act's tax provisions.

A copy of the questionnaire and a tally of the responses is attached for your staff's reference.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

TALLY OF QUESTIONNAIRE RESULTS

175 TOTAL RESPONSES

1. Is the 7% investment tax credit enacted in 1971 having effect on your business investment plans? (164 responses to question one).

Significant, 50%.
Marginal, 48%.
No, 2%.

2. Would you oppose or favor removal of the 7% credit now? 5% favor, 95% oppose, (162 responses to No. 2).

3. Would you oppose or favor a flexible investment tax credit provision as suggested in the attached letter? 33⅓% favor, 66⅔% oppose (159 responses to No. 3).

4. If you favor a flexible tax credit, what should the range of the credit be?

0% to 10%, 24%.
1% to 15%, 6%.
3% to 15%, 59%.
Other, 11%.
(70 responses to question No. 4).

5. Would a reduction in the present investment tax credit exert a dampening effect on your present investment plans? 70% yes, 30% no (158 responses to No. 5).

6. Do you believe that the pace of demand-fueled inflation is now so intense that

(140 resp.) 1. We should plan for an actual budget surplus in FY 1974? 63% yes, 37% no.

(123 resp.) 2. We should raise corporate and personal income tax rates? 12% yes, 88% no.

7. Do you believe that there will be a downturn in the economy within the next 12 months? 82% yes, 18% no (153 responses to No. 7).

8. Do you favor:

(137 resp.) a. The Administration's trade reform bill 91% yes, 9% no.

(108 resp.) b. The Hartke-Burke bill 2% yes, 98% no.

(62 resp.) c. No trade legislation 32% yes, 68% no.

Comments (Please use reverse side if necessary):

Please address replies to: Senator Charles H. Percy, 1200 Dirksen Senate Office Building, Washington, D.C. 20510.

Signature _____

ILLINOIS MANUFACTURERS' ASSOCIATION TALLY OF QUESTIONNAIRE RESULTS

396 TOTAL RESPONSES

1. Is the 7% investment tax credit enacted in 1971 having effect on your business investment plans?

Significant, 49%.
Marginal, 37%.
No, 14%.
(393 responses to #1).

2. Would you oppose or favor removal of the 7% credit now? 9% favor, 91% oppose (386 responses to #2).

3. Would you oppose or favor a flexible investment tax credit provision as suggested in the attached letter? 42% favor, 58% oppose (384 responses to #3).

4. If you favor a flexible tax credit, what should the range of the credit be?

0% to 10%—9%.
1% to 15%—7%.
3% to 15%—71%.
Other—13%.
(150 responses to #4).

5. Would a reduction in the present investment tax credit exert a dampening effect on your present investment plans? 62% yes, 38% no (386 responses to #5).

6. Do you believe that the pace of demand-fueled inflation is now so intense that:

(317 resp.) 1. We should plan for an actual budget surplus in FY 1974? 70% yes, 30% no.

(268 resp.) 2. We should raise corporate and personal income tax rates? 19% yes, 81% no.

7. Do you believe that there will be a downturn in the economy within the next 12 months? 70% yes, 26% no (353 responses to #7).

8. Do you favor:

(207 resp.) a. The Administration's trade reform bill 74% yes, 26% no.

(135 resp.) b. The Harke-Burke bill 11% yes, 89% no.

(110 resp.) c. No trade legislation 38% yes, 62% no.

Comments (Please use reverse side if necessary):

Signature _____

Please address replies to: Senator Charles H. Percy, 1200 Dirksen Senate Office Building, Washington, D.C. 20510.

ZERO-GROWTH POLICY FOR FOOD

Mr. McCLURE. Mr. President, our Nation is faced with a disastrous clash of opposing Government policies. The administration, speaking through the Secretary of Agriculture, has explicitly announced the critical need for increased agricultural production. Simultaneously, the administration, speaking through the Director of the Energy Policy Office, has proposed a mandatory fuel allocation program which decrees that no increase in agricultural production will be possible. In more specific terms, the proposed regulations state that:

> Wholesale purchasers of petroleum products and LPG will be allocated 100% of the same quantities as purchases in calendar year 1972 or if those quantities are not available, a proportional share of the supplier's allocable supplies.

There is provision for petitioning the Department of the Interior for receiving additional supplies if "allocations equal to or proportional to base period supply levels would create exceptional economic hardships." Not being able to expand production would not create "exceptional economic hardships," so therefore, would not allow an increased fuel allocation. In other words, the proposed program dooms—by definition—the expressed intent of the administration to expand production of food.

Of course, there is another alternative—no mandatory program at all. In that case, the results would be even worse. Farmers, ranchers, and irrigators would not receive even the 100-percent level. This is proven by the present situation in Idaho, where farmers trying to harvest crops cannot get fuel. But, here in Washington, the gasoline shortage is over. Weekend vacationers are having no problems.

The damage from this conflict in national policies will be evident long before the next planting and harvest. I have already received one call from an irrigator who is attempting to increase acreage by 2,000. He has the land committed, he has the equipment committed, but no one can guarantee delivery of the additional gasoline and diesel fuel required to operate the pumps. If this man cannot get assurances, he will probably have to stop his expansion plans. And he cannot wait for months—or weeks—for assurance. He needs to know now.

And, he is not alone. Farmers planning increased acreage under cultivation—ranchers planning increased livestock herds—processors and transporters planning increased facilities for taking care of more produce—they cannot wait until spring to make final decisions. Increased food production will not come about overnight. If the administration's fuel policies are not changed—and changed now—it will not come about at all.

Under the present voluntary program, agriculture is receiving the lowest priority—not the highest. In order to prevent a decrease in food supplies, a mandatory allocation program must be instituted. I regret that this must happen. But, for too many years, the warnings of approaching energy shortages have been ignored. Now that the shortages are here, they are falling hardest on the areas least responsible—the agriculture and rural communities.

At the same time, areas of our society who helped create the shortages continue to have all the energy they want. Not only is this unfair, it is a threat to the economy of the Nation. Agriculture must be protected. I have stated before—and I repeat—any mandatory allocation program cannot increase supplies. It can only spread shortages around. In the long run, any mandatory program will, through inefficiencies and disincentives, decrease supplies. Mandatory allocations, though now necessary, must be temporary. Our major effort should be to increase supplies, while improving programs to conserve energy. But, until those efforts become significantly effective, we must insure that agricultural output and essential services are not diminished. That is the criteria for a mandatory allocation program.

I urge that the administration, using its existing authority, take two steps. First, change the proposed mandatory allocation program to provide for increased agricultural production. State explicitly that agriculture will have first priority on available supplies, regardless of the success of other attempts to alleviate shortages. Second, authorize the mandatory program immediately.

If the administration delays in either step, then the impact on our economy will be swift and drastic. Not only will domestic availability be hurt, but our foreign trade will suffer. Our efforts to improve the balance of trade and to strengthen the dollar will suffer. And, our domestic economy will suffer.

It will take time to improve the competitiveness of domestic manufacturing, not only abroad, but here at home. But, in food production capability, there is no serious competition. This is an area where the United States can show rapid improvements in a relatively short time. The American farmer will provide the basis for a healthier economy, but only if he has the fuel required for expanded production. I urge the administration to resolve this conflict in national policies, and to institute a mandatory fuel allocation program allowing increased production.

FOREIGN EXPERIMENTS IN JOB ENRICHMENT PROGRAMS

Mr. PERCY. Mr. President, the United States today is fighting a critical battle to maintain its competitive position in the world market. Vital to our success is an increase in the Nation's productivity growth rates. Improving the quality of work in America and ending the frustrations of authoritarian factory environments are goals we must achieve if our country is to maintain its prosperity.

The ills of fragmented jobs and monotonous work are evident in many countries. Absenteeism, wildcat strikes, and workers sabotage are problems in America as well as in other countries. Other nations have made great strides in productivity growth through various techniques of enhancing the workers' environment and involving him in the company decisionmaking process. If we are to improve U.S. efforts to combat these problems, we can learn from the programs initiated by other nations and perhaps deal more effectively with the problems at home.

I call the attention of my colleagues to an article on this subject published in the July 23, 1973, issue of U.S. News & World Report. The vast changes in labor management practices throughout the world are carefully reviewed in "What Foreign Firms Are Doing To Fight 'Blue-Collar Blues,'" and I ask unanimous consent that this article be printed in the RECORD.

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

LABOR:

WHAT FOREIGN FIRMS ARE DOING TO FIGHT "BLUE-COLLAR BLUES"

In one country after another there's upheaval in labor-management practices as companies try new ways to combat dissatisfaction among workers.

REPORTED FROM WORLD CAPITALS

It's not only in the U.S. that industry is confronting the problem of the "blue-collar blues," trying to keep workers happy on the job and giving them a feeling of responsibility.

Similar efforts are in progress in most industrial countries of the world—and they are bringing far-reaching changes in worker-employer relationships.

A country-by-country check by members of the International Staff of "U.S. News & World Report" underlines the extent of these developments.

For example:

In Western Europe, one nation after another is involved in a movement to give workers a voice in company board rooms, as well as to make them more contented at jobs in the shop. Included are programs to promote worker ownership of company shares.

In South America, the trend is most marked in Peru, where the Government has ordered that employes be given representation on company boards of directors. Something of the sort is also done in Argentina and Chile, but only for state-owned enterprises.

In Canada, there's similar recognition of the idea that workers have a right to participate in the decisionmaking process. But, by and large, this is accomplished through the traditional give-and-take of management-union negotations rather than through innovations in "industrial democracy."

In Japan, by contrast with conditions elsewhere, the partnership between labor and management has been so close for many years that there is little worker unrest. The typical industrial company is almost an extension of the family, where worker and boss are both on the same team.

RESTIVE WORKERS

Managements of European businesses, particularly, are plagued with a weakening in worker morale, growing absenteeism, and rising discontent with monotonous factory work. Wildcat strikes are growing more frequent. The unrest appears in countries that formerly were considered models of trade-union discipline. Many young workers are especially reluctant to accept an employer's authority.

In various countries abroad, this "revolution" in labor's attitude is being resolved in three ways: The first is a growing move toward worker participation in management.

Both Sweden and the Netherlands have followed a pattern established by West Germany, in giving workers a legal claim to representation on the supervisory boards of their companies.

Similar legislation is in the works or under consideration in Denmark, Norway and Britain.

The second move involves a worker's ownership of company stock. Increased employee involvement in management through distribution of company shares is planned in at least three of the countries.

Sweden, through new legislation, allows the Government's social-security-pension fund to invest in private-enterprise stock.

WORKERS' STOCK PLAN

In Britain, the Conservative Government is sponsoring a stock-option plan for workers. The opposition Labor Party proposes a program that could bring worker control through majority ownership of the firm's shares.

Denmark's Social Democratic Government supports a compulsory stock-distribution idea that also could lead to worker control. The proposal is being deferred, however, until 1975 due to inflationary difficulties.

The third broad move by managements in Europe centers on projects to combat "assembly-line blues." For instance, Sweden's major auto firms—Saab and Volvo—have introduced radical new production systems designed to increase job satisfaction.

Italy's Fiat is following suit. Norway's Nordsk-Hydro has begun a program in its fertilizer factories built around production teams—giving workers wide autonomy and responsibility. Great Britain is setting up an official steering committee of experts to study the problem of job dissatisfaction and sponsor experiments for change.

Giving new impetus to this whole movement toward "industrial democracy" and "job enrichment" are recommendations of the European Common Market Commission.

One of its proposals calls on all member countries of the European Economic Community to follow West Germany's example and make worker participation on compulsory boards mandatory.

A second recommendation suggests abolition of assembly-line operations, because of the "psychological harm" these inflict on the workers.

How to give workers a role in management and make life better at the workplace is shaping up as a big political issue in many foreign countries.

Detailed reports of what is happening in industry in major countries show the key developments—

WORKERS ON THE BOARD

Moves to let employees have a say in how the company is run take various forms.

Under a new law in Sweden, all firms with more than 500 employes must appoint two union representatives to their boards of directors. One labor spokesman comes from blue-collar unions. The second is selected from white-collar units.

Swedish unions have been distinctly unenthusiastic about this reform, and only recently endorsed it under pressure from the Social Democratic Government.

Union leaders say they are more interested in increasing worker participation at the factory level—where conditions can be directly influenced—than in sitting on company boards where their effect will be questionable.

GENESIS: WEST GERMANY

This "voice in management" idea got its real start in West Germany's steel industry in 1947. Later, in 1951, the West German Government confirmed the steel arrangements—originated during British military occupation—and extended them to the coal industry.

Some 700,000 workers in these two sectors of German industry have been under the system ever since. In practice, labor is given as many seats as management on the firm's board of directors. The two groups then select a neutral director.

Outside the steel and coal industries, West Germany has had a somewhat similar system in all industrial plants employing more than 500 workers. This plan, in effect for more than 20 years, allows labor to have one-third of the seats on company boards.

Organized labor and its allies, however, consider the one-third status to be unsatisfactory and trivial. They prefer the steel-coal setup.

In Britain, the future role of workers in management suddenly is emerging as an important political issue.

Prime Minister Edward Heath's Conservative Government almost overnight has embraced the idea of legislation requiring appointment of worker representatives to company boards along lines practiced in West Germany.

The Prime Minister sees the codetermination idea as a possible basis for an over-all deal with the British unions to get their co-operation in a long-term anti-inflation policy.

British unions, which in the past have been cool to schemes for worker participation in management, now are switching. The Trades Union Congress—the British equivalent of the AFL–CIO—recently announced a provisional decision accepting the idea in principle. But, labor is demanding half of the board seats and a veto over major management decisions involving mergers, takeovers or plant closings.

The Confederation of British Industries is not opposing the plan in principle but it is calling for a slow and cautious approach before moving to enact legislation.

Norway also is considering proposals to place union representatives on company boards, and an even more radical plan is under discussion in Denmark. The Danish scheme would place 50 per cent of the equity capital of companies under control of labor.

Business opposition forced the Danish government to postpone the plan until 1974. Public-opinion polls there show that only about one quarter of those surveyed solidly back the plan.

In Austria, organized labor suggested a program giving worker councils greater powers and assigning one third of each company's directors' seats to labor. Because of strong employer opposition, the outcome of this Austrian proposal remains uncertain.

Swiss unions also are seeking worker seats on the company boards. Labor is campaigning for a nationwide vote on the issue.

Employers in Switzerland generally reject any codetermination moves that would interfere with basic management decisions.

NOT NEW TO JAPAN

Japanese workers already have a strong voice in company policies. The labor-management consultative councils now operate in 63 per cent of all Japanese enterprises. These company panels meet regularly 10 to 15 times yearly to discuss matters such as working conditions, employment and job-transfer policies, education and training programs, and the financial status of their company.

In France, business leaders and the powerful Communist Party—with its dominant union—are cool if not actively hostile to the idea of employes' helping decide management policies.

An offbeat form of worker participation did show up recently in a watch factory in Western France. The 1,300 employes took over operations of the factory after it went into bankruptcy and halted production.

Using stocks of materials on hand, the workers have been turning out watches—which they sell at 40 per cent off the former price.

Italian unions see no advantages at all in "comanagement" of industry. They feel that sharing responsibility for management decisions would limit their freedom to oppose the managers on behalf of worker interests.

Canada's labor movement goes along with the prevailing view of unions in the U.S., in opposing the concept of joining the directors' boards. A Canadian Government official says:

"We have the adversary system in Canada and will continue to have it for a long time. It is a fact of life in a system based on negotiations. Through collective bargaining, labor makes inroads into management rights."

South America's experiments in co-determination are concentrated largely in Peru. The military regime there in 1970 decreed that employes must be represented on the boards of directors of private companies in proportion to the workers' equity in each firm.

At the same time, Peru ordered all companies with six or more employes to see that their workers acquire company stock.

Fifteen per cent of the firm's profits must be set aside each year for shares of stock, to be held by a workers' co-operative. When the co-operative owns half of the firm's shares, the profit-sharing plan is ended. So far, the workers' stock-holdings remain small.

For state-owned firms in Peru, the employes are given bonds equal to 15 per cent of the annual profits, rather than shares of stock. The Government does not want workers to share in control of the state businesses.

EMPLOYES AS SHAREHOLDERS

Sweden and Britain afford the principal examples of moves to broaden worker participation in industry by owning company stock.

In Sweden, the participation is indirect—using social-security pension funds to invest in company stocks. Politicians opposed to the idea denounce it as "back-door nationalization." Under the program, a new foundation is to handle social-security investments. The unions have five members on the 11-man control board.

In Britain, adoption of some type of plan for worker participation in stock ownership seems almost certain.

The Conservative Government already has submitted one proposal to Parliament. Workers would have an option to buy stock in their company, possibly for as little as 70 per cent of the market price. Payment would be linked to a save-as-you-earn program.

A more radical idea has come from the opposition Labor Party. This would open the door to eventual worker control through majority ownership of stock.

The Labor Party plan would require that companies contribute shares each year to a national workers' fund, to be owned collectively by employes. The fund would own voting shares in all of Britain's public companies and could influence management policies.

FIGHTING JOB DISSATISFACTION

Efforts to give workers "job enrichment" and greater individual initiative are showing up in many European plants.

An example of Swedish industry's attack on "assembly-line blues" is offered by a new work system at the Saab auto-engine factory outside Stockholm.

The assembly line in this plant was eliminated, and production was built around teams of workers. Each team of three employees assembles an entire engine. The workers decide how the work is to be divided within the team.

All lifting and moving of heavy parts is handled by special equipment. Thus, Saab can use women in what formerly had been heavy work, reserved for men. Eighty per cent of the employes in the new plant are women.

A high rate of absenteeism prompted Italy's Fiat auto company to adopt a similar team plan for assembling engines.

A growing number of companies in various European countries are turning to "flexible working hours" for both blue and white-collar workers, to improve the working atmosphere. Workers' "blues" are described as "in no sense a burning issue" in West Germany. One reason: 10 per cent of those employed are foreigners, expecting to return home after only a few years on the job.

While in Germany, these imported workers are not anxious to stir up trouble. They tend to be docile, ready to go along with the system as they find it.

TROUBLE IN FRANCE

By contrast, France has a major problem in worker discontent, growing absenteeism, wildcat strikes, a higher rate of turnover.

In France, experiments are under way to make factory work more attractive. Piecework pay is being abolished in some plants. Six hundred workers at Jaeger, an auto-instrument maker, are allowed to work at their own rhythm.

Japan's No. 1 auto maker, Toyota Motors, also is seeking ways to eliminate monotony on the assembly line. Experiments range from rotating shift work to providing background music on the line. However, the emphasis is on training each employe to handle two or three different jobs, moving from one task to another along the production line.

Workers are encouraged to participate in after-hours activities varying from baseball to amateur theatricals.

Thus, all around the world, employers, governments and workers are seeking new ways to make factory work more pleasant and to give employes a voice in running the total enterprise.

AUTO REPAIR

Mr. HARTKE. Mr. President, the automobile has come to play an important role in the transportation of our citizens. Every year the number of cars sold increases substantially. Coupled with this, more and more money is spent on the repair of these machines. Roughly, $25 to $30 billion is spent annually on auto repairs. Of this sum, my colleague from Michigan, Senator PHILIP A. HART, has estimated that at least $8 to $10 billion is unnecessarily or fraudulently taken from the motoring public.

This situation is intensified because most motorists have little or no knowledge of the complex workings of the modern automotive engines. Accordingly, the consumer is placed at the mercy of auto mechanics.

Because of the magnitude and importance of this problem, several State legislatures are enacting laws to protect the public against unfair practices. Consumers feeling the need to act immediately, have organized groups to receive complaints from citizens about repair shops.

One such group was established by a college student in Cleveland named Tom Vacar. Called the Auto Safety Research Center, the facility acts as a car-owner's complaint bureau. It receives complaints from dissatisfied consumers, investigates their claims, and then works toward negotiating with the car repair dealer for a settlement.

Government at the State and Federal level must begin to fulfill its obligation to the public and enact and enforce strict laws to curtail fraudulent practices in the auto repair industry.

Earlier this year, I introduced the Motor Vehicle Repair Industry Licensing Act (S. 1950). This legislation calls for the Federal Government to assist the States in establishing their own systems of licensing those engaged in the practice of auto repairs and auto damage appraisal. This issue encompasses the whole country and it is essential that Congress acts. If we do not, consumer groups working on their own may be able to win a battle or two but will surely lose the war.

Mr. President, I ask unanimous consent that an article which appeared in the National Observer, explaining the Auto Safety Research Center, be printed in the RECORD.

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

LEMONAID—A NADER DISCIPLE OPENS AUTO-COMPLAINT CENTER

(By James G. Driscoll)

Tom Vacar sweetens lemons. Lemons with eight cylinders—or six or four.

Mr. Vacar fixes no car except his own. Rather, he sweet-talks auto dealers and manufacturers on behalf of disgruntled car owners. Their cars have gone lame or halt, and the repair shop can't or won't make them healthy. Or there's a squabble over what repairs are covered by the car's warranty.

The owners complain to Mr. Vacar, a college senior who writes letters, makes phone calls, visits manufacturers' "zone" offices, and even quotes Benjamin Disraeli in trying to help consumers. Sometimes the talk turns tough. And the consumer wins surprisingly often, considering that Mr. Vacar, 22, and his even younger associates operate on a tattered shoestring. Mr. Vacar charges no fee; his volunteer spirit grew out of his own disheartening experience with auto repairs.

The results of this experimental complaint center have been so encouraging that Ralph Nader, for whom Mr. Vacar formerly worked, has called for 100 more complaint centers around the nation. One is being started by a consumer group in New York City, and the United Auto Workers union—whose members drive the cars they make—expects to open a complaint center here in a few weeks.

More centers are being planned elsewhere, but this is still a fledgling, struggling effort, and it may be years—if ever—before auto complaint centers are operating in significant numbers. Mr. Vacar's center is plagued with financial and personnel problems, and the soaring spirit of the volunteers who manned it at the start has given way to apathy as the money for token salaries ran out.

Nonetheless, this is a fascinating attempt to cope with the nagging problems of auto ownership that have worried man since the first Model T backfired. The need for complaint centers seems clear, and their popularity assured, if one can judge from the experience of Diana Bigelson and her 1969 Austin America.

Miss Bigelson needed dependable transportation to commute from her home in suburban University Heights to her teaching job in Bedford, about 10 miles away. Friends recommended the British-made Austin, and she bought one new from Jaguar-Cleveland Motors, Inc., a foreign-car dealer.

Dependable? This Austin wasn't. She recounts that the motor died repeatedly when she was driving 70 m.p.h. on a superhighway. The tail pipe banged against the bumper. The carpet was torn, the radio was full of static, the driver's seat wouldn't move backward or forward, and the brake warning light didn't work.

The Austin had been advertised as economical, getting 30 to 35 miles to the gallon. Miss Bigelson averaged 16 to 19, she says. The 1,000-mile checkup showed rust covering most of the engine. Later, a leaky carburetor caused the motor to catch fire. Miss Bigelson happened to be in front of a fire station at the time, so damage was limited to $232.

FALLING BOLTS

Another time, "the motor started racing really fast," Miss Bigelson says. She stopped, ran to the nearest house for help, and found that a Jaguar-Cleveland employe lived there. He examined the car and told her that a screw had not been tightened correctly, and a "bolt had fallen into something," she recalls.

Though the dealer repaired most of the defects, the car continued to stop on the highway. And Miss Bigelson was unhappy with the treatment she received at the dealer.

They told her she was using the wrong gasoline. She changed, and the gas mileage got worse. They "bawled her out," she said, for not driving the car correctly. And when the car wouldn't start in cold weather, a mechanic suggested jocularly that "you should keep a hair dryer in the car to defrost it if it freezes up again." She didn't think that was funny.

Frustrated and furious, Miss Bigelson planned to place an advertisement in the Cleveland newspapers, blasting the dealer. Her aunt, a lawyer, dissuaded her. Then Miss Bigelson heard of Tom Vacar and his new Auto Safety Research Center.

The center's name is somewhat misleading. Though Mr. Vacar is seriously concerned with car safety, his interests encompass all the relations between car owners, dealers, and manufacturers, and his organization could fairly be called a car-owners' complaint center. When Miss Bigelson called, he took down her complaint and asked her to provide the relevant documents—repair bills, warranty, owner's manual, and bill of sale. Then he began phoning, writing, and visiting Lee Seidman, president of Jaguar-Cleveland.

By this time, Miss Bigelson wanted to get rid of the car. Mr. Vacar proposed that Mr. Seidman buy it back for $2,175.49. That total included the list price, $1,899, plus the cost for the engine fire, $232.93, plus $43.55 for a "gasoline mileage adjustment." This was the "extra" money she had paid for gas, over what it would have cost if the car had given 30 miles to the gallon for the 6,700 miles she drove it.

Mr. Seidman declined to pay that price, but after lengthy negotiations, agreed to buy back the car for $1,000 and to obtain a $200 price reduction for Miss Bigelson on a Volkswagen she wanted to buy from another dealer, who owed Mr. Seidman $200.

Mr. Vacar was not completely satisfied with the agreement and wrote to Mr. Seidman: "English statesman Benjamin Disraeli said on Feb. 22, 1848, in the House of Commons, 'A precedent embalms a principle.' I was somewhat surprised when you stated that you did not want to set a precedent by refunding the full price for Diana Bigelson's car even though it is . . . substandard by anyone's standards. . . ."

Mr. Seidman, a man not without grace and humor, replied by quoting his sales manager: "Moe Berlin phrases it best. He doesn't like to win the battle and lose the war. . . . I now believe that we have lost both." Mr. Seidman contended that he had bought back a car he didn't want at a higher price than he would have paid for a similar car at an auction, had refunded gasoline money without examining the customer's driving habits, had helped a competitor sell a car, and had lost a customer.

Miss Bigelson had a different reaction. "I think the center is great. If it wasn't for them, I would not have gotten back as much as I did."

Mr. Vacar's interest in car complaints derives from a personal incident. In 1969 he took his 1963 Ford Galaxie to a large Ford dealer in Cleveland and was told he needed repairs that would cost $130. When he picked up the car, the bill was $260, and his outrage gained him no reduction.

HUNDREDS OF LETTERS

Later that year, he worked for the Center for Auto Safety in Washington, D.C., an organization associated with Mr. Nader, and was impressed and dismayed to find that hundreds of letters were received there each week from dissatisfied car owners who didn't know where to turn.

Mr. Vacar returned to Cleveland, where he is a political-science major at Case Western Reserve University and set up his experimental center last April. He complied with the rules for a student organization, and the university provided a small office in Case Main, a battered old building. The office contains two desks, a half dozen chairs, a couple of filing cabinets, and a telephone. Under an "undergraduate scholars" program, Mr. Vacar is receiving nine academic credits this semester for running the center.

Financing has been a severe problem from the start. Mr. Nader gave the center $800 that he received for a speech in Cleveland, and then wrote a $500 check. Consumers Union has given two grants, totaling $1,000. And the United Auto Workers gave $200.

At first, Mr. Vacar was able to pay volunteers "subsistence" salaries of $25 to $50 a week. Now he can pay nothing, and meets the telephone bill by working three or four nights a week in a dormitory cafeteria. He also works as a teaching assistant for one course.

His principal aide in the complaint center now is a 16-year-old high school student, Kevin Karp. Many of the 15 college students who formerly helped at the center have turned to other paying jobs. "They just couldn't hack without a little money for bus fare and meals," asserts Mr. Vacar.

"This center really works," he declares. "The consumer movement is powerless unless you get to the local level and solve complaints. And we have helped the consumer in 80 per cent of the 400 complaints that we've handled.

FREE-ENTERPRISE "STIMULUS"

Insisting that his center is not "antibusiness," Mr. Vacar asserts that it serves "as a stimulus to the free-enterprise system to make it work better."

Surprisingly, a fairly good relationship has developed between Mr. Vacar and many auto dealers in Cleveland. Mr. Vacar and Mr. Seidman of Jaguar-Cleveland, for instance, have grown to reluctantly respect each other.

"These are bright young people at the center, trying to act as a catalyst between the disgruntled consumer and the businessman," says Mr. Seidman. "Some customers are reasonable about their complaints; some are unreasonable. Car-buying can be a psychological, emotional thing. Sometimes the buyer magnifies problems and just doesn't want to see the car any more."

Mr. Seidman says that for most cars, defects can be corrected by the dealer. "But occasionally, someone builds a car with many flaws. My problem is expediency—there are so many things to do, and I want to settle problems right away." In fact, most new cars seem to have a good many flaws. Consumer Report magazine says that the 1969 cars that it tested had an average of 36 major or minor flaws, and 1970 models were no better.

Hugh Gibson, president of Birkett Williams Ford in Cleveland, concurs that Mr. Vacar and his associates are "a pretty fine group of people." Mr. Gibson, a director of the National Automobile Dealers Association, says the young people at first "set out to prove that dealers are the bad guys at the root of the problem. They found that many problems are the result of the dealer being squeezed between the customers and the manufacturer because of warranty problems."

Indeed, Mr. Vacar reports that he has more difficulty dealing with some "zero" representatives of the car manufacturers than with the auto dealers. The U.S. manufacturers usually have an "owner relations" office within a sales office in each zone; Chevrolet, for instance, has 48 such offices.

The Buick zone office, says Mr. Vacar, has been friendly and responsive, while the Chevrolet office—part of the same General Motors Corp.—has proved just the opposite.

George Bollman of the Buick office says he has no problems in dealing with Mr. Vacar. "If the complaint is justified and well documented, we'll make an adjustment," Mr. Bollman declares.

Officials at the Chevrolet zone office, where Mr. Vacar contends he has been told he is not welcome, declined to talk about him or the center. However, Richard Good of Detroit, manager of owner relations for the Chevrolet Motor Division, says that he "almost solicits" complaints from customers, and has "no objection" if they come from an organization such as Mr. Vacar's.

Despite the recalcitrance of some zone offices and dealers, the center has succeeded in helping many car owners. Victor Lehman of North Royalton, Ohio, bought a new Ford Ranchero pickup truck and found it lacked head rests, had the wrong grill and steering wheel, and the paint was chipped. Mr. Vacar interceded with the dealer, and Mr. Lehman was pleased with the results. "Without your help we feel Southwest Ford would not have answered our complaints. . . . They just stalled us off until we went to you for help," he wrote.

David Brewe of Rocky River, Ohio, complained about an unauthorized valve job on his 1967 Mercury, for which he was charged $100. With Mr. Vacar's help, the charge was reduced to $24.

Julian Steinberg of Shaker Heights received a $150 refund from the Buick zone office for unnecessary repair on his 1969 Opel.

Yet Mr. Steinberg was dissatisfied because someone from the center failed to keep an appointment with him to discuss his complaint. It took several calls before he got someone to go with him to the zone office.

Ernest Savary of Cleveland gave up this month on getting any real help from the center for a severe problem with his 1969 Mercury. A ball bearing somehow fell into a piston and broke it, and the dealer and manufacturer disclaimed responsibility. Mr. Savary finally went to a lawyer who, for $150, arranged a trade-in on a new car.

Over all, however, the center has proved successful enough to be copied by the United Auto Workers, Cleveland Council. The union, with 50,000 members in the Cleveland area, called in Mr. Vacar as a consultant and is setting up a center similar to his, but limited to UAW members, Bob Weissman, council president, argues that UAW members are "doubly victimized": they are forced to work so fast on assembly lines that high quality is impossible, and then they must buy the same "shoddy made" cars as everyone.

As the idea spreads, Mr. Vacar expects that those who run centers will concentrate, as he has, on the details of warranties and sales contracts, and on the way manufacturers handle complaints. He hopes others will follow his example of trying to leave both the buyer and dealer happy after setting a problem; a pleased consumer then may tell the dealer he plans to buy another car there.

Of course, that doesn't always happen. Often, there is a sour aftertaste after a lemon battle. Lee Seidman of Jaguar-Cleveland, for instance, has always insisted that Miss Bigelson's Austin was a fine car. Now he has sold it to a second owner who is "delighted" with its dependable performance.

Take *that*, Diana Bigelson.

But Miss Bigelson, still smarting from her Austin ordeal, has persuaded two of her friends not to buy a car from Mr. Seidman.

Take *that*, Lee Seidman.

CHANGING GOALS OF AMERICA'S YOUNG WORKERS

Mr. PERCY. Mr. President, one of the most effective weapons for fighting inflation is increased productivity in our Nation's industries. On numerous occasions in the past few years I have remarked on this fact and on the critical need to improve our national productivity growth rate if we are to remain competitive in the world market. The means to this end are complex, however, and it is imperative that those of us involved in the effort keep advised of the constant changes in the U.S. work environment.

Today I call the attention of my colleagues to an article about the young worker in America. The U.S. work force of the 1970's is far different from that of 10 and even 5 years ago. The beliefs of the contemporary college student on the importance of work to his life and on the benefits he seeks in his job are complex and thoughtful. A Daniel Yankelovich survey of college students conducted from 1968 to 1971 has revealed that while the younger worker has a strong commitment to work, he rejects the authoritarian system geared to an earlier stereotype: the uneducated, irresponsible worker. The old system of fractionalized tasks and competition with others does not attract today's youth. The sooner we understand the desires and motivation of the younger worker, the sooner we will be able to deal effectively with our productivity problems.

I urge my distinguished colleagues to take time to read more about this survey in "The Young Worker & the Work Ethic" from the April 1973 issue of Today's Education, the journal of the National Education Association. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

THE YOUNG WORKER AND THE WORK ETHIC

(NOTE.—This article is adopted from *Work in America*, a report of a special task force to the U.S. Secretary of Health, Education, and Welfare. December 1972.)

It appears that young people, more than any other group, have taken the lead in demanding better working conditions. Out of a work force of more than 85 million, 22.5 million are under the age of 30. These young workers are more affluent and better educated than their parents were at their age. Factually, that is nearly all we can generalize about this group. But such authors as Kenneth Keniston, Theodore Roszak, Charles Reich, and others assert that great numbers of young people in this age group are members of a counterculture.

The President's Commission on Campus Unrest wrote that this subculture "found its identity in a rejection of the work ethic, materialism, and conventional social norms and pieties." Many writers have stressed the alleged revolt against work, but empirical findings do not always support the impressionistic commentaries.

It is commonly agreed that there is a difference between the behavior of youth and their real attitudes. Many young people do wear beads, listen to rock, and sometimes smoke pot; but few actually live in communes (and these few may be working very hard), and even fewer are so alienated that they are unwilling to play a productive role in society.

From 1968 to 1971, Daniel Yankelovich conducted national attitude studies of college students and found that two-thirds of them profess mainstream views in general particularly in their feelings about work (and private business):

Seventy-nine percent believe that a meaningful career is a very important part of a person's life.

Eighty-five percent feel business is entitled to make a profit.

Seventy-five percent believe it is morally wrong to collect welfare when you can work.

Only 30 percent would welcome less emphasis on working hard.

While student feelings about work itself are generally high, Yankelovich found that attitudes toward authority are changing rapidly. In 1968, 56 percent of all students indicated that they did not mind the prospect of being "bossed around" on the job. By 1971, only 36 percent see themselves willingly submitting to such authority. And, while 86 percent of these students still believe that society needs some legally based authority to prevent chaos, they nevertheless see a distinction between this necessity and an authoritarian work setting.

Yankelovich also found a shift in student opinion on the issue that "hard work will always pay off" from a 69 percent affirmation in 1968 to a 39 percent affirmation in 1971. This certainly was, in part, indicative of the conditions in the job market for college graduates in 1971. But more basically, we believe, it highlights a paradox inherent in a populace with increasing educational achievement. Along with the mass media, education and its credentials are raising expectations faster than the economic system can meet them.

The following case study of a young woman who is a recent college graduate illustrates the gap between expectations and reality:

I didn't go to school for four years to type. I'm bored; continuously humiliated. They sent me to Xerox school for three hours. . . . I realize that I sound cocky, but after you've been in the academic world, after you've had your own class (as a student teacher) and made your own plans, and someone tries to

teach you to push a button—you get pretty mad. They even gave me a gold-plated plaque to show I've learned how to use the machine.

The problem is compounded by the number of students who are leaving school with advanced degrees, like the young Chicago lawyer in the following case:

You can't wait to get out and get a job that will let you do something that's really important. . . . You think you're one of the elite. Then you go to a place like the Loop and there are all these lawyers, accountants, et cetera, and you realize that you're just a lawyer. No, not even a lawyer—an employee; you have to check in at nine and leave at five. I had lots of those jobs—summers—where you punch in and punch out. You think it's going to be different but it isn't. You're in the rut like everybody else.

Today's youth are expecting a great deal of intrinsic reward from work. Yankelovich found that students rank the opportunity to "make a contribution," "job challenge," and the chance to find "self-expression" at the top of the list of influences on their career choices. A 1960 survey of more than 400,000 high school students was repeated for a representative sample in 1970, and the findings showed a marked shift from the students' valuing job security and opportunity for promotion to valuing "freedom to make my own decisions" and "work that seems important to me."

Many of these students findings were replicated in the sample of young workers included in the Survey of Working Conditions, a monumental study conducted by the University of Michigan's Survey Research Center. For example, it seems as true of young workers as it is of students that they expect a great deal of fulfillment from work. But the Survey findings show that young workers are not deriving a great deal of satisfaction from the work they are doing. Less than a quarter of young workers reply "very often" when asked the question, "How often do you feel you leave work with a good feeling that you have done something particularly well?"

Other findings document that young workers place more importance on the value of interesting work and their ability to grow on the job than do their elders. Also, they place less importance than do older workers on such extrinsic factors as security and whether or not they are asked to do excessive amounts of work. But the Survey found a significant gap between the expectations or values of the young workers and what they actually experience on the job. For example, they value challenging work highly but say that the work they are doing has a low level of challenge.

It has also been found that a much higher percentage of younger than older workers feel that management emphasizes the quantity more than the quality of their work. Furthermore, it is shown that this adversely affects the satisfaction of younger workers. Such findings contradict the viewpoint that there is a weakening of the "moral fiber" of youth.

Many young union members are challenging some basic assumptions about "a fair day's work for a fair day's pay." In the past, unions concerned themselves with establishing what a fair day's pay would be, while the employer's prerogative was to determine what constitutes a fair day's work. Young workers are now challenging both unions and management by demanding a voice in the setting of both standards, as the following case illustrates:

Three young workers, aged 20 and 21, were hired to clean offices at night. One evening the foreman caught one of the young janitors (who went to school during the day) doing his homework; another was reading the paper; and the third was asleep with his feet upon a desk. The foreman exploded and gave them a written warning. The workers filed a grievance protesting the warnings: "We cleaned all the offices in five hours by really hustling, and who the hell should get upset because we then did our own thing?" One young worker said, "At school during study period I get my studies done in less than the hour and no one bugs me when I do other things for the rest of the time. We cleaned all those offices in five hours instead of eight. What more do they want?"

The union steward said he tried hard to understand what they were saying: "But the company has the right to expect eight hours' work for eight hours' pay. I finally got the kids to understand by taking them outside and telling them that if they got the work finished in five hours, then the company would either give them more work or get rid of one of them. They're spacing it out nicely now and everyone's happy," he said, satisfied to have settled the grievance within the understood rules.

The author of this study writes that the young workers were far from satisfied. They wanted the union to establish what had to be done and how much they would be paid to do it, and then they wanted the same freedom that professionals have to decide how to operate within the time and work frame allotted.

In summary, we interpret these various findings not as demonstrating a shift away from valuing work per se among young people but as a shift away from their willingness to take on meaningless work in authoritarian settings.

It would be a mistake to believe that the new attitudes toward authority and the meaning of work are limited to hippies. Judson Gooding writes that young managers, both graduates of business schools and executive trainees, "reflect the passionate concerns of youth in the 1970's—for individuality, openness, humanism, concern, and change—and they are determined to be heard."

Some young people are rejecting the corporate or bureaucratic worlds while not rejecting work or the concept of work or profit. Gooding tells of one young former executive who quit his job with a major corporation because:

You felt like a small cog. Working there was dehumanizing and the struggle to get to the top didn't seem worth it. They made no effort to encourage your participation. The decisions were made in those rooms with closed doors. . . . The serious error they made with me was not giving me a glimpse of the big picture from time to time, so I could go back to my little detail, understanding how it related to the whole.

This young man has now organized his own small business and designed his own job. As the publisher of a counterculture newspaper, he might be considered a radical in his beliefs and life-style, yet he says, "Profit is not an evil." Of course, many young workers do question the use of profits, especially those profits they feel are made at the expense of society or the environment.

Perhaps it would be useful to analyze the views of today's youth in terms of their grandparents' beliefs. Today's youth believe in independence, freedom, and risk—in short, they may have the entrepreneurial spirit of early capitalism. Certainly they are more attracted to small and growing companies, to small businesses and to handicrafts, than to the bureaucracy (be it private or public).

On the other hand, their parents share a managerial ethic that reflects the need for security, order, and dependence that is born of hard times. Of course, this is being a bit unfair to the older generation and a bit overgenerous with our youth, but it serves to get us away from the simplistic thinking that "the Protestant ethic has been abandoned."

Who in America ever had the Protestant ethic and when? Did the poor people or even middle-class people ever have it? Sebastian de Grazia argues that the Protestant ethic was never more than a myth engendered by the owner and managerial classes to motivate the lower working class—a myth that the latter never fully accepted. Clearly, it is difficult to measure the past allegiance of a populace to an ideology.

We can, however, measure the impact of the present work environment on youth's motivation to work. For example, the Survey of Working Conditions found that youth seem to have a lower attachment to work than their elders on the same job. This might be so for several reasons other than a change in the work ethic.

First, as we have noted, young people have high expectations generated by their greater education.

Second, their greater affluence makes them less tolerant of unrewarding jobs.

Third many new workers, particularly women, don't have to work at permanent jobs and are, therefore, more demanding.

Fourth, all authority in our society is being challenged.

Fifth, many former students are demanding at their place of work what they achieved in part on their campuses a few years ago—a voice in setting goals. The lecture has been passé for several years on many campuses—in colloquia and in seminars students challenge teachers. Managers are now facing the products of this progressive education. (One wonders what will happen when the children of today's open classroom, who set their own goals and plan their own schedules, enter the work force.)

Sixth, young blue-collar workers, who have grown up in an environment in which equality is called for in all institutions, are demanding the same rights and expressing the same values as college graduates.

Seventh, the growing professionalism among young workers has caused them to feel loyal to their peer group, task, or discipline rather than to their work organization.

In sum, it does not appear that young workers have a lower commitment to work than do their elders. The problem lies in the interaction between work itself and the changing social character of today's generation and in the failure of decision makers in business, labor, and government to recognize this fact.

The young worker is not in revolt against work but against the authoritarian system developed by those who felt that the worker was both stupid and afraid of responsibility. This view is summed up in Frederick Taylor's classic dictum to the worker:

"For success, then, let me give one simple piece of advice beyond all others. Every day, year in and year out, each man should ask himself, over and over again, two questions. First, 'What is the name of the man I am now working for?' and having answered this definitely, then 'What does this man want me to do, right now?' "

The simplistic authoritarianism in this statement would appear ludicrous to the young worker who is not the uneducated and irresponsible person on whom Taylor's system was premised.

From our reading of what youth wants, it appears that under current policies, employers may not be able to motivate young workers at all. Instead, employers must create conditions in which the worker can motivate himself.

The most rewarding race is probably one that one runs against oneself. Young people seem to realize this. They talk less positively than do their elders about competition with others. But they do talk about self-actualization and other "private" values. Yankelovich found that 40 percent of students—an increasing percentage—do not believe that "competition encourages excellence," and 80

percent would welcome more emphasis on self-expression.

Compared to previous generations, the young person of today wants to measure his improvement against a standard he sets for himself. The problem with the way work is organized today is that it will not allow the worker to realize his own goals.

Because of the legacy of Taylorism, organizations set a fixed standard for the worker but often without telling him clearly why or how that standard was set. More often than not, the standard is inappropriate for the worker. And, in a strange contradiction to the philosophy of efficient management, the organization seldom gives the worker the wherewithal to achieve the standard. It is as if the runner did not know where the finish line was; the rules make it a race that no worker can win.

Whether or not young workers' intolerance of such poor management signals temporary or enduring changes in the work ethic is problematic. More important is how management and society will reckon with the new emphasis that the workplace should lose its authoritarian aura and become a setting for satisfying and self-actualizing activity.

NO-FAULT INSURANCE

Mr. COOK. Mr. President, my good and distinguished friend, the senior Senator from Tennessee (Mr. BAKER) has recently made a typically intelligent and provocative speech concerning the issue of no-fault insurance. Since this issue is as complex and confusing as any with which this body has to deal, I believe Senator BAKER's comments can be instructive to anyone concerned with this subject. I, therefore, ask unanimous consent that Senator BAKER's statement of Friday, August 3, to the National Conference of Bar Presidents be printed in the RECORD.

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

STATEMENT OF SENATOR HOWARD BAKER

During the past several years the concept of "no-fault insurance' has come under considerable discussion and has been the subject of much debate and publicity. Unfortunately, many of the complexities of the issue have been ignored and much of the debate has been clouded by massive sales campaigns on both sides of the issue. I am happy to have this opportunity to set forth what I consider to be some of the fundamental considerations in the development of no-fault insurance programs.

Let me start by saying that I support no-fault insurance and feel that the concept is an important part of badly-needed reform of the automobile accident reparations system. Over the past two years, the Commerce Committee has received substantial testimony regarding the inefficiency of the present system. It is apparent that the fault concept is often a too cumbersome and costly procedure for the payment of claims—especially small claims. And the limits of liability insurance required by the states is woefully inadequate to pay any but those same small claims. If the automobile accident reparations system is, as has been said, a marriage of legal fault concepts to a system of liability insurance, it is, at best, an unhappy one.

It is past time for a critical reassessment of this system and for major revision. It remains my hope that the warring factions on no-fault insurance—those who oppose the concept totally or would advocate palliative programs and those who would rush headlong to put into effect untested, unproven pure no-fault programs based upon tenuous assumptions regarding costs and claims efficiency—can be overcome by those advocating reasoned and rational reform.

While the Senate Commerce Committee has received a wealth of critical comment regarding the present automobile reparations system, because the Committee has from the outset undertaken to consider only total or pure no-fault programs, hearings and debate have yielded little specific information regarding the inadequacies of the fault system. Nonetheless, I feel that some analysis is necessary to lay a foundation for understanding the need for no-fault insurance.

The fault concept obviously did not originate as a basis for providing compensation to injured persons, but rather as a means of assessing responsibility for having caused injury. At the time the concept was founded, the individual and not the societal consequences of the accident were paramount. A system of intricately calculated rules—the tort system—evolved to deal with the complex and sensitive task of assessing the guilt or innocence of the alleged tortfeasor. Indeed, in negligence actions even today, juries return verdicts of "guilty" or "not guilty."

It is inconceivable to me that men would have developed such a system had their primary objective been the compensation of injured persons. The intricate questions of liability may often appear to be important to the angry or vengeful plaintiff, but they are hardly very germane to the concerns of his doctor or the hospital or to the family which suffers if the injured victim is unable to provide for their needs during an extended period of disability.

Additionally, the tort system has failed to meet the needs of injured victims in many instances because anachronistic quirks of the system such as guest passenger statutes and contributory negligence rules have been tolerated by an apathetic Bar. It is incongruous and sad that it has taken a serious threat to disestablish the tort system to awaken the Bar to their responsibility to that system.

The failures of the fault system to perform the basic compensation function for injured victims of automobile accidents are exacerbated by an insurance system which is designed only to protect the net worth of the average tortfeasor. That the various state programs have retained limits of liability inadequate to compensate even the economic losses of the moderately severe injury case is evidence again that the system has not evolved in response to the need for compensation but has developed almost paradoxically to insulate the tortfeasor from the responsibility which the fault system so carefully places upon him.

I am sure that these sound like rather pessimistic observations to this group of lawyers. I hope their impact is to impress upon you my conviction that the tort system was not designed to and should not be expected to perform the basic compensation function in an automobile accident reparations system.

The real question in the current debate over no-fault insurance is not whether no-fault is necessary to provide basic compensation for automobile accidents—I think there can be no question that it is—but is whether the tort system can perform a valuable function in the evolving reparations system and, if so, what merging of fault and no-fault concepts will best meet the needs of society.

It is my opinion that there are two important functions which the tort system is best suited to perform as a part of automobile accident reparations. The first of these is conceded, I believe, by even the staunchest advocates of total no-fault insurance. That is the assessment of entitlement to intangible damages. Although the reason in S. 354 for assigning this function to the fault system is probably that assessment of the value of these damages is best accomplished through the judicial process, it is significant to observe that the important non-economic damages attributable to the impairment or loss of one's ability to enjoy life would be paid—even under this total no-fault concept—only to those who did not author their own injuries. Thus, for this potentially expensive category of loss, the allocation of benefits is made on the basis of fault. The fundamental fairness of the fault concept with its concern for the innocence or guilt of the victim establishes it as the only feasible method for such allocation.

Even so, I would note in passing that S. 354 retains in its present version a deduction of $2500 from any verdict awarding such damages. Since only the seriously injured may even sue for such loss, the purpose of such deduction is obviously to counter the expense of basic economic reparations provided in the bill. I am hopeful that further careful study will be given to this provision as evidence that the bill is asking the no-fault concept to do more than it is efficiently able to do.

It is my opinion that the no-fault concept is not able to provide for compensation of the catastrophic injury case within the framework of present system costs. We are confronted with three alternatives—two of which have been explored extensively in the Senate Commerce Committee. These two are to increase premium costs or to mandate certain reductions in recoverable damages by drastically limiting a claimant's access to general damages, or by imposing mandatory deductions from damages as S. 354 would do.

I do not believe that it is an acceptable alternative to increase the costs of automobile liability insurance. We must recognize the vital role of the automobile in the American lifestyle. To the workingman who has little or no access to public transportation, the family car is not a luxury but an absolute necessity. And the increasing burden of the cost of living leaves little reserve in the family budget for an increased insurance premium.

It is my belief that the second alternative of setting drastically high tort thresholds or mandating deductions from awards is unnecessary. Moderate no-fault programs can provide total economic compensation for almost all victims and, coupled with reasonable tort thresholds, can produce significant cost reductions without denying access to full general damages to any seriously injured victim.

The third, and I believe the best, alternative is to design a no-fault program which will compensate in full the economic loss of 98 to 99 percent of all injured victims, with payment of catastrophic damages on the basis of the fault concept. Several of the states have put into effect such programs, and I am sure that within a short span of time the claims and cost effectiveness of such programs will be known.

I am encouraged in spite of my continuing reservations regarding some provisions of S. 354 that significant progress has been made in recent weeks toward establishing this balance of no-fault and fault benefits. Although I voted against the reporting of the bill from the Senate Commerce Committee, with a few modifications which I shall urge during final consideration of the bill, I hope to be able to support it.

During the evolution of federal legislation, I have long been an advocate of state responsibility for the establishment of such programs. I felt that only in that way could such programs accurately reflect the accident and claims experience of the various regions of this country. And I felt that a great deal was unknown about the impact of no-fault programs, which state-by-state experimentation would develop with the least potential disruption.

However, I am deeply disturbed by the slowness of reform in the states and by the

development of programs in many states which fall well short of establishing a realistic balance between fault and no-fault coverages. I am left with the unmistakable impression that these programs are evolving more in response to special interests than in sympathy for the needs of the victims of automobile accidents. Thus, as I have said, I intend to support federal legislation which will set minimum standards for state action leaving primary responsibility and wide latitude to the states to seek the most efficient and effective program of insurance, but foreclosing the option of enacting palliative programs which perpetuate the inefficiencies of the present system.

MEXICAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, I would like to bring to the attention of the Senate the fact that the 16th of September will be a very special day for the Mexican-American community in Chicago and across the entire country. This date marks the 153d anniversary of Father Miguel Hidalgo's "Grito de Dolores," the famous cry for freedom, which in 1810 inspired the Mexican struggle for independence.

This year let us commemorate Mexican Independence Day by reaffirming our commitment to liberty and justice for all our citizens. Among other things, we should join the chicanos in their efforts to achieve full educational and employment opportunities. As they fight to raise their standard of living, I will continue to do everything I can to assist them in the legitimate struggle for equal opportunity.

USED CARS

Mr. HARTKE. Mr. President, the passage of the Hartke used car amendment by the Senate yesterday was an important milestone in the battle to achieve a just measure of consumer protection. If it is approved by the House, it will mean that people who go to a used car lot will know about the condition of the car they buy and that they will have some legal recourse against the dealer if he does not live up to his representations about that car.

The distinguished Senator from Utah (Mr. Moss) ably explained the substance of my amendment in my absence, and I am most grateful to him.

It is important to understand that the used car amendment expands the protection offered by S. 356. That bill, as it was reported from committee, establishes warranty requirements for all consumer products—new and used. My used car amendment went a step beyond by requiring disclosure of certain basic information about the used car to prospective purchasers. It also established additional warranty requirements in the interest of protecting the consumer.

Mr. President, I have worked on my amendment for more than a year. In its behalf, I contacted State attorneys general throughout the Nation; I wrote to more than 300 lawyers who deal with consumer problems; I spoke with new car dealers, because most of these people also sell used cars; and I spoke with used car dealers. I did all this because I wanted to be sure that the measure I brought before the Senate was more than a superficial effort to protect the consumer.

The result of that year's effort was embodied in amendment No. 474, which was passed by the Senate yesterday. I would have preferred had it been ready before the Commerce Committee reported out S. 356, but that was not possible. I decided to offer it as an amendment to that bill simply because it is completely consistent with the objectives and substance of S. 356.

The average life of an automobile in this country is 9 years, but the first owner of a car keeps it for only 3 of those years. The result is that there are more than 100 million used cars now on the road. When these 100 million Americans buy their used cars, they deserve to know what they are getting, and they deserve to get a car which is safe. That is the goal of my amendment, and I thank my colleagues for their support.

THE 3-DAY WORKWEEK

Mr. PERCY. Mr. President, there has been much discussion over the past few years of the pros and cons of a 4-day workweek. Today I would like to call the attention of my distinguished colleagues to current experimentation which goes one step further—a few industries across the country have instituted the 3-day workweek.

In the July 15 Chicago Tribune, James Strong reports that these experimental programs are underway at the Exxon Chemical Co. in Lake Zurich, Ill.; Motorola Corp.'s semiconductor production division in Phoenix, Ariz.; and Doctors Hospital in San Diego, Calif. The results are not in yet, and the success or failure of the projects is not certain, but I commend these innovative efforts to improve the quality of work in the U.S. factory and office. I ask unanimous consent that Mr. Strong's article, "And Now It Is the 3-Day Week on the Horizon," be printed in the RECORD.

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

AND NOW IT IS THE 3-DAY WEEK ON THE HORIZON

(By James Strong)

Three-day workweek?

While most American workers can only idle away time meditating on the glories of a four-day week, for some the three-day week with four days to loaf is a way of life.

"I think it's great," said Wayne Parlberg, safety and training supervisor at Exxon Chemical Co. in Lake Zurich.

Exxon has been scheduling its 120 employes on a variation of the three-day week with an occasional four-day week to maintain an around-the-clock, seven-day rotation. The average workweek is 42 hours.

"It's relatively easy to adjust to, and like everything else, it has its advantages and disadvantages," Parlberg said.

A former shift supervisor, Parlberg admitted the three-day week was a bonanza for moonlighters and said he often picked up extra money doing local service work in the off hours.

"Of course it's great for travel and you have a chance to spend a lot of time with your children or painting the house." Parlberg lives in Lake Zurich with his wife and three children.

Exxon is one of three plants in the Chicago area on the shortened week. Others are Tower Products, Inc., in Mundelein, and Horning Wire Corp. in Lake Zurich.

Parlberg said the advantages of the three-day week are more free time, less commuting cost, and fewer shift changes.

"The turnover in jobs has been reduced so we have better trained workers and the accident rate is cut," Parlberg said.

"Of course, there are disadvantages," he added. "Working 12 hours obviously is fatiguing and it does take some time to get accustomed to."

Motorola Corp.'s semiconductor production division in Phoenix, Ariz., is one major company testing the three-day week. Of the plant's more than 10,000 workers, 225 employes are involved in the experiment.

"Our people are wildly happy about it," explained Robert Novascone, a Motorola spokesman. "We feel it will slice absenteeism in half and so far efficiency appears up altho we haven't a final reading on it yet."

Employes are divided into four groups. Each shift works a 12-hour day beginning at either 6 a.m. or 6 p.m. with a half-hour for lunch and two 10-minute rest breaks. Two groups work Monday, Tuesday, and Wednesday, and others Thursday, Friday, and Saturday. All employes are off Sunday.

One effect of the move by Motorola, a nonunion company was to reduce the workweek from 40 to 36 hours without reducing wages.

Pay has increased because Motorola and other firms on the three-day schedule pay overtime for all time worked after 8-hours a day, thus guaranteeing workers nearly four hours a day of overtime.

Labor unions have opposed the four-day week unless overtime is paid after 8 hours, and schedules are basically 32-hours a week.

Motorola's move is not entirely altruistic. Novascane said costly equipment can be utilized around the clock with increased production.

"Our equipment represents a considerable investment and when a unit is idle for a half hour here or an hour there it all adds up to quite a bit."

Doctors Hospital in San Diego has experimented with the three-day, 32-hour, week with 26 workers in its dietary department.

Patricia Hagan, operations administrator, said the results have been encouraging. Turnover dropped from 48.2 per cent to a slim 3.2 per cent, while overtime fell from 38.5 hours to one hour over an 11-month period. Absences dropped from 152 to 47 during a six-month period.

"Age is no factor," she said. "The age range here is from 21 to 61 and they are all real boosters of the shorter workweek."

Those on the three-day week at Doctors Hospital receive the same pay for 32 hours as they did for 40 hours in 1971.

THE NEED FOR A PRIVATE AMERICAN PRODUCTIVITY INSTITUTE

Mr. PERCY. Mr. President, the need to improve our national productivity growth rate is an acknowledged challenge to our country today. We are in the midst of a battle for the stability of our economy and the maintenance of our competitive position in the international marketplace. The key to our success is, I firmly believe, increased American productivity growth.

I am very pleased that among those who share my sense of urgency over U.S. productivity is C. Jackson Grayson, Jr., former dean of the school of business administration at Southern Methodist University and chairman of the Price Commission during phase II. Dean Grayson has proposed creation of a private, non-

profit organization to focus on the problem of American productivity. He has written of the proposal and his reasons for suggesting it in the "Ideas and Trends" column of the July 14, 1973, issue of Business Week. His arguments are sound and persuasive. For the benefit of my colleagues who may not have a chance to read the article before, I ask unanimous consent that "How To Make Productivity Grow Faster" by C. Jackson Grayson, Jr., be reprinted in the RECORD.

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

HOW TO MAKE PRODUCTIVITY GROW FASTER

(By C. Jackson Grayson, Jr.)

Nowhere in the entire U.S., to my knowledge, is there a single organization, association, or instrumentality of any significance whose basic effort, objectives, and expertise are devoted specifically and solely to improving American productivity in the years ahead.

There is not one national clearing-house for productivity data collection. There is not one organization providing a place for American labor, business, and the public to turn for information, publications, or education about productivity. And there is not one nonprofit organization providing expert assistance to labor and business desiring to create programs to increase productivity.

BUSINESS WEEK last October devoted an entire issue to "our biggest undeveloped resource," our national productivity. It pointed out that while the U.S. economy is still the most productive in the world, it is not productive enough for what we ask of it.

Labor expects, and has been obtaining, annual wage increments above our 3% long-term productivity growth rate. Business seeks expanded profit margins but faces challengers in world markets with higher productivity growth rates than ours—and lower prices. Society wants ever-increasing social and economic benefits. There is no way to enlarge the pie for labor, business, and society without an increase in the key factor—productivity.

TIME FOR ACTION

I propose, therefore, that there be created a nonprofit organization, funded and operated by the private sector, to focus solely on increasing American productivity and to be called the American Productivity Institute.

Japan has developed such an organization, the privately run Japan Productivity Center, a 300-man educational, data-gathering, research, informational, and counseling organization for both labor and management. It has a $7.5-million annual budget, which was originally—and ironically—set up by foreign aid and U.S. experts. West Germany has a productivity center, the RFK, with a staff of 500. Even tiny Israel has developed a 400-man Israel Institute of Productivity.

But the U.S., which is still the most powerful and productive nation on earth, has only a 20-man National Commission on Productivity in Washington, whose annual working budget is about $2.5-million, an insignificant amount in a $250-billion national budget.

This almost total void in the U.S. on a matter so important as productivity is astonishing. And at this moment in our national history, I consider it particularly alarming.

Our productivity gain in the last decade has been the lowest in the modern industrial world. After Britain, our percentage of investment in fixed assets is the lowest in the modern world. Our investment in R&D has slid to the bottom.

Europe and Japan have far outstripped us in productivity gains in recent years. They've not only gained on us; they've passed us in some areas.

The adverse balance of payments, formal devaluations, continued dollar weaknesses in the float—all signal serious deterioration in our international economic leadership.

Phases I through IV generate the very real specter of permanent wage-price controls and a more centrally directed economic system, unless competition and productivity from the private sector can contain inflation.

BUSINESS IN THE DARK

It was as chairman of the Price Commission in Phase II that I learned firsthand how undeveloped our "biggest undeveloped resource" was.

We based part of our Phase II control regulations on the critical importance of productivity gains as an anti-inflationary force. Any company requesting a price increase was required to deduct its productivity gain from increased labor costs to arrive at an allowable price hike.

As the thousands of applications poured in, we began to find that about half of our analysts' time was being spent trying to obtain reasonably accurate productivity numbers. We found that the majority of American businesses either (1) had invalid productivity measurements that would not stand scrutiny, or (2) had no idea how to create reliable measurements, or both.

We decided to switch, midway through Phase II, from basing our approvals on individual firm figures to industry-by-industry figures, obtained from the Bureau of Labor Statistics and others. In midsummer, 1972, we published industry figures for 433 SIC codes at the 4-digit level in the manufacturing sector. Though the best available, they needed (and still need) improvement in accuracy, expansion to other SIC manufacturing codes, and updating. Furthermore, they did not include the service sector.

We also learned that many firms had no idea how to go about *improving* productivity. Repeatedly, we were asked: "How do we improve productivity? Where do we start? Who can help us?"

In searching for solutions, together with the firms, we found an extraordinary paucity of experts in government, in universities, and in the private institutions who could provide constructive help. Some analytical work, largely macroeconomic, has been done by a few individuals at Brookings, National Bureau of Economic Research, National Planning Assn., BLS, and the Conference Board. But outside of these few highly competent individuals we found nobody, no institution, no center to turn to. I can literally count on the fingers of one hand the productivity experts that constituted a real resource.

SCHOOL LUNCH LEGISLATION: S. 1063 URGENTLY NEEDED

Mr. HUMPHREY. Mr. President, the increased cost of school lunches is resulting in hundreds of thousands of children being denied a nutritious, well-balanced meal.

The runaway inflation in food prices has largely wiped out the school lunch improvements we have legislated in past years.

In rural areas the increase in the price of school lunches is as much as 15 cents per meal. And the cost of producing a meal in urban schools has risen as much as 30 cents in some areas.

The consequence is that many children are going to be forced out of the program, denied a lunch, because the administration's economic policies are a total, abject failure.

In my State of Minnesota, school administrators report that they are unable to get firm bids from wholesalers on future food deliveries and that the increased prices of commodities are causing serious difficulties.

This becomes a critical problem, when we consider the fact that for children of lower income families a good meal at school is crucial to their receiving adequate daily nourishment.

I do not believe the Nation's schoolchildren should be asked to accept malnutrition as the price for the inability of this administration to cope with the Nation's economic problems—and certainly not as long as the Congress can provide other more realistic and humane options.

I urged the subcommittee to report favorably my school lunch bill, S. 1063, along with additional amendments I have proposed. My bill would reach the immediate need to maintain a low-cost lunch program and in addition would address other essential problems.

S. 1063 would—

Increase the present rate of general school lunch reimbursement from 8 cents a meal to 12 cents—and for needy children, from 40 to 45 cents;

Increase the general school breakfast reimbursement from 5 to 8 cents—and for needy children, from 15 to 20 cents;

Extend the supplemental nutrition program for women, infants and children—WIC—through June 1975 at a $40 million level and include Indian reservations in the program.

In addition my bill would further strengthen the nation's child nutrition program by—

Authorizing an escalator clause to allow Federal support for school meals to rise as the cost of living increases;

Assigning responsibility for all food service to those in the school system who look after the nutritional needs of children;

Increasing administrative support for States and school districts;

Authorizing a nutrition education program;

Specifying that students and parents must be included in the USDA's National Advisory Council on school lunch programs;

Providing a number of technical amendments which clarify administrative procedures;

Providing day school or child care institutions applying for the special milk program to receive such assistance.

Mr. President, I ask unanimous consent that my testimony of this morning be printed in the RECORD.

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

STATEMENT OF SENATOR HUBERT H. HUMPHREY, COMMITTEE ON AGRICULTURE AND FORESTRY, SEPTEMBER 13, 1973—CONCERNING SCHOOL LUNCH LEGISLATION

Mr. Chairman, members of the Subcommittee:

Each year for the past four years, the Senate Agriculture Committee has been called on for help by the nation's children, and the school food service workers who serve them.

One year the problem was to stop the Administration from cutting funds for lunches for poor children;

Another year the problem was to prevent the summer lunch program from being cut back;

Last March we learned that a pledge by the Administration to supply food commodities for lunch programs had not been kept. We had to get the Congress to order them to make good on their pledge, or distribute to schools the funds which had not been spent.

Each time we have responded to the call.

We have increased the level of federal support for school lunches by raising the reimbursement levels in the National School Lunch Program for all meals, including those served to children whose parents are poor.

We have directed that nutritional services for children in activities outside the school, such as summer recreation programs, be expanded.

We have initiated new programs to close the gaps in nutritional services, such as the special supplemental program for infants, mothers and young children.

And now, today, we are faced with the same kind of problem again.

The run-away inflation in food has largely wiped out the improvements we have legislated in past years. Lunch costs in schools are rising. In rural areas the increase is as much as 15 cents per meal, and the cost of producing a meal in urban schools has risen as much as 30 cents in some areas.

The lunch price of school lunch is going up. We can say that such a response is normal, but the consequence will be that many children are going to be forced out of the program, denied a lunch because the Administration's economic policies are a total, abject failure.

School administrators in Minnesota are telling me frankly that they are unable to get firm bids by wholesalers on future food deliveries, and that the increased prices of commodities are causing serious difficulties.

This becomes a critical problem when we consider the fact that for children of lower income families a good meal at school is crucial to their receiving adequate daily nourishment.

I don't believe the nation's school children should be asked to accept malnutrition as the price for the inability of the Administration to cope with the nation's economic problems, not as long as the Congress can provide other more realistic and humane options.

The legislation which I have introduced, S. 1063, and which I am further amending today, will reach the immediate need to maintain a low-cost lunch program and, in addition, will address other essential problems.

Foremost among these is the need to extend and enlarge the supplemental nutrition program for women, infants and children (WIC) which I introduced last year as a two-year pilot program. The Congress adopted this program, which the Administration opposed. This opposition, unfortunately, continued even after the policy issue had been resolved. Only a federal court order compelling the expenditure of funds mandated by Congress has prevented the Administration from strangling this program altogether.

The delay, however, has consumed more than half the projected life of the WIC program, and my legislation contains new authority to extend the program. Almost 200 communities have asked for a WIC program, and these requests alone would require about $80 million each year to fund. The need is evident.

Thus, I urge the Committee to act favorably and promptly on S.1036, as amended. The bill will make the following improvements.

It will increase the present rate of reimbursement for all lunches from the present 8 cents a meal to 12 cents. Meals for needy children would be reimbursed at 45 cents, or five cents more than at present.

School breakfast reimbursements would be increased from 15 cents to 20 cents for meals served free to needy children, and all breakfasts would be reimbursed at 8 cents, up from 5 cents.

Any USDA funds budgeted for purchase of commodities for school food service would be distributed to schools if they are not obligated for the purpose intended;

The WIC program would be extended through June, 1975, and would be funded at a $40 million level in fiscal year 1975, and would be clearly available on Indian reservations.

In addition to these actions to be immediately effective, my legislation would further strengthen the nation's child nutrition programs by:

Authorizing an escalator clause to allow federal support for school meals to rise as the cost of living increases;

Assigning responsibility for all food service to those in the school system who look after the nutritional needs of children;

Increasing administrative support for states and school districts;

Authorizing a nutrition education program;

Specifying that students and parents must be included in the USDA's National Advisory Council on school lunch programs;

Providing a number of technical amendments which clarify procedure administratively, such as specifying standards for certifying school eligibility for free and reduced price lunches.

My concern for procedure may seem misplaced, but let me illustrate its importance with a current problem. Much to my disappointment, the USDA recently came up with a new definition of schools. This definition did not add to public understanding, but it did allow the USDA to all but eliminate the school milk program. Administrative procedure, in this case, changed public policy. My legislation, which also addresses the milk issue, serves notice that Congress establishes policy, and efforts to change it or usurp the legislative function will not be tolerated.

It is reported that about 40 million children may not get milk under this program because the Agriculture Department's Child Nutrition Service, pleading lack of funds, is simply going to cut out the program in all schools with school lunch programs. Under this program, the federal government has paid an average of 3 cents for a half-pint of milk. Last year, these cartons of milk cost an average of 5 cents. But this year, they are expected to cost 10 cents, with the student currently being expected to pay the full amount. For children of poor and near-poor families, already having difficulty providing milk at home, this is simply out of the question.

The Nixon Administration requested only $25 million for the school milk program for the current fiscal year. The Senate action in July to raise this amount to $97 million would at least assure that funding is restored to last year's level. I have urged Senate and House conferees working on the Agriculture Appropriations bill to complete action as soon as possible and to accept the Senate funding level.

Unless the school milk policy is reversed, Congress will take action. In this case, I am hopeful that the matter can be settled in the Appropriations Committees, and not require the Congress to divert its attention from other issues the Administration wishes to resolve.

For these reasons, then, I urge the Committee to consider favorably my bill, as amended, and to act upon it promptly.

The school year has begun, and the effect of higher lunch prices is already apparent in the hundreds of thousands of children who are beginning to be denied a nutritious, well-balanced meal.

Congressional action now can minimize this deprivation of those who can least afford it and begin building a stronger, more adequate program for tomorrow.

Mr. HUMPHREY. Mr. President, Senator ALLEN, chairman of the Subcommittee on Agricultural Research and General Legislation of our Senate Committee on Agriculture and Forestry, held a hearing today on my school lunch bill, S. 1063, and other similar bills.

Among the witnesses appearing at that hearing were Assistant Secretary Clayton Yeutter of the U.S. Department of Agriculture, several Senators, including myself, and representatives from our Nation's school food service organizations.

Given the importance of Congress acting promptly on my legislation, I ask unanimous consent that my testimony and that of several of the other witnesses be printed in the RECORD following the completion of my statement.

I would like to call particular attention to the series of amendments that I proposed this morning to my own bill, S. 1063, which among other things calls for an increase to 12 cents per meal of the Federal contribution for general assistance under our basic school lunch program. While the Department of Agriculture is reluctant to support any increase in general assistance, they did indicate their support for the increases that my bill recommends relating to free and reduced price lunches, administrative costs and a number of other provisions. I am hopeful, Mr. President, that both our committee and the Senate will provide the increase to 12 cents for section 4 general assistance. Without such an increase general participation in our Nation's school lunch programs—both among paid participants and free and reduced price participants—can be expected to drop dramatically.

Also, in connection with my amendments to S. 1063 relating to the new Women, Infants, and Children—WIC—special feeding program authorized by Congress last year, I am asking Congress to extend the program into fiscal 1975—which USDA supports—and to increase the basic funding for fiscal 1975 to $40 million. Unless this action is taken the program will have to be cut in half during fiscal 1975, since the Courts have ordered USDA to operate at a $40 million level during fiscal 1974. USDA already has received over $80 million in applications under this program from over 200 communities.

Mr. President, I ask consent that a list of my amendments to S. 1063, the list of these applicants and amounts, and several statements submitted to the committee be printed in the RECORD.

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

AMENDMENTS PROPOSED TO S. 1063 BY SENATOR HUMPHREY

1. Increase the rate of reimbursement for section 4 lunches from 10 cents to 12 cents.

2. Conform the language regarding donated commodities to the language contained in H.R. 9639.

3. Extend the Special Supplemental Food Program through 1975, require that the Secretary use section 32 funds to fund the program at the authorized level if funds are not appropriated by August 1 of each year, and

increase the authorization to $40,000,000 for fiscal year 1975.

4. Permit the Secretary to make cash grants to Indian tribal groups under the Special Supplemental Food Program.

5. Provide any school or non-profit child care institution with Special Milk Program that requests it.

6. Various technical amendments designed to conform S. 1063 with House Committee bill H. R. 9639.

STATEMENT OF JOSEPHINE MARTIN

(Administrator, School Food Service program, Georgia Department of Education, and Chairman, Legislative Committee, American School Food Service Association, before the Subcommittee on Agricultural Research and General Legislation, Senate Agriculture and Forestry Committee, September 13, 1973)

Mr. Chairman and Members of the Committee:

My name is Josephine Martin. I am Administrator of the Georgia School Food Service Program and Chairman of the American School Food Service Association Legislative Committee. I am here today representing the 60,000 member American School Food Service Association whose primary purpose is the improvement of child nutrition. I welcome the opportunity to testify in support of S. 1063 and S. 1005.

First, Mr. Chairman, I wish to thank you and the members of the Agriculture and Forestry Committee for enactment of progressive and emergency legislation in the area of child nutrition. Under your leadership, school food service in the U.S. has been reformed. The Child Nutrition Act of 1966, which established the breakfast program; PL 91-248, the bill that assured every economically needy child the right to a lunch at school; PL 92-153, the bill that guaranteed funds to provide the economically needy child a lunch; PL 92-433, the bill that increased Section 4 funds from 6¢ to 8¢ and extended the breakfast program for all children, and PL 93-443, the bill which required USDA to provide cash to schools where donated foods were not available. Each of these laws has made a specific dynamic contribution toward the goal of "putting an end to hunger in America's classrooms" and to the broader goal of school nutrition programs as a right for all children.

As dramatic as the growth has been since 1970, the task is not finished. There are still 18,000 schools without food service, two million needy children are not being reached, and several million children for whom breakfast should be provided. Nutrition education hardly is being taught, while research is telling us more and more about the direct relationships between nutrition and physical, emotional, and mental health and development; the stability of the program is threatened by the annual financial crisis which evolves.

S. 1063, the Child Nutrition Education Act of 1973, fills many gaps in the current legislation; it provides a framework for program expansion, and simplifies administration of child nutrition programs. S. 1063 contains necessary legislative provisions and funding authorities essential to maintaining the dynamic growth experienced since 1970, and provisions which will make child nutrition programs more responsive to nutritional needs of children.

Enactment of S. 1063 would, in my judgment, preclude the "school lunch panic" which seems to have become an annual affair. We apologize for having to come each September to plead for pennies to continue the program which is so essential to the education of youth. But we have no choice. Each year, since 1970, we have been faced with an obstacle that could only be resolved by congressional action.

Mr. Chairman and Members of the Committee, ASFSA asks you for help. S. 1063 contains provisions for immediate relief, and provisions which are conducive to financial stability of the program, an ingredient essential to effective program management. S. 1063:

A. *Provides immediate financial assistance by:*

(1) Increasing level of Section 4 funds to 10¢ per meal and providing an escalator clause to relate reimbursement to food and labor costs.

(2) Increasing level of Section 11 funds to 45¢ per lunch with an escalator clause.

(3) Providing for cash payments in lieu of commodities when a commodity shortfall develops.

(4) Increasing breakfast reimbursement to 8¢ and 28¢ for paid and free meals.

(5) Providing for a new method of funding state administration expenses.

(6) Increasing authorization for nonfood assistance.

(7) Provides for all schools to participate.

B. *Establishes a program of nutrition education and provides for standards for foods served in schools.*

C. *Provides a framework for cooperative development of regulations.*

Although we fully support all provisions of the bill, the present crisis reflected in the following three issues, compels us to focus our attention on those provisions of S. 1063 which will provide immediate financial relief. These issues are:

(1) The cost of food is up 28%.

(2) The sale price of lunches to children is pricing moderate income families out of school lunch.

(3) Lack of funds for free meals will result in smaller servings and lowered meal quality.

Many local districts are waiting to see what action Congress takes before deciding the size of the sale price increase.

Today then, we come to you asking your help for legislation to meet the current financial crisis in school food service, which undoubtedly is the most severe yet to be encountered. As a minimum, schools need higher rates of Section 4 funds and Section 11 funds for lunch and higher rates for breakfast; assurance of 7¢ value either in donated foods or in cash in order to keep the sale price increase within limits. Food prices have skyrocketed; not only pork and beef (when available), but chicken which schools have so heavily relied on because of its price and popularity has doubled in price. The same price situation is true across the board—fruits and vegetables, potatoes and beans, as well as milk.

The following table shows how certain foods have increased in price since September, 1972, and the impact of the increase on a school lunch:

FOOD COST COMPARISONS

	Ground beef			Chicken			Frankfurters			Fish squares		
	1972	1973	Per serving	1972	1973	Per serving	1972	1973	Per serving	1972	1973	Per serving
Savannah, Ga	$0.845	$1.05	$0.04	$0.38	$0.80	$0.08	$0.6975	$0.989	$0.04	$0.42	$0.539	
Caswell County, N.C	.63	.99	.06	.38	.69	.06	.64	.95	.031			
Albany, Ga	.615	.945	.067									
St. Louis, Mo	.74	1.29	.11				.65	.9925	.04			

Note: The cost of milk has increased from 1 cent to 3 cents per half pint—Caswell, N.C., 1½ cents; Jefferson County, Ala., 1 7/10 cents; Jonesboro, Ga., 1 cent. Brevard County, Fla. is paying 10.3 cents

On September 10 the Bureau of Labor Statistics reported that the consumer finished food index increased 28% from August, 1972 to August, 1973. Using this measure to project national increase costs in 1973-74, schools will spend approximately 9¢ more for food than last school year.

A glance at the average cost of producing a meal in Georgia in 1972-73, compared with the projected cost for 1973-74, based on the aforementioned increases explains the alarm and panic of school food service operators.

COST OF PRODUCING A SCHOOL LUNCH IN GEORGIA

	1972-73 (cents)	1973-74 (projected) (cents)	Difference (cents)
Elementary schools:			
Food	25.4	30.0	4.6
Labor	19.7	22.2	2.5
Other	2.4	3.0	.6
Total	47.5	55.2	7.7
High schools:			
Food	30.5	36.6	6.1
Labor	19.7	22.2	2.5
Other	2.4	3.0	.6
Total	52.6	61.8	9.1

On March 1, 1973, when Senator Humphrey introduced S. 1063, provision for a 2¢ increase in Section 4 funds appeared to be sufficient to meet the food cost increases; since March, however, food costs have skyrocketed. We appeal to you to provide a minimum of 12¢ per lunch from Section 4 funds.

Exorbitant food costs has made it necessary for many school districts to increase sale prices to pupils 5, 10, or even 15 cents. Other districts await congressional action before determining increase. Even with a 4¢ increase in Section 4 funds, most schools will need an additional nickel to meet costs. A USDA study of the impact of sale price increase on pupil participation revealed a direct relationship between sale price increase and decreased pupil participation. The study indicated that for each 1¢ increase in sale price, participation declined 1%. Nationally, a 5% decline would mean that 750,000 children who received lunches last year would no longer buy lunch.

While schools are only in the first weeks of the new term, and limited reports are available, participation is definitely reduced in those schools where the sale prices have been increased. In Cobb County, Georgia, home of Lockheed Aircraft, the sale price was increased a nickel, and a random sampling of schools indicates a 5% decrease in

participation; DeKalb County Schools has an 11% decline with a 10¢ increase.

A practice which seems to be catching on with middle income families was prevalent for poor children a few years ago before legislation corrected it. The practice is for parents to permit children to buy lunches two or three days each week, and bring lunches on other days. Lunches from home which meet nutritional needs cost just as much as lunch at school. Most home packed lunches do not provide the nutrients needed. (Appendix A)

All children need lunch at school. The National School Lunch Act of 1946, envisioned a nutrition program for all children. The present economy may inundate that worthy goal unless schools receive financial assistance. Two years ago we asked for emergency help to make lunches available to economically needy children. Today that battle line for child nutrition is extended to help the child from moderate income homes. Schools need increased funds to keep the sale price within reach of children who do not qualify for free or reduced lunches.

We know that lunch at school is still the best nutritional and financial bargain available in food, however, many moderate families, hard-hit by every aspect of inflation, simply cannot afford the increased tariffs of 5 or 15 cents per lunch. Moderate income could mean a family of four with $6,500 annual income. Although a nickel sounds minute, when annualized it is $9.00 per child; multiply that by four children and apply it to the budget of a moderate income family. Or a 10c increase annualized is $18.00 per child.

An article in a recent issue of *U.S. News & World Report* entitled "An Official Look at Family Incomes" reported:

(1) The median family income in 1972 was $11,116; 60% of the income has been eroded by higher prices ($7,866).

(2) Only 22% of family incomes exceed $20,000.

(3) 56% of families have income of $12,000 or less.

(4) The number of poor non-whites actually increased in 1972.

This information supports the need for higher Section 4 reimbursement to allow schools to have reasonable sale prices. We hear, "Let the children from affluent homes pay another nickel." The report from U.S. News indicates that most of the children are not from "affluent income" but from moderate income families. Many of the children are from homes where the family income is just above the "eligibility level." During this year of severely increased costs, an increase in income eligibility level for reduced meals would provide immeasurable assistance to those families just above current eligibility level. The following table contains eligibility standards and indicates the income range which would benefit from an increase in eligibility for reduced lunches to 75% of the Secretary's guidelines.

INCOME POVERTY GUIDELINES, FISCAL YEAR 1974 (48 STATES, DISTRICT OF COLUMBIA, AND TERRITORIES)

Family size	Secretary's guidelines fiscal year 1974	Guideline levels when increased by— 25 percent	50 percent	75 percent
1	2,190	2,740	3,280	3,833
2	2,880	3,600	4,320	5,040
3	3,570	4,460	5,360	6,248
4	4,250	5,310	6,380	7,438
5	4,880	6,100	7,320	8,540
6	5,510	6,890	8,260	9,643
7	6,080	7,600	9,120	10,640
8	6,650	8,310	9,980	11,638
9	7,170	8,960	10,750	12,548
10	7,680	9,600	11,520	13,440
11	8,190	10,240	12,290	14,333
12	8,700	10,880	13,060	15,225
Each additional family member	510	640	770	900

I've spent considerable time presenting the need for increased Section 4 funds because Section 4 applies to all meals. It is essential that a stable base be provided for the program and that stable base is Section 4. The need for increased special assistance funds as provided in Section 10 of S. 1063 is equally as great. Both the present level of 40¢ for free meals and the ceiling of 60¢ are inadequate. Unless the special assistance rate is increased, schools will have to reduce the quantity of food or the quality of food, or in many instances both. Either alternative would be unfortunate. For many children, lunch is the best meal eaten during the day. To maintain the momentum of serving lunches to 8.9 million needy children, schools must have additional support. PL 91-248 requires that the school provide meals to children who qualify for a free or reduced price meal. The present economy and existing level of assistance places local administrators in an impossible position. Section 10 of S. 1063 combined with increased Section 4 funds will provide assistance to meet the mandate of PL 91-248.

Section 11 of S. 1063 will require USDA to make cash payments where there is a shortfall in donated foods. Without the emergency legislation (PL 93-13) enacted in March 1973, many schools could not have continued the food service program. Donated foods have long provided the staple items of school food service. Only 2 years ago Georgia schools averaged using 10¢ worth of donated foods per meal. Although the 1974 budget includes 7¢ worth of donated foods, the outlook for purchases is dismal. Even if there are purchases, they represent about 5¢ in value. To date, schools have received very few commodities. Local systems are encountering difficulties in purchasing foods; some districts have, of necessity, abandoned competitive bidding and are purchasing on the open market. If a vendor cannot supply the school district serving 30,000 children, it is not too realistic to suspect that the USDA can make purchases that are large enough to supply food for 23 million children.

We are aware that the new farm bill authorizes USDA to use Section 32 funds to purchase commodities which may not be in short supply. Considering the present food supply, we doubt that the USDA can purchase the basic foods that schools need for the lunch and breakfast program in accordance with amounts budgeted. Section 11 of S. 1063 provides insurance for local systems that they can count on receiving either the foods or equivalent cash.

The breakfast program has not escaped the crisis of shortages and costs. Valdosta Superintendent, Foster Goolsby's letter (Appendix B) summarizes the problem. With the price of eggs having increased as much as 40¢ a dozen, or 3¼¢ per egg, and the price of milk up at least one cent per half pint, the breakfast program cannot be continued on the 20¢ rate of reimbursement. Some schools are reluctant to start a breakfast program because first, the program primarily reaches needy children (about 80% of the breakfasts are free) and legislation limits federal assistance to food costs; secondly, the school has no money to pay the cost of labor or non-food supplies. Section 4 of S. 1063 will correct these inequities which will encourage schools to continue breakfast and in many instances to begin the program.

Mr. Chairman, we feel that the four provisions of S. 1063 contained in Section 4, Section 7, Section 10, and Section 11 will provide schools with financial relief necessary to continue the quality of food service to young people. These are the minimum essentials needed now.

The concept contained in the provision of S. 1063 for changing the method of funding for state administrative expenses has the approval of state school food service directors. However, the state school food service directors would recommend a slight change in the language to make the provision more relevant for all *states*. If not presumptuous, I would submit proposed language for Section 3.

The current crisis focuses attention on the need for nutrition and food education for all pupils. The growing body of research relating diet to health; the increasing cost of health care; the present shortage and high cost of food; the technology of synthetic foods; nutritional labelling are but a few reasons for finding ways to utilize school food service as a laboratory for supporting classroom teaching. Section 2 of S. 1063 would make resources available in those schools that elected to teach nutrition. In my judgment, there is a growing national awareness of the need for nutrition education. Schools need help to use the cafeteria to provide nutrition education. An educated citizenry is one that has basic knowledge to make decisions for effective living.

Finally, I wish to comment on the need for restoration of the Special Milk Program for all schools. This year, many more children are bringing lunches from home because of increased sale prices, and these children will have to pay 10¢ for ½ pint of milk simply because they attend a school which offers a meal. Children eligible for free milk can no longer be served. During 1972-73, Georgia schools served 24,000 half-pints of milk daily at no cost to poor children. Because of inadequate funds, labor problems, and scheduling considerations, not every school can have a breakfast program. Schools can make milk available with minimum logistical problems and costs.

Thank you for the privilege of appearing before the Sub-Committee on Agricultural Research and General Legislation. The ASFSA Emergency Declaration prepared at the 1973 Annual Convention states "The food crisis threatens the nutrition and health of the nation's children—in this period of reduced and higher priced food supplies, low and middle income families will have great difficulty in providing nutritionally adequate meals at home. Schools must be provided with the resources needed to continue making reasonably priced quality meals available to children who do not qualify for free or reduced meals, and quality meals available to those who qualify."

We urge your support and early passage of legislation to help schools meet current crisis and provide future stability of Child Nutrition Programs.

APPENDIX A

SAME NUTRITION—SCHOOLS HOLDING LINE ON PRICES

Menu and amount	Cal.	Prot. (gm.)	Calc. (gm.)	Iron (gm.)	Vit. A (IU)	Vit. C (mg.)	Cost
LUNCHBOX							
Turkey (1sl.)	60	9.3	9				$0.16
Bread (2 sl.)	124	4.0	32	1.2		T.	.04
Mayonnaise (1 T.)	101	.15	3	.01	39		.011
Carrot and celery (3 stks.)	13	.4	12	.2	3,600		.046
Orange (1 med.)	73	1.5	62	.6	300	(80)	.108
Cupcake (1)	184	2.1	32	.1	89	T.	.10
Milk (½ pt.)	161	9	298	.1	359	2	[1] .09
Total	716	26.45	448	2.21	4,387	82	.565
Bologna (1 sl.)	66	4.4	(3)	.7			.11
Bread (2 sl.)	124	4.0	32	1.2		T.	.04
Mayonnaise (1 T.)	101	.15	3	.01	39		.011
Potato chips (1 oz.)	162	2.1	(9)	(.6)	15	3	.10
Apple (1 med.)	83	.4	8	.4	136	8	.17
Sugswafer (2)	53	.5	4	T.	15	T.	.054
Milk (½ pt.)	161	9	298	.1	359	2	[1] .09
Total	755	20.55	357	3.01	564	13	.575

Menu and amount	Cal.	Prot. (gm.)	Calc. (gm.)	Iron (gm.)	Vit. A (IU)	Vit. C (mg.)	Cost
LUNCH AT SCHOOL—ACTUAL COST							
Beef patty (2 oz)	168	16.5	4.5				$0.15
Bun					468		
Butter (1 oz)	191	2.58	4.9	.6	T.	T.	.03
French fries (3½ oz)	220	3.6	9	1.8	T.	21	.035
Carrot slaw (⅓ C.)	41	1.4	.32	.4	1,900	12	.025
Apple (1 med.)	88	.4	8	.4	136	8	.13
Milk (½ pt)	161	9	298	.1	359	2	.0719
Labor							.20
Total	869	34.2	356.4	3.3	2,863	43	.6419
Fish patty, tart. sauce (2 oz)	176	16.6	11	.4			.086
Bun (1)	184	2.7	26	.8	55	[1]	.04
But. corn (½ C.)	172	2.28	3.1	4	758	4	.04
Tomato (2 sl.)	11	.5	7	.3	450	11	.03
Lettuce (2 lvs.)	7	.5	10	.3	165	3	
Cake sq., choc., icng. (1)	188	2.1	32	.3	89	T.	.03
Milk (½ pt.)	161	9	298	.1	359	2	.0719
Labor							.20
Total	895	33.68	390.7	2.6	1,876	20	.4979

[1] At school.

( ) denotes tentative value.

VALDOSTA PUBLIC SCHOOLS,
Valdosta, Ga., August 6, 1973.

Miss JOSEPHINE MARTIN,
Administrator, School Food Service Program, State Department of Education, Atlanta, Ga.

DEAR MISS MARTIN: In 1972–73 Valdosta City Schools served breakfasts in the following schools:

Leila Ellis Elementary.
West Gordon Elementary.
Lomax Elementary.
Sallas Mahone Elementary.
Southeast Elementary.
Valdosta Junior High.
VHS-Pinevale Campus.

Costs of operation and income for these programs are shown here:

Expenses:	
Food	$33,003.78
Labor	5,824.99
Total	38,828.77
Income:	
Students	278.00
Reimbursement	32,583.61
Total	32,861.61
Total expenses	38,828.77
Total income	32,861.61
Loss for year	5,967.16

The advantages of the breakfast program have been discussed at length with administrators and teachers in our system. All feel that the program should be continued because it does reduce absences and tardiness, and students participating appear to be more alert in the classroom.

However, due to the existing economic conditions in our lunch progam we feel that we cannot continue to operate the program at a deficit. What do you advise?

Sincerely,

JAMES F. GOOLSBY.

EMERGENCY DECLARATION OF THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION ON FOOD SERVED IN CHILD NUTRITION PROGRAMS

When the school bell rings in September, thousands of schools may be faced with no food for school children or limited food for preparing meals unless immediate aid is mobilized.

This food crisis threatens the nutrition and health of the nation's children. American School Food Service Association members, meeting in New Orleans for the 27th Annula Convention, expressed concern about the school child's need for food during the school day.

Several factors are responsible for this crisis that has reached critical proportions:

1. Schools are unable to obtain supplies of foods, especially protein foods, with which to prepare lunches when schools open this fall. Food companies are refusing to accept orders to supply foods, regardless of price.

2. Government-donated foods, long a mainstay of the school lunch program, are expected to be close to $200 million short of the amount presently budgeted for school meals. Little or no pork or beef will be donated by USDA to schools in the months ahead. And basic foods such as cheese and dry milk are either scarce or not available as commodities.

3. The U.S. Department of Agriculture in a hearing on July 11, 1973, before the House Education and Labor Committee refused to support any increase in federal funding for the school lunch program this year in spite of sharply increasing costs of food and labor. USDA's refusal applied to those funds that had been requested in proposed legislation. This legislation called for an increase in the general support of the school lunch programs and also funds to finance increased costs of supplying free meals to needy children.

4. Prices of such foods as meats, poultry and milk have skyrocketed in recent months. The food costs alone in the noon meal, which meets a third of the child's daily nutritional requirements, is at least 10 cents more this year than last. Labor costs are 12 percent higher than last year.

5. USDA as of June 30, 1973, cancelled the Special Milk Program except in schools that do not have food service. This means that children bringing lunches from home will pay at least four cents more for a half-pint of milk this fall. In addition, free milk for needy children is discontinued in all program schools.

6. Under Phase IV of the price stabilization program schools will be unable to increase total lunch prices. However, if they increase the cost of hamburger by five cents (because that was the increase in the wholesale price to them) they will be able to charge an extra five cents that day. This means that prices could be changed day to day.

There are solutions to this crisis:

1. Legislation pending before Congress, HR 9639, should receive prompt Congressional action which will provide some measure of financial relief to the program.

2. USDA should instruct food suppliers to give school food service programs, as well as hospitals and similar vulnerable groups, first priority on available supplies of scarce items at prevailing prices.

3. The proposed cut in the appropriation for the Special Milk Program should be restored.

Finally, in this period of reduced and higher priced food supplies, low and middle income families will have great difficulty in providing nutritionally adequate meals at home. To counter this situation, schools must be provided with the resources needed to continue making reasonably priced meals available to children. Congress and the Administration can afford to do no less in this emergency than provide the help needed to continue the nutritious school meals for children.

TESTIMONY ON S. 1063 BEFORE THE SENATE SUBCOMMITTEE ON AGRICULTURE RESEARCH AND GENERAL LEGISLATION, SEPTEMBER 14, 1973

Mr. Chairman and Members of the Committee: It is a pleasure for me to represent urban and rural areas, major city directors and the Board of Education of Independent School District #625, St. Paul, Minnesota before your committee today.

The attitude of the entire Congress toward school food service for children, particularly in the past several years, has been most supportive and greatly appreciated. The efforts of this Committee and its individual members have played a large role in bringing into focus the needs of our child feeding programs.

As we begin another school year, we, at the local level, have not only our normal concerns, but are faced with a battery of new problems as well. Some of the major areas are:

COST AND AVAILABILITY OF FOOD AND SUPPLIES

For the first time in our history, we, in St. Paul, opened our 92 lunch programs without one pound of either ground beef or frankfurters. We have been unable to purchase either of these items and they are, without question, because of their versatility, the backbone of the school lunch program. Our problems were two-fold. We could not secure the quantity we needed and the last quotation we heard before the ceiling was lifted, was $1.23 per pound for ground beef and $1.27 per pound for frankfurters. This would make a two ounce serving, which is the minimal requirement under Type A lunch standards, cost $.246 per serving for ground beef and each frankfurter $.16. Last year at this time we were paying $.835 per

pound for ground beef and $.69 for frankfurters. This is an increase of 47.6% and 84% respectively.

We have purchased and substituted canned meats and convenience foods to meet protein requirements for September and October. Most of these items are now on allotment to our suppliers and we cannot at this time secure additional amounts in the quantities we need.

Now that the ceiling has been lifted on beef we can only hope that the meat situation will ease. If it does not, there are many of us who do not know how we will keep going.

There is almost no item used in either school lunch or school breakfast that has not advanced in price. Pasta products have doubled and quantities are limited. Dried eggs were $27.00 per case last year and are now $83.00 per case. Applesauce was $4.32 per case and is now $8.94. The list is endless. We have found that our bids which were let last May (and do not reflect today's prices) for the first half of this school year showed:

Canned fruits and vegetables, up 18 percent.

Staples, up 10.4 percent.

Paper products, up 7 percent.

Cleaning supplies, up 8.2 percent.

Labor, up 5 percent.

At that time we were unable to secure bids for sliced or diced beets, sliced or diced carrots, sliced apples, red tart cherries, peach halves or slices and pear halves. We rebid these items in August and were only able to buy pears. We have not had peach halves or slices in our program for a year.

In October we will bid again for the canned foods we will need for the last half of this school year. Needless to say, based upon our experiences in May and August, we have grave concerns not only about costs, but also about the availability of canned fruits and vegetables as well as a variety of staple products.

Another new problem, at least to our area, which many school districts have had to accept this year is contracts with escalation clauses to protect the supplier against rising costs. As a result, we do not know from day to day what our costs will be.

Paper and plastic items are normally bid on a firm price for a year with delivery as needed. In most instances this year prices were only guaranteed for 30–60 or 90 days. As an example—we ordered two and one-half million plastic packets (spoon, fork and napkin secured in pliofilm) for use in our satellite programs. The bid price was subject to change after 30 days and we were forced with either expending a large sum of cash and finding a way to store this item or taking the risk of paying more after 30 days.

Another example—we ordered one million plastic soup spoons for use on our breakfast programs. Five companies bid on this item and not one could give us a firm price of any kind, but each said the price would be the market price on the day the order was placed. We accepted this and placed our order in June at a market price of $3.30 per thousand. We were informed last Thursday that our supplier could only furnish fifty thousand of the million we needed. We must have this item and on Monday of this week were able to secure one hundred thousand at a cost of $8.05 per thousand. On Tuesday the supplier called back to say the price would be $8.45 per thousand. This is an increase in cost of 156% in less than four months and we have no assurance that we will be able to purchase the balance we will need for this school year.

COMMODITIES

With the problems we are experiencing in trying to buy food in the quantities we need for our districts, it is very difficult to believe that the U.S.D.A. will be able to purchase commodities during 1973–74 that would even approach those provided in 1972–73. We checked last week with our State Office and they had no word of commodities we will receive. Since there is a three to four month time lag between purchasing by U.S.D.A. and delivery to our schools, it would appear that we can expect little before January, if then.

Many school districts have contracts with local bakeries to use government flour in the various bakery items and provide the items at a lesser cost to the schools. We have been told that there is a question on whether flour, which has been a commodity for many, many years, will be available for all of this school year.

We would urge you to make permanent the legislation that would provide cash payments to support the commodity shortfalls. P.L. 93–13 passed so speedily by the Congress last spring saved many of us from almost certain disaster and is certainly a must legislation for 1973–74 if we are to have any hope of survival.

STUDENT PRICES

One of the major objectives of school feeding programs has always been to provide meals at a minimal cost so they would be available to all children. This is no longer true. We are forced to price ourselves out of the student market and we can document evidence to show there is a direct relationship between the price of the school lunch and participation. Two years ago, in St. Paul, we had twenty-six (26) schools in low income areas on totally reduced rates. The maximum charge to students was 20¢ per lunch. Regulations were changed the next year and we were no longer permitted to continue operating in this manner. Our records show that we fed 14.2% fewer children in these schools when the price of the lunch returned to normal.

Last year for economic reasons we were forced to raise our lunch prices 5¢ and our participation dropped 10%. We tried very hard throughout last year to gain this back. We were not very successful as we wound up the year with an 8% drop in participation.

Our surveys show the decrease to be in that group which we call the "forgotten child". He or she is the one from the large middle group of families whose parents do not qualify for assistance and who cannot really afford to pay. It seems to those of us who face these children every day that we are feeding children whose parents are in high income brackets and those who are economically deprived while the children of parents whose income is in the middle group are forced either to do without or carry a bag lunch which in a great many cases would not meet accepted nutrition standards.

We have raised prices 5¢ again this year and we may have to raise them still more if we do not get some relief soon in our costs. If we lose another 8% to 10% of our paying customers this year, it will be reflected immediately in our cost per meal. The programs must have the paying child participating in order to maintain volume and keep the per meal cost as low as possible. Each school food service director whom we have contacted has said that to survive last year they were forced to cut staff and labor to a bare minimum and in some instances below a good efficiency standard. There is just no place to go anymore to try to effect savings.

REIMBURSEMENT

We asked three Midwestern state directors to tell us what their projected costs for providing a school lunch and breakfast in 1973–74 are:

Michigan: Lunch, 68.8¢; Breakfast, 28.7¢.

Iowa: Lunch, 72.14¢; Breakfast, 37.88¢.

Minnesota: Lunch, 70.1¢; Breakfast, 30.0¢.

These figures indicate our very real need for increased federal reimbursement and we do appreciate the increases shown in S. 1063. However, food supply and service costs have skyrocketed to such a degree over the summer months, the increases in reimbursement will not allow the food service programs to hope to reach a break-even point which is a requirement for our department in many school districts. They too are faced with higher costs for books, paper, supplies, salaries, etc.

At the end of the last school year St. Paul had 11,994 students on free lunch and 44% of all lunches served were free. We anticipate this figure will increase this year. Our projected costs for preparing a lunch at current prices is 71.5¢. If you add 45¢ plus 10¢ plus 7¢ for commodities, this totals 62¢ and we would lose 9.5¢ on every free lunch we serve. 12,000 free lunches per day times 9.5¢ times 170 days would mean a loss of $190,950 on free lunches alone.

We would urge you as a bare minimum to increase Section 4 to 12¢ and Section 11 to 55¢ and that breakfast reimbursement be raised from 8¢ to 10¢. We recognize that these are sizeable increases, but we would say to you that these are programs where the benefits are immediately apparent and where the funds spent are accruable to the intended purpose. We would hope, in the face of rapidly rising prices for everything and everyone, that we would not lose sight of the basic needs of children.

If these programs are allowed to fail now, we in school food service and the Congress will have lost twenty-eight years of progress toward the elimination of child hunger and malnutrition in this nation.

NUTRITION EDUCATION

In conclusion, we would like to ask that every consideration be given to the passage of the section of this bill that deals with nutrition education. There is a very real need for this program in our schools today. Good food habits and diet must be taught from early childhood and reinforced by repetitive exposure if we are to guarantee stronger, healthier adults who will be better able to solve their own problems and those of the coming generations. The future of America will be greatly influenced by what is invested today and tomorrow in school food services and nutrition education programs.

SUMMARY

Our concerns are:

1. Availability of food and supplies.
2. The fact that we are in a "sellers market."
3. Skyrocketing costs.
4. Use of escalation clauses in contracts.
5. A contract today does not insure delivery of merchandise.
6. Price changes from day to day.
7. Lack of U.S.D.A. commodities.
8. Pricing school lunch out of the student market.
9. Decreasing participation by the paying child.
10. Operating on a break-even level.
11. Lack of funding for the Special Milk Program.

We would urge support of S. 1063 with the following adjustments:

1. Provide permanent legislation for commodity shortfalls.
2. Increase Section 4 funds from 8c to 12c.
3. Increase Section 11 funds from 45c to 55c.
4. Increase breakfast reimbursement from 8c to 10c.
5. Continued funding of the Special Milk Program.
6. Adopt the provisions outlined in S. 1063 relative to nutrition education.

STATEMENT OF O. L. SEARING

(Director, School Food Service Department, The School Board of Broward County, Florida On behalf of The American School

Food Service Association Before the Sub-Committee on Agricultural Research and General Legislation, September 13, 1973)

Mr. Chairman and members of the Committee, my name is Lee Searing, I am director of school food service in Broward County, Florida. I am grateful for the opportunity to testify before you on behalf of The American School Food Service Association. Broward County is second in the state in population and growing very rapidly, with a current student population of 133,238. We have 132 schools and we are serving about 85,000 meals a day. Last year our total income amounted to 8.3 million dollars.

Our major concern at the present time is that of the very serious financial crisis in which we find ourselves operating in a greatly inflationary economy. Earlier estimates this year reflected a projected total increase in cost of 1.4 million. Since that time, meat, poultry and dairy products have escalated in cost to the point that increased cost projections for the year now amount to 1.9 million dollars. This includes increases in food costs, supplies and services, labor and additional administrative costs. These increases are reflected in meat, poultry and dairy products of 63% over last year; milk 27%; bakery goods 20%; frozen foods 17%; and groceries 16%, with an overall projected food cost increase of 32%. Our most recent estimates which were calculated earlier this week, represent higher costs than were quoted a month ago! Some significant increases in food costs comparing September 1973 prices with September 1972, are ground beef from 66¢ per pound to $1.10 or a 67% increase; frankfurters 57¢ per pound compared to 95¢ currently; chicked 42¢ compared to 95¢ or a 126% increase; eggs 43½¢ compared to 87¢ or a 110% increase. This is consistent with other districts in the state as reflected by the attached State Department exhibits.

In light of early increased cost projections, The School Board of Broward County, Florida, on August 2, 1973, increased the elementary school price from 40¢ to 50¢ and the secondary sale price from 50¢ to 60¢; adults from 65¢ to 75¢. At the same time, ala carte entrees were increased from 35¢ to 50¢. Fruits and vegetables were increased from 10¢ to 15¢. With the continued escalation of operating costs, we are concerned as to whether or not the sale price increases are great enough to provide the necessary income to satisfactorily operate the program. Based on an estimated 14 million Type "A" lunches this year, at 10¢ a lunch increase in the sale price, we would anticipate increased revenue of about 1.3 million dollars. A current suvey reveals that participation for the first week of school is off over 4%. This is common with a sale price increase. Last time the sale price was increased there was a 7% decrease in average daily participation. However, with costs of 1.9 this would leave a serious deficit in excess of $600,000 in Broward County. With Section 4 funds increased only 2¢, it would not be adequate to make up the anticipated deficit. A minimum of a 4¢ increase in Section 4 funds would be needed provided there is no further escallation of cost and anticipated revenue remains at the same level.

U.S. DEPARTMENT OF AGRICULTURE DONATED FOODS

The commodity program as of late has been most erratic in terms of both quantity and appropriateness of foods being made available to meet program requirements.

A minimum guaranteed level of commodities should be provided to prevent the feast or famine effect each year. Local operators need consistent minimum levels of commodities maintained for greater program stability operationally and financially. If these foods are not available, we must take our cash in hand and buy in an inflated market to meet program requirements.

If foods are not provided, cash should be to provide a consistent level of support.

SPECIAL MILK PROGRAM

As a result of discontinuing this program in the National School Lunch Program, and increasing the sale price of milk to 10¢, consumption in Broward County for the first two weeks of school is down 8%. Projected through for the 1973–74 school year, this would be 1.3 one-half pints less consumption.

Last year due to the introduction of chocolate milk, consumption increased almost 4,000,000 one-half pints of milk. Therefore, without the Special Milk Program, a serious nutritional blow will be dealt to our school youth.

FREE MEALS

The inflationary economy is also reflected in the repeated requests we have at the district level in appealing for free lunches when the family income is in excess of the income eligibility scale. Middle income America is having difficulty in meeting increased costs of living and still pay the recently increased sale price of the lunch. This is particularly true, of course, with larger families.

It would be my view that the United States Department of Agriculture family income guidelines should be increased $1500–$2000 across the board to accommodate inflation without forcing an increase in the practice of nutritionally inadequate "brown bagging."

In summary, it would be my recommendation that:

1. Section 4 funds be increased to 4¢ per lunch

2. That a minimum floor be established for United States Department of Agriculture commodities which would be maintained with cash when not met with red, lean meats and fruits and vegetables

3. That the Special Milk Program be reinstated and free milk be provided for needy students in all schools, and that

4. The Family Income Guidelines be increased by at least $1500.

Thank you. I shall be most happy to answer any questions you may have.

EXHIBIT A

FLORIDA STATE DEPARTMENT OF EDUCATION

A statement by Floyd T. Christian, Florida Commissioner of Education, which was released September 11, 1973, provides:

1. That most of our school boards have raised their prices to the paying child 5¢ to 10¢. This represents the limit that Phase 4 will allow in many instances and the limit the traffic will allow in most instances.

2. The Florida Legislature has appropriated $3,525,795 this year to support free lunches.

3. In addition, we performed a survey in 10 districts representing all geographical areas of the State to include large urban areas, middle urban areas and rural areas. The results show the increase in cost for Child Feeding Programs here in Florida.*

Currently, the free lunches are being supported as follows:

	Cents
Federal reimbursement	48
State reimbursement	6
Local support	7
Total	61

Comparing this to the 77¢ anticipated average cost this year, you can see that we have an unmet need of approximately 16¢ per lunch.

* See Exhibit "B"

EXHIBIT B

FLORIDA STATE DEPARTMENT OF EDUCATION FOOD AND NUTRITION SERVICES PER LUNCH COST AND FOOD PRICE COMPARISONS

	School year 1972–73	Estimate for school Year 1973–74	Cents increase or decrease	Percen increase or decrease
Food	0.294	0.379	+0.085	+28
Labor	.197	.236	+.039	+19
Other	.023	.032	+.009	+03
Total	.514	.647	+.133	+26
Country Contribution	.123	.123		
Total	.637	.770	+.133	+21

Note: State averages from 10 district samplings representing large urban, medium, urban and rural districts and all geographical areas of Florida. 10 districts out of 67 and 350 schools out of 1,850.

SELECTED FOOD PRICE COMPARISONS

Foods	September 1972	September 1973	Percent increase
Ground beef per pound	0.612	1.013	65
Franks per pound	.579	.928	60
½ pt whole milk—white	.073	.088	20
Sliced white bread per pound	.225	.270	20
No. 10 green beans	1.057	1.206	14
No. 10 tomato paste	1.569	1.879	19
Spaghetti per pound	.167	.221	32
Processed American cheese	.669	.823	23
Grade A large eggs per dozen	.441	.870	97
No. 10 instant potatoes	1.856	2.112	13
No. 10 white kernel corn	.989	1.120	13
No. 10 fruit cocktail	1.553	1.760	13
Plastic forks per dozen	.042	.055	30

EXHIBIT C

THE SCHOOL BOARD OF BROWARD COUNTY, FLA., SCHOOL FOOD SERVICE DEPARTMENT—FOOD COST COMPARISONS 1972–73, 1973–74

	Increase	Percent
Meats, poultry, dairy	$904,440	+63
Milk	344,883	+27
Bakery items	32,950	+20
Frozen foods	63,900	+17
Groceries	133,266	+16
Total estimated annual increase	1,479,439	32

EXAMPLES OF SOME MAJOR PRICE INCREASES

	1972 prices	1973 prices	Percent
Ground beef	$0.66	$1.10	+67
Frankfurters	.57	.95	+67
Chicken	.42	.95	+126
Turkeys	.45	.81	+80
American cheese	.675	.85	+26
Eggs	.435	.87	+100
Fish squares (cod)	.565	.705	+25
Tater tots	.17	.23	+35
Corn, vacuum pack (case)	6.05	6.75	+12
Peas (case)	6.80	8.32	+22
Tomato paste (case)	7.75	11.48	+48
Applesauce (case)	5.65	8.50	+50
Raisins (case)	8.45	18.41	+118
Potatoes, instant (case)	10.85	12.79	+18

EXHIBIT D

THE SCHOOL BOARD OF BROWARD COUNTY, FLA., SCHOOL FOOD SERVICE DEPARTMENT

PROJECTED INCREASED COSTS AND LOSS 1973–1974

Food	$1,479,439
Labor	262,000
Supplies and service	30,004
New administrative costs	192,000
Total	1,963,443

EXHIBIT D—Continued

New revenue from sale price increase	$1,330,000
Loss	(663,443)

SUMMARY OF APPLICATIONS

Special Supplemental Food Program for Women, Infants and Children.

Total number of applications received as September 7, 1973, 276; total estimated participation (Women, Infants and Children), 452,874; total requested grants for food, 71,466,171.

(NOTE.—Countywide unless otherwise indicated. Numbers in parentheses indicate number of months.)

ALABAMA

Project area:	Requested food budget
Bullock, Macon & Russell (9)	$94,437
Coffee (12)	205,748
Jefferson (12)	385,512
Lawrence, Limestone, and Morgan (9)	425,808
Lowndes (9)	140,175
Mobile (12)	673,742
Totals (6 projects)	1,925,422

ALASKA

Anchorage (9)	40,812
Barrow (9)	37,800
Totals (2 projects) (9)	78,612

ARIZONA

Coconino (9)	$50,768
Navajo (9)	34,580
Pima, Pima County Health Department (9)	206,717
Pima, Papago Nutrition Improvement Program (9)	157,000
Yuma (9)	11,203
Totals (5 Projects) (9)	$460,268

ARKANSAS

Ashely, Arkansas, Bradley, Calhoun, Christ, Cleaveland, Grass, Desha, Drew, Lincoln, Monroe, Phillips, Prairie, Woodruff (9)	$506,809
Totals (1 Project)	$506,809

CALIFORNIA

Oakland, Alameda County Health Care Services Agency	$361,017
Oakland, Children's Hospital Medical Center	941,418
Oakland, West Oakland Health Center, Inc	82,305
Contra Costa	124,681
Fresno, Fresno, E.O.C. Family Planning	700,506
Fresno, Orange Cove, Orange Cove Family Health Center, Inc.	164,574
Humboldt	13,471
Imperial	59,319
Kern	118,422
Pasadena, Department of Public Health	336,825
Los Angeles, Central Los Angeles Health Project	1,021,140
Huntington Park, The Indian Free Clinic, Inc	58,329
Long Beach, Long Beach WIC Nutritional Program	182,655
East & South Los Angeles, Los Angeles County Public Health Foundation	304,558
Los Angeles, Martin Luther King, Jr. General Hospital	158,355
East Los Angeles, Santa Marta Hospital Clinic	85,932
South Los Angeles, Westland Health Services, Inc	492,345
Mendocino	46,233
Merced	30,771
Monterey	$191,295
Obispo	20,637
Riverside	29,925
San Diego, County of San Diego Public Health	74,781
La Jolla, Department of Neurosciences, UCSD School of Medicine (Note—Proposal for Evaluation	---------
San Diego & Oceanside, American Red Cross Nursing Health Programs	52,956
San Marcos, North County Health Project	88,704
San Francisco, Maternal & Infant Care Project, St. Luke's Hospital	161,667
San Francisco, Northeast Medical Services	82,584
San Francisco, St. Luke's Hospital	287,010
San Francisco, Urban Indian Health Board, Inc	173,556
San Joaquin	98,775
San Mateo	246,969
Palo Alto, Charles R. Drew Health Clinic	246,969
San Jose, Santa Clara Valley Medical Center	25,515
Santa Cruz	125,784
Solano	52,245
Sonoma	248,535
Stanislaus	178,560
Ventura	1,203,390
Total (39 projects)	$8,872,713

COLORADO

Adams and Arapahoe (9)	$422,937
Adams and 23 counties (9)	70,875
El Paso and Teller (9)	133,794
Huerfano and Las Animas (9)	98,280
Jefferson (9)	111,744
Otero (9)	58,995
Totals (6 projects)	$896,625

CONNECTICUT

Bridgeport (9)	1,834,903
Hartford (9)	16,870
Stamford (9)	374,101
Waterbury (9)	1,019,334
Totals (4 projects)	3,234,208

DELAWARE

Statewide, Division of Public Health (9)	328,627
1 project.	

FLORIDA

Brevard (9)	79,200
Broward (9)	329,760
Collier (9)	129,300
Dade, Dade County Department of Public Health (9)	432,000
Dade, University of Miami School of Medicine (9)	300,699
Duvall (9)	321,705
Okaloosa (9)	113,040
Sarasota (9)	43,200
Volusia (9)	72,000
Totals (9 projects)	1,820,904

GEORGIA

Fulton & DeKalb (9)	$314,000
Atlanta Southside (9)	785,853
Totals (2 Projects)	$1,099,853

IDAHO

Ada (9)	$15,500
Total (1 Project)	$15,500

ILLINOIS

Cook, Chicago Board of Health	$399,699
Cook, Cook County OEO	----------
Cook, Cook County Department of Public Health	779,152
Cook, Illinois Family Planning Council	$4,000,000
Cook, Illinois Migrant Council	22,915
Cook, Daniel Hale Williams Neighborhood Health Center	46,800
Cook, Miles Square Health Center	381,313
Cook, Woodlawn Child Health Center	497,029
Cook, Evanston-North Shore Health Department	94,510
Cairo (12)	99,620
East St. Louis	1,369,827
Fulton (12)	150,000
Logan (10)	10,280
Madison (12)	21,140
Oak Lawn	21,936
Pope (12)	140,376
Sangamon (10)	67,422
Tazewell	23,638
Will (10)	183,240
Winnebago (10)	37,440
Totals (20 Projects)	$8,346,337

INDIANA

Gary, Gary City Health Department	$13,500
Hamond, Hammond Community School	9,261
Indianapolis, Health and Hospital Corporation Division of Public Health	359,540
St. Joseph	99,000
Total (4 Projects)	$481,301

IOWA

Blackhawk (9)	$162,067
(7 Counties) Carroll, Community Opportunities (9)	45,045
Johnson, University of Hospitals and Clinics (9)	26,933
Linn (9)	143,955
Polk (9)	369,023
Scott (9)	152,933
Total (6 Projects)	$899,956

KANSAS

Reno (9)	$3,195
Sedgwick (12)	81,240
Shawnee (6)	191,136
Total (3 Projects)	$275,571

KENTUCKY

Bell, Floyd, Harlan, & Letcher (9)	$192,582
Bourbon (9)	4,176
Boyd, Carter, Elliott, & Lawrence (9)	56,628
Breathitt (9)	11,961
Breathitt, Knott, Leslie, Letcher, & Perry (9)	297,414
Campbell and Kenton	45,792
Clinton, Cumberland, McCreary, Pulaski and Wayne (9)	268,344
Fulton (9)	38,601
Jefferson:	
Louisville and Jefferson Company, Department of Health (9)	491,148
Park-DuValle (9)	79,371
University of Louisvile School of Medicine (9)	415,773
Muhlenberg (9)	12,870
Rowan (9)	51,615
Totals (11 projects)	1,966,275

LOUISIANA

Acadia, East Caroll, Red River, De Soto, Quachita, and Tangipahoa (9)	$77,895
Orleans Parish, New Orleans, Edna Pillsbury Health Center (9)	204,855

Orleans Parish, New Orleans, Model Cities Health Center (9)	837,270
Rapides (9)	217,917
St. Helena (9)	$38,406
St. Landry (9)	69,291
West Feliciana (9)	38,761
Totals (7 projects)	1,484,425

MAINE

Hancock and Washington (9)	$74,385
Penobscot and Piscataquis ((9)	121,804
York (12)	19,534
Totals (3 Projects)	$215,723

MARYLAND

Anne Arundel (9)	$124,670
Anne Arundel (Partial) South County Family Health Center (9)	28,143
Baltimore City, Comprehensive Child Care Program, Johns Hopkins Hospital (9)	24,505
Baltimore City, Johns Hopkins University (9)	90,936
Baltimore City, North Central Baltimore Health Corporation (9)	101,400
Baltimore City, Provident Comprehensive Neighborhood Health Center (9)	27,885
Baltimore City, Northwest Health Services (9)	54,925
Calvert (9)	14,950
Carroll (9)	8,320
Garrett (9)	7,800
Montgomery (9)	56,875
Prince Georges (9)	162,500
Totals (12 Projects)	$702,909

MASSACHUSETTS

Boston and seven other major cities (9)	$3,989,291
1 Project.	

MICHIGAN

Wayne, Detroit City Health Department (9)	$948,139
Delta (9)	9,600
Arenac, Clare, Gladwin, Isabella, Osceloa and Roscommon (9)	21,200
Kalmazoo (9)	33,408
Luce	30,409
Muskegon	8,100
Totals (6 projects)	$1,050,856

MINNESOTA

Minneapolis[1] (15)	$477,000
Beltrami, Minnesota Department of Health, Mobile Health Unit (9)	28,350
Ramsey (9)	107,523
Totals, (3 projects)	$612,873

MISSISSIPPI

Hinds and Rankin (10)	$275,225
Issaquena and Sharkey	218,611
Warren	656,556
Totals (3 Projects)	$1,150,392

MISSOURI

Joplin (9)	$15,120
Kansas City (9)	146,006
Kirksville (9)	10,800
Phelps (9)	38,250
Portageville (9)	79,200
St. Louis (9)	288,000
Total (6 Projects)	$577,376

MONTANA

Fort Peck Reservation, Northern Cheyenne Reservation (12)	$168,000
1 Project.	

NEBRASKA

Davies, Scotts Bluff, Sioux, and Sheridan (12)	$77,705
1 Project.	

NEVADA

Clark (9)	$120,132
1 Project.	

NEW HAMPSHIRE

Conway, 9 Towns (9)	$24,864
Merrimack, 4 Towns (9)	21,996
Stafford, 8 Towns (9)	27,121
Totals (3 Projects)	73,981

NEW JERSEY

Atlantic (9)	$20,360
Camden (9)	68,485
Newark (9)	1,134,000
Hudson, Hudson Co. Family Planning, Inc. (9)	18,081
Hudson, Hoboken, Prenatal Satellite St. Mary Hospital (9)	41,062
Trenton (9)	315,283
New Brunswick (9)	78,660
Plainfield (partial), Comprehensive Neighborhood Health Services Center (9)	109,764
Totals (8 Projects)	1,785,695

NEW YORK

Albany, Rensselaer and five other counties, greater Albany, Albany Medical Center Outpatient, Department (9)	$49,085
Albany, Northside, Whitney M. Young, Jr., Community Health Center (9)	129,600
Allegany (6)	11,100
Erie (9)	658,800
Franklin and three other counties (12)	46,032
Livingston (9)	79,606
Monroe, Rochester (partial) (9)	99,324
Oneida (9)	54,009
Onondaga (9)	1,539,360
Schenectady (9)	18,909
Greater New York City, Brooklyn, Provident Health Center, Inc. (9)	96,062
Brooklyn, Charles Drew Neighborhood Health Center (9)	445,500
Brooklyn, Brownsville Ambulatory Pediatric Care Unit (9)	136,099
Brooklyn, Community Corp. of Bushwick, Bushwick Family Health Clinic (9)	32,355
Brooklyn, C & Y Project No. 628, Comprehensive Approach to Community Health (9)	483,372
Brooklyn, Sunset Park Family Health Center of the Lutheran Medical Center (9)	89,359
Bronx, Montefiore-Morrisania Hospital Comprehensive Health Care Center (9)	66,240
Long Island City, Qualicap Family Planning and Health (9)	123,300
Lower East Side, NENA Health Council, Inc. (9)	26,523
Lower East Side, New Gouverneur Hospital (9)	439,200
West Manhattan, Roosevelt Hospital (9)	72,640
New York City, City Department of Health (9)	3,159,000
Totals (22 Project areas)	7,855,475

NORTH CAROLINA

Chatham (9)	63,108
1 Project.	

OHIO

Akron	181,069
Ashtabula	100,628
Bowling Green	13,579
Caldwell	56,826
Cincinnati, Cincinnati Health Department	351,486
Cleveland, Cuyahoga County—M&I Combined WIC Program	1,053,000
Cleveland, Hough - Norwood Family Health Care Center	899,841
Columbus, Bethune Center	54,720
Franklin, Columbus Community Health Care Service	289,910
Columbus, Children's Hospital, C&Y Project No. 607	67,905
Columbus, ECCO Family Health Center	$554,400
Columbus, Nutrition Clinic, Outpatient Department, OSU Hospital	24,624
Montgomery, Dayton	29,812
Dover	346,442
Ironton	86,755
Liberty Center	6,120
Lincoln Heights	99,405
Monroeville	18,220
Toledo	534,326
Uhrichsville	99,784
Xenia	13,140
Totals (21 Projects)	4,881,992

OKLAHOMA

Cleveland (9)	15,957
Tulsa (9)	120,447
Totals (2 Projects)	136,404

OREGON

Marion, Valley Migrant League (9)	259,200
Marion, Marion County Health	-------
Multnomah, M & I Care Clinic (9)	147,190
Multnomah, Multnomah County Health Department	-------
Nyssa (9)	95,940
Washington	-------
Totals (6 Projects) (9)	502,330

PENNSYLVANIA

Bedford, Fulton, and Huntington (9)	126,000
Berks (9)	69,939
Dauphin	-------
Delaware	-------
Lackawanna, Luzerne, Pike, Wayne, and Wyoming (9)	107,532
Philadelphia (9)	39,724
Philadelphia, Division of Maternal and Child Health, Community Health Services, Philadelphia Dept. of Public Health (9)	2,935,350
Philadelphia, Thomas Jefferson University Hospital (?)	72,000
York (9)	214,312
Totals (9 Projects) (9)	3,564,857

PUERTO RICO

Island-wide (12)	330,833
1 Project.	

RHODE ISLAND

Providence (9)	199,143
1 Project.	

SOUTH CAROLINA

Clarendon and Kershaw (12)	192,000
Charleston (9)	541,611
Florence (9)	48,031
Greenville and Rickens (9)	192,335
Horry (9)	58,707
Lancaster (9)	33,633
McCormick (9)	39,249
Richland (9)	227,970
Totals (8 Projects)	1,333,536

SOUTH DAKOTA

Gregory, Mellette, Tod, Tripp (Rosebud Sioux Reservation) (9)	257,765
Day, Marshall, Roberts (Lake Traverse Reservation) (9)	85,797
Totals (2 Projects)	293,562

TENNESSEE

Cannon, Clay, Cumberland, Dekalb, Fentress, Jackson, Macon, Overton, Pickett, Putnam, Smith, Van Buren, Warren, and White (9)	305,982
Davidson (9)	693,684
Totals (2 Projects)	999,666

TEXAS	
Bee (9)	$22,500
Bexar and San Antonio (9)	41,670
Bowie (9)	49,140
Cameron (9)	516,888
Dallas, City of Dallas Public Health Dept. (9)	499,959
Dallas, University of Texas Health Service Center (9)	599,013
Galveston, La Margue (9)	149,958
Grayson (9)	11,593
Hildago (9)	649,062
Montgomery and Walker (9)	302,472
Nueces (9)	637,222
Travis (9)	331,200
Willacy (9)	125,523
Totals (13 Projects)	3,980,210
VERMONT	
Statewide, State of Vermont Department of Health (9) 1 Project.	1,460,000
WASHINGTON	
King, Seattle, Harborview Medical Center (9)	85,500
King, Seattle, King County Department of Public Health (9)	401,814
King, Seattle, Odessa Brown Children's Clinic (9)	26,932
King, Seattle, Special Counseling and Continuation School (9)	25,578
Pierce (9)	97,308
Snohomish (9)	128,808
Yakima, Toppenish, Farmworkers Family Health Clinic (9)	85,167
Yakima, Pregnancy Aid (9)	8,009
Yakima, Southeast Yakima Community Medical Clinic (9)	102,466
18 Counties, (Plan for Rural Areas) (9)	728,180
Totals (10 Projects)	1,689,663
WEST VIRGINIA	
Fayette, McDowell, Mercer, Raleigh, and Summers (9) 1 Project.	628,100
WISCONSIN	
Brown and Neighboring Counties (9)	50,094
Menominee (9)	46,109
Vilas (9)	194,750
Totals (3 Projects)	290,953

Mr. HUMPHREY. Mr. President, I should like to urge every Member of the Senate to support my bill S. 1063 as amended which I believe will not only be responsive to the current inflationary crisis that our Nation's schools are now faced with concerning their school lunch programs, but will also avoid our having to reopen this matter again later this year and in subsequent years. The provisions contained in S. 1063 as amended are both modest and urgently needed. I hope that every Member of the Senate will join with me in pressing for favorable consideration of S. 1063 both by the Committee on Agriculture and Forestry and the Senate.

THE ELK HILLS NAVAL PETROLEUM RESERVE IN CALIFORNIA

Mr. CRANSTON. Mr. President, I was delighted with President Nixon's recent statement that he would be consulting with Congress to obtain the needed congressional approval for stepping up oil production from the Elk Hills Naval Petroleum Reserve in California. Proved reserves at Elk Hills total more than 1 billion barrels of oil, and development of the field is sufficient now so that production could begin within 10 days of an order to do so.

Californians will face a major domestic emergency in the coming months if additional oil supplies are not immediately made available. The California electric utilities have told me they are short some 185 million barrels of oil for the 3-year period of 1974, 1975, and 1976. Even worse is the situation in the city of Los Angeles, where the municipally owned Department of Water and Power reports it is short 40 percent of its power needs for this winter.

Without the Elk Hills oil, I am convinced that California will be faced with a grave domestic emergency. Substantial shortages of electrical energy could force the closing down of industrial plants and the limiting of hours for commercial enterprises. Such events would have a serious impact on the health, safety and welfare of communities all over my State.

Today, Senator TUNNEY and I sent a letter to President Nixon commending him for his support for opening Elk Hills and advising him of our desire to cooperate fully to obtain the necessary congressional approval for the sale of Elk Hills oil.

Mr. President, I ask unanimous consent that the text of our letter be printed in the RECORD, along with a fact sheet on the fuel supply situation faced by the four major electrical utility companies in California.

There being no objection, the letter and fact sheet were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., September 13, 1973.

The Honorable RICHARD M. NIXON,
The President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We wish to commend you for your recent statement advocating stepped-up oil production from the Elk Hills Naval Petroleum Reserve in Kern County, California. We believe such production should commence on the earliest possible time schedule, because of the urgency of the California oil supply situation and the deficiency of oil needed for electrical power generation.

Accordingly, we wish to advise you of our desire to cooperate fully with you in obtaining the necessary approval of the Congress for the sale of Elk Hills oil. We are now developing legislation to achieve this end.

Last July, the California Public Utilities Commission conducted a hearing to investigate reports of a serious oil supply shortage (California Public Utilities Commission, Case Number 9581). The testimony of the four major California utilities which supply 99 percent of the population with electricity confirmed our worst fears. The major utilities reported a deficiency of oil totaling some 185 million barrels of oil for the three-year period of 1974, 1975 and 1976. In general the utilities have not succeeded in securing supply through the voluntary allocation program and have not had significant responses to their invitations for additional supply, which were distributed to most of the potential domestic and foreign petroleum suppliers.

The proximity of the Elk Hills reserve to the most critically short areas of our state and the fact that production could be underway within 10 days of an order to do so, make Elk Hills the most reasonable available supply to meet this critical oil shortage.

We believe that appropriate limits on the amount of the reserve that can be utilized must be fixed in order to maintain the balance for use in a national emergency. With proven reserves at Elk Hills totaling more than one billion barrels of oil, we are convinced that using oil from the reserve for the next three to four years will not in any way endanger our ability to defend the nation.

Sincerely,

ALAN CRANSTON,
JOHN V. TUNNEY.

SOUTHERN CALIFORNIA EDISON CO., FUEL AVAILABILITY

[Millions of barrels]

Description	1972	1973	1974	1975	1976
Gas and oil requirement	58.1	63.3	71.0	75.3	83.2
Gas supply	34.1	18.2	9.3	5.0	4.8
Gas supply (percent)	58.7	28.8	13.1	6.6	5.8
Oil requirements	24.0	45.1	61.7	70.3	78.4
Oil contracted for	26.4	47.4	47.5	46.8	61.2
Storage drawdown	(2.4)	(2.3)	.2	(.5)	(.8)
Additional oil required	0	0	14.0	24.0	18.0
Required overall load curtailment [1] (percent)	0	0	12.0	15.0	N.A.

[1] If Additional oil required is not available.

PACIFIC GAS AND ELECTRIC CO., FUEL AVAILABILITY

[Millions of barrels]

Description	1972	1973	1974	1975	1976
Gas and oil requirement	45.9	44.9	54.7	49.8	41.6
Gas supply	43.3	35.4	10.5	3.8	6.2
Gas supply (percent)	94.3	78.8	19.2	7.6	14.9
Oil requirement	2.6	9.5	44.2	46.0	35.4
Oil under contract	3.1	11.6	14.7	14.3	4.5
Contracts under negotiation		.2	5.7	2.7	8.2
Probable supplies		.4	2.5	2.5	0
Total expected oil supplies	3.1	12.2	22.9	20.0	12.7
Storage drawdown (increase)	(.5)	2.7	6.1	0	0
Unassigned oil (required)	0	0	15.2	26.0	22.7

LOS ANGELES DEPARTMENT OF WATER AND POWER AND CITIES OF GLENDALE, BURBANK, AND PASADENA

[In equivalent million barrels of fuel oil] [1]

Description	1972	1973	1974	1975	1976
Gas and oil requirement	24.072	28.633	28.843	31.289	31.798
Gas supply	14.349	7.325	3.187	1.516	71
Gas supply (percent)	59.6	25.6	11	4.8	.3
Oil requirements	9.723	21.308	26.656	28.070	28.378
Oil storage drawdown	1.759	(1.780)	(14.046)	(25.410)	(28.378)
Oil contracted for	0	19.528	11.610	2.660	0
Unassigned oil	0	0	11.802	25.410	28.378

[1] Based upon average water conditions and average gas supply conditions.

SAN DIEGO GAS & ELECTRIC CO.

[In equivalent million barrels of fuel oil] [1]

Description	1972	1973 January to June, actual	1973 July to December, estimated	1974	1975	1976
Gas and oil requirement	12.330	6.704	7.403	15.659	17.855	19.883
Gas supply	7.199	2.736	.194	2.499	1.958	1.509
Gas supply (percent)	58.4	40.8	29.6	16.0	14.0	7.6
Oil requirements	5.131	3.968	5.189	13.160	15.897	18.374
Oil storage drawdown	(.417)	(.948)	(.109)	(.477)	(.959)	.318
Oil under firm contract	0	0	4.657	7.790	3.180	3.000
Oil under firm negotiation	0	0	.608	4.324	12.254	13.064
Unassigned oil	0	0	.053	1.368	.792	1.992

[1] Based upon adverse hydor conditions and cold weather (minimum) gas supply conditions

THE NATION'S RECLAMATION PROGRAMS

Mr. HANSEN. Mr. President, at the invitation of two of our western Congressmen, BIZZ JOHNSON and CHARLIE GUBSER, Members of this body and of the House of Representatives who represent Western States met with top officials of the Department of the Interior and OMB yesterday to discuss the future of the Bureau of Reclamation. The meaningful dialog underscored the need for maintaining a strong and viable reclamation program.

The meeting was prompted by the concern that our Nation's reclamation programs stand at the crossroads. Our society has shifted from rural to urban. The National Water Commission recommended that there be no further federally assisted agriculture water development. Environmentalists are challenging proposed and authorized projects. The backlog of projects which have been authorized, but are not completed has reached the astronomical figure of $6.2 billion and is steadily increasing.

Representatives of each State emphasized that now, more than ever, there is a need for effective reclamation projects. Many questioned the recommendations of the National Water Commission. The fact that the projects pay for themselves was strongly stressed. Greater demands will be placed upon water supplies for the production of food, fiber, and energy. There is no longer a surplus of foods. The energy crisis is real. The National Water Commission based most of its recommendations upon the assumption of continuing agricultural surpluses. Accordingly its recommendations must be entirely discounted.

Reclamation projects offer great promise in easing our balance of payments deficit. The creation of projects in the rural areas can stabilize these areas and stop the migration of people to urban areas.

Representing the Department of the Interior were: Secretary Morton, Assistant Secretary Horton, and Commissioner Stamm. Assistant Director Sawhill represented the Office of Management and Budget. Their response to the concerns expressed by Members of Congress was gratifying. They have a sincere desire to work with Congress in maintaining a viable reclamation program.

Secretary Morton assured us that the Department has no intention to liquidate the Bureau of Reclamation. He claimed that the overall funding showed true intent. He indicated that in the period between 1967 and 1974, there was an approximate doubling of funding. He said that 1973 was an abnormal year. $420 million has been recommended for fiscal year 1974.

Secretary Morton cautioned that it should be remembered that the administration supports the total works philosophy of Government; that the Bureau must compete with other Federal projects for funds; and that it is necessary to hold the line on expenditures.

Commenting on the backlog of authorized projects, Secretary Morton said that Congress should remember it is easier to authorize projects than it is to complete them. He urged that the line be held on new projects until existing projects are completed. He said it would be impossible to spread the butter much thinner.

Secretary Morton said money should be put into those projects which would guarantee a return. To resolve the priorities of authorized projects, Secretary Morton said the projects should be compared pursuant to the following criteria: The percentage of completion; percentage of allocation of power to Municipal and Industrial needs; percentage of direct repayment; benefit-cost ratio; and the environmental impact.

Mr. President, more than likely because of my agrarian background, I was impressed by Secretary Morton's reference to "spreading the butter thinner." The fact of the matter is that the butter cannot be spread any thinner. We need a new cow.

Congressman BIZZ JOHNSON estimates that it would take at least one-half billion dollars to carry out the authorized projects. More would be needed for the other programs. However, a revitalized Bureau of Reclamation could be the source for that additional butter which could be easily spread to eliminate problems related to our energy crisis, balance of payments, food prices, and urban problems.

It is projected that the United States by 1976 will expend $19.5 billion for imported energy. The effect this will have on our balance of payments is staggering.

An adequate supply of water is necessary for development of many of our yet-untapped sources of energy. Its use will be required in developing commercial technologies for: coal gasification, coal liquefaction, and shale oil. Likewise power generation by nuclear energy consumes enormous amounts of water. Energy from these sources would decrease our dependence on foreign nations and reduce our deficit balance of payments.

There is a worldwide shortage of food. Our Nation no longer has a surplus of commodities. We are plagued by shortages and rising food prices. The logical way to eliminate the food shortage and curb prices is to increase the food supply. The food supply can be increased by reclaiming land. Agriculture holds the greatest promise in decreasing our foreign trade deficit.

In this day of urban problems, it is often overlooked that reclamation projects stimulate activity that can stop the mass migration from rural areas to our already congested urban center. Reclamation projects provide new and increased crop and livestock production, stimulate increased business activity in the area; increase gross and net incomes; provide new employment opportunities on the farms and in surrounding towns and cities; and, with an expanded tax base, provide for new and improved community facilities such as schools, roads, medical facilities, public utilities, recreational facilities, and other benefits.

Mr. President, I appreciate the comments of my colleagues and the officials of the administration; their participation in this dialog is a step toward better communication which will assure that the projects of the Bureau of Reclamation will continue to improve the quality of life in our Nation.

Special thanks should be extended to Congressman JOHNSON and Congressman GUBSER for their efforts in arranging this meeting. Likewise, the participation of Messrs. Morton, Horton, Stamm, and Sawhill was very much appreciated.

I am hopeful that the significance of the Bureau of Reclamation will not be underestimated.

WAYNE MORSE

Mr. ABOUREZK. Mr. President, people the world over can take a slight breath

of relief from the news reported August 27 by the Eugene, Oreg., Register-Guard.

In that newspaper, a man who I think will be remembered as one of the guiding lights of our era announced that he has no plans to run for anything.

But that does not mean we have heard the last of Wayne Morse.

On the contrary, that truly valuable man is as vigorous as ever.

For those who may be interested in the whereabouts and activities of Wayne Morse, I ask unanimous consent to have printed in the RECORD an article published in the Register-Guard.

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

"TIGER OF SENATE" HOME DIGS CLAWS INTO NIXON

(By Henry Willis)

The eyes still go alternately from humorous sparkle to deadly serious. The spring is still in the walk. The attire is still impeccably neat. The manners are still courtly.

In fact, one notices little change in Wayne Morse these days from those other days when he was stumping the state for votes or chastising his colleagues in the U.S. Senate.

Morse has, in his own words, "come home."

Belying the political adage that "they never go back to Pocatello," the 72-year-old Morse has sold his large cattle farm in Maryland and returned to his handsome old Crest Drive home in Eugene. He plans to sell the Eugene property soon—"I've got 27 acres here and it's just too much for Midge (Mrs. Morse) and me alone"—but he will make this his home base for whatever projects he has ahead.

Morse's plans are, as always, a conglomerate of activity.

He will continue doing labor arbitration work, legal consultation and lecturing at a large number of colleges and universities around the country. He also has some books he wants to write—one on U.S. foreign policy is first on the drafting board, to be followed by another on "the education fights we had in the Senate" and still another on his 24 years as a U.S. senator from Oregon.

Memoirs?

"No, a biography is not for me to write," he says. "That's for someone else."

Politics?

"I'll remain an active member of the Democratic Party in Oregon," he says with a sly grin. Will he run for office next year? "I've got no plans to run for anything." Again, the eyes twinkle and the grin creases the face. It's Morse at his coyest.

He appears to have become something of the senior sage in Oregon political circles—"Dutch uncle" is the way he describes it—and younger and more eager political types still troop to his doorstep to seek advice, curry favor or simply to listen.

"I'm making no commitments to anyone at this time," he says, referring to several ambitious Democrats who have asked him for an endorsement in one 1974 race or another. Three prospective candidates for Congress have already visited him, he said, and another four who might run for the U.S. Senate.

He was asked if he thought Sen. Bob Packwood, R-Ore., the man who put an end to Morse's Senate career in 1968, is vulnerable next year.

"He can be beaten—and he should be," Morse says. "He hasn't made the record in the Senate that Oregonians are entitled to." What would it take to beat Packwood? "Not much" is the Morse answer.

The conversation naturally flowed to Watergate. Would he like to be on the Senate Watergate Committee?

"Of course I would," he says, although he had kind words for the way the committee is handling its hearings.

"I think their format is very good," he says. "The questioning varies, but they're getting out the information. I think sometimes they don't follow through well enough on questions. I don't think I'd let a witness answer hang in the air like some of them do."

Morse said he hopes the committee won't yield to "political pressures" to close down the hearings or take them off national television.

"The American people are entitled to see what's going on," he says. "I think the hearings have opened the eyes of many people who didn't realize just how corrupt Nixon's government is."

Does he believe Nixon knew of the cover-up?

"Of course he knew," Morse says emphatically. "It's absurd to let that fella (Nixon) get away with saying he didn't know. He's lying through his teeth. The Oval Office isn't a vacuum. A President can't run the office without being in constant contact with his subordinates. For him to give the impression he didn't know what Ehrlichman and Haldeman were doing strains our credulity."

Morse says the country is in the gravest constitutional crisis since the Civil War.

"We're in a police state now," he says. "The issue before the people now is how far they're going to permit the government to go in that direction. One issue is the violation of the Constitution on war-making by a President. Only the Congress has that authority. A President can't make war. That's elementary.

"The other issue is that Nixon now says he is above the law. He's filed a brief with the court on the Watergate tapes saying he has the power to conceal criminal evidence. That's an argument for a dictatorship. It's unbelievable.

"He wants to put the courts subordinate to the Executive instead of keeping the courts a co-equal branch. So, you have the situation of Nixon saying on one hand that he's above the courts and on the other above Congress. That's executive supremacy and a dictatorship. It's not what the Founding Fathers had in mind. In fact, it's what they feared.

"It's difficult to get people to see these constitutional issues. They're too abstract. But, we now have Nixon asking to close down Watergate and let him run the country. That's what I'm afraid of—that they'll let him run the country."

LOWER CUMBERLAND COOPERATIVE IMPROVEMENT COUNCIL

Mr. COOK. Mr. President, it was my privilege, along with my colleagues, Senators HUDDLESTON and BROCK, to attend a recent meeting of the Lower Cumberland Cooperative Improvement Council. The attached report sets forth some remarkable statements made by Mayor George Atkins, of Hopkinsville, Ky., which are cognizant of the excellent spirit of cooperation existing between the military and civilian population of the area. I ask unanimous consent that Mayor Atkins' remarks be printed in the RECORD.

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

REMARKS OF MAYOR GEORGE ATKINS, OF HOPKINSVILLE, KY.

We are all aware of how the existence of a military installation in a civilian context can create problems, both real and potential. Problems for both the military and the communities as well. It is the goal of the LCCIC to develop pro-active type programs that will promote harmonious and beneficial coexistence between the communities rather than reactive ones that assume an "after the fact" or remedial posture. Such programs upgrade the public image of the military throughout a large regional area and directly involve communities and their people in joint projects that are mutually beneficial.

The LCCIC is a unique example of the cooperation that can be achieved within a regional grouping of political entities that cross not only city and county lines, but State and Federal boundaries as well. The main purpose of the LCCIC is to work toward an improved quality of life for the military and civilian residents of the area. The Council has the enthusiastic support of the governing bodies of all the local units of governments involved, and because of this joint effort, we are making significant progress in all of our endeavors.

The LCCIC is a product that evolved directly from the close spirit and desire of cooperation and good community relations that has always existed between Fort Campbell and the surrounding communities.

Discussion on the formulation of the council began in the summer of 1972 when it became obvious that such programs and discussions of regional problems would be mutually beneficial to the residents of all of the community members. We also recognized that if our efforts were to be successful, they must include the military installation of Fort Campbell, Kentucky, which touches each one of the four counties in two states, and provides the cohesive connection between the two states. We were all elated to learn that the 101st Eagle was coming to rest at Fort Campbell, but at the same time, we were well aware of the impact that such a rapid build-up would have on our communities in the way of increased housing needs, increased traffic, the need for more public facilities, shopping areas, and increased law enforcement. On September 15, 1972, a joint declaration was signed establishing the Lower Cumberland Cooperative Improvement Council, and thus forming a regional body to find solutions to these problems.

The ten council members that make up the LCCIC are the four county judges of the surrounding counties, which in our area are the chief elected administrative officials of the county unit of government: the mayors of the five cities surrounding Fort Campbell; and the Commanding General of Fort Campbell. A secretariat was also established. It is made up of individuals that represent the technical aspect of planning and community development. Special sub-committees are formed to study specific long range programs at the discretion of the council. The purpose of the LCCIC as set out in the joint declaration of September, 1972, is simply to provide a means of establishing closer planning and working relationship among its members to the end that they may be able to provide and deliver services to their citizens through cooperative effort more efficiently and more economically than would otherwise be possible. Each member pledges to work as authorized under its own governing regulations and statutes toward an improved quality of life for its residents.

One aspect that makes our council beneficial, is its flexibility. No specific limitations have been placed on topics to be brought before the council members. Essentially any problems or programs that impact on more than one member, or which can be assisted by the council acting as a whole, can be brought before it for consideration.

The first and perhaps the most pressing problem in which the LCCIC became involved is a study on how best to establish and implement an effective solid waste system that would include the entire area. The LCCIC is attempting to eliminate the use

of open dumps, open burning, and any poor solid waste disposal techniques that exist in our area.

With the direct help of Jack Ravan, regional director of EPA, a plan was developed whereby we could systematically approach an area wide solid waste disposal operation. Where individually we are unable to justify the latest in technical equipment in solid waste disposal, in the future, collectively, we can support such processes as recycling and practices of more sophisticated disposal techniques. Member communities will coordinate and implement compatible systems such that the potential exists for a long range regional solid waste disposal system. The plan, as it has developed, provides a program to participating governmental agencies with a concrete direction for solid waste control that operates within their recognizable physical, political, and financial constraints.

The first phase of the plan calls for the development of solid waste disposal systems in the two most populous areas of Christian County, Kentucky, and Montgomery County, Tennessee. Christian County, Kentucky, has just established wide solid waste pick-up system. One of the first problems encountered was by Montgomery County in the acquisition of an approved land fill site. Studies are now underway for the leasing of 200 acres of land on the southern boundary of the Fort Campbell reservation for use as a land fill. The land fill will be planned and operated in such a way that it will develop land into other types of training areas for Fort Campbell as the sections of it are filled. The next phase will be to develop solid waste pick-up systems for the adjoining counties and ultimately join in a unified solid waste disposal program utilizing recycling and modern, sophisticated techniques of solid waste disposal.

Perhaps the most visible contribution that has been made by our joint efforts is in the field of environmental programs. The greatest single impact has been the removal of abandoned junk automobiles from the landscape. When the LCCIC was organized, there were an estimated 12,000 such vehicles in the region. These automobiles were either abandoned along the roadside, or dumped in fields and wooded areas throughout the area.

The LCCIC has in operation a campaign to remove all junk vehicles. Local civilian leaders organize youth groups, such as the 4H, FFA, and Boy Scouts to spot the junk cars and obtain permission for their removal. Fort Campbell personnel and equipment then pick up these cars and bring them to a central collection point. When sufficient cars are collected, the youth groups contract with the regional automobile crushing operation for crushing and disposal to a steel mill for recycling. Any revenue generated goes to the youth group to help finance their other programs. The "Junk Car" sign can be seen at collection points indicating to local residents and tourists that a new junk yard is not being created, but that a problem condition is being remedied through a joint civilian-military program.

Current progress is obvious as a pile of scrap is all that remains of over 4,500 cars that have been removed to date. The project is still underway, and we anticipate that an additional 7,500 junk cars will be removed. The benefits of this project are obvious. The cars are removed at no cost to the landowner, Fort Campbell soldiers get experience in using their equipment under unusual conditions, the youth groups receive a little money for their treasury, and most important, a significant blight is being removed from the landscape.

We have been involved in numerous other endeavors to improve the environmental quality of our two-state area in programs other than the junk car removal. In April, the LCCIC joined with the Five Rivers Resource Conservation and Development Association in "Operation Concern." A clean-up program throughout the Five River Area of Western Kentucky and Tennessee. A week long clean-up program was conducted in the Stewart County, Tennessee approaches to, and inside the Land-Between the Lakes. High school students, 4H members, and Fort Campbell soldiers all participated in the program. Over 800 bags of trash and 111 junk cars were removed during that one week.

The April LCCIC meeting was held at the Land-Between-the-Lakes area to observe the program. The director of the Land-Between-the-Lakes was very enthusiastic about the program and its importance to the two-and-one-half million visitors to the Land-Between-the-Lakes area each year.

In August a platoon of soldiers from Fort Campbell assisted the Boy Scouts and 4H club in Clarksville in beautifying a two-mile stretch of the banks of the Cumberland River over a two week period. During this time, they cleared undergrowth, removed trash, and assisted in the river bank stabilization efforts.

The efforts of the LCCIC are evident in isolated clean-up campaigns conducted in virtually every community that lies within our four county area. On request handled through our organization, Fort Campbell has supplied vehicles, equipment to work with the local manpower in clean-up days and weeks that result in cleaner, more beautiful communities and in a closer eyeball to eyeball working relationship with our military installation.

In an area rich with recreational facilities and potential—where local residents are avid sportsmen, the LCCIC efforts in this area bring direct recognition to the benefits of the good working relationship we have. At the April LCCIC meeting in the LBL, Judge Cossey, Trigg County, Kentucky, brought to our attention a significant irritant to local residents and tourists.

The Twin Lake areas of Kentucky and Barkley Lakes represents a unique problem to sportsmen where an individual fishing in either of the lakes can very easily move into another State without really being aware of the imaginary State line. Kentucky and Tennessee have agreed to recognize fishing licenses from either State between the bridges of Highway 68 and 79. On Barkley, no such agreement exists, therefore, sportsmen are restricted to one portion of the lake unless they have licenses for both Kentucky and Tennessee. In an effort to alleviate this confusing and irritating situation, the LCCIC has been in contact and has been working with the fish and wildlife commissioners of both States identifying the problem and requesting their consideration that a reciprocal fishing agreement be established on Lake Barkley: one that is similar to the one existing on Kentucky Lake.

The Kentucky wildlife commission has adopted such a reciprocal agreement for sport fishing, and we anticipate the Tennessee Commission doing likewise at their next regularly scheduled meeting. Many of the recreational and sport facilities located on Fort Campbell, Kentucky, are open for civilian participation. However, such activities have not been publicized. Conversely, many of the recreational opportunities available in the LCCIC area have not been properly communicated to the military personnel. The LCCIC has embarked on a program to prepare recreational brochures to inform all residents of these available recreational activities. Fort Campbell is preparing the first of these brochures which will be used as a format for the preparation of future brochures from other member communities. Ultimately, a consolidated LCCIC recreational pamphlet will be published for use in the entire area.

In particular civilian sportsmen are permitted to hunt during the proper seasons on the military reservations. This not only provides recreational activities to civilian residents, but also assists the military in thinning out over-populated game numbers in the area. The LCCIC acts as an advisory group in the control and the operations of these activities.

Of particular benefit to local authorities in Kentucky and Tennessee is the working relationship between civilian and military law enforcement agencies. The LCCIC has addressed itself to this problem with particular emphasis on traffic and highway safety. We have worked with the Clarksville and Montgomery county chamber of commerce in both of their efforts to bring rapid completion of interstate highway systems now under construction and planned in the region. We have also worked with the Kentucky and Tennessee highway departments in developing plans to alleviate congested traffic conditions in the Fort Campbell area, and will work toward the implementation of these plans.

The problem of cattle rustling has become acute, with the cost of food continually rising. The LCCIC is working with the proper authorities at Fort Campbell to implement a program whereby Fort Campbell helicopter pilots on their routine maneuvers and training missions can report suspicious activities that they might spot. This will provide a tremendous assist to local authorities in their efforts to abate cattle rustling. Still another area of concern to both the LCCIC members and the surrounding communities are the problems of drugs and alcohol. Having a mixture of both civilian and military in an area provides unique problems for law enforcement agencies. The LCCIC provides the vehicle for constant communications and a forum for the solutions of these problems.

Another area that is critical to the residents of our entire area are those pertaining to medical assistance. The professional personnel assigned to the U.S. Army Hospital at Fort Campbell participates actively in the medical societies and associations of our area. Several of the local physicians in the area that are trained in a certain specialty are used as consultants by the U.S. Army Hospital, and, in return, the hospital may supply a consultant in a specific field to the local community. Coordination and communication with local communities is constantly being effected in reporting communicable diseases, and the potential for communicable disease problems.

Joint efforts are also underway in a tremendously large starling roost that annually exists at the Fort Campbell reservation (estimated at 10 million). The starlings represent a tremendous health hazard for the area in that the droppings from the birds and the relationship to human histoplasmosis is well established. There are currently approximately 40 to 50 new cases of histoplasmosis being diagnosed each month in the LCCIC area. In addition to the health hazard, these birds cause an annual economic loss well in excess of a million dollars to the farmers of our area through the spread of a disease called TGE through hog operations of the area, and through the loss to the small grain crops.

We are also watching with a great deal of interest the military assistance to safety and traffic program, or better known as "MAST". As you know, this program, which is now in legislation, would authorize the use of helicopters to assist in traffic accidents and other civilian emergency situations, a piece of legislation that would greatly assist communities of the LCCIC area.

The greatest product in the results of the LCCIC are, however, good community relations. If the military installation is to function to its maximum potential, and if the communities are to be able to exist and function harmoniously; the military-civilian

community must have a good relationship. To this then the LCCIC is constantly working and sponsoring projects to promote this relationship. In June a program was sponsored for the commercial businessmen throughout the area. Its main thrust was the economic impact of Fort Campbell on the local areas. It was felt that this presentation would be very beneficial to local businessmen and bankers in their dealings with Fort Campbell and for the future planning of their business enterprises. Such information would also assist military personnel by increasing local services available to them. Meetings have been held with realtors and developers of the area to assist the housing needs both on and off the post, to apprise the local contractors of the plans for on-post housing, so that they would not overbuild in local communities. Also, the local contractors were able to express their plans so that military personnel could evaluate their programs for this housing. Personnel that are separating from service or retiring from the Army at Fort Campbell have a wealth of experience and a demonstrated ability of hard work and leadership, plus they are already members of our community. It is to the advantage of the LCCIC to retain these retirees and separatees in the local area; therefore, the LCCIC has endorsed and promotes the objectives of the job fair concept, in which local businessmen meet with imminent retirees or separatees to discuss employment opportunities that exist in our area. Job fair officials, local chambers of commerce, industrial development boards are all of assistance in this project. We anticipate that this job fair will not only continue, but will expand in its scope as time goes on.

Any time large numbers of people are concentrated in an area, problems arise between individuals and people. The LCCIC works with the human relations commission and works with the military officials to insure that harmonious relations exist between not only black and white, but military and civilian people as well. Programs and communications with shop owners, landlords, and local authorities are continual to insure this harmonious human relationship.

The 101st Airborne Division is now Air Mobile, the only air mobile division in the U.S. Army. Our division has over 400 helicopters and has acquired a greatly expanded capability to conduct operations on the battlefield. Therefore, large maneuvers must expand beyond the boundaries of Fort Campbell installation. The off-post helicopter flight creates the potential for problems for local residents because of noise and rotor wash, so LCCIC members are kept informed of upcoming maneuvers which could affect off-post residents. In this way, we may be able to make recommendations as to areas which should be avoided, and to point out potential problem areas such as the maturity of certain crops. In addition, we become better prepared to handle any complaints which might arise as a result of the training exercise.

Because of this good working relationship between the civilian and military communities, the 101st Airborne Division has been able to lease and obtain easements, at no cost to the military, large areas of privately held land for maneuvers of ground troops in the vicinity of Fort Campbell. The LCCIC members are prepared to assist in the leasing and obtainment of easement of this additional land. Not only do the residents of the areas give their land without cost, but they themselves become involved and add realism to the training exercises.

Tomorrow, September 13, the LCCIC members have been invited to a briefing and tour of the present field and training exercise of the 101st Airborne Division—Orbiting Eagle 1. We will be briefed on the scope of the operation and witness an airmobile assault on an objective such as would be conducted against hostile forces.

Some of the future topics of the LCCIC touch on a varied array of projects, (1) a joint study to evaluate the low-cost housing problems in the Fort Campbell area, and to disseminate this information to potential developers and builders; (2) a joint program to build a carcass removal truck and operate an economical system to remove animal carcasses from the LCCIC region, a problem that is acute to the farmers of our area; (3) we hope to progress on the briefings on Fort Campbell recycling program for possible implementation in civilian communities, with a particular reference to the card board bailing that Fort Campbell uses in its commissary operation. We have already discussed the efforts on reducing the large starling population and we also mentioned before of feasibility of military assistance to detect cattle rustling. We also will continue such things as our support of a consortium of universities and colleges in Eagle University at Fort Campbell, to provide educational facilities to military personnel.

Before the formation of the LCCIC, the Kentucky and Tennessee counties, which are adjacent to each other, were isolated because of the political boundary. But with the existence of Fort Campbell acting as the connecting link, and serving as the catalyst for the formation of the LCCIC, these political boundaries have been broken down. Our organization has been in existence for only one year now, but has been well received by both the civilian and military communities, and we feel that our efforts and our achievements in this short period have been significant to the people of our area, both military and civilian. And we feel that we are just now scratching the surface on the many joint projects that can be undertaken and that the LCCIC will continue to improve the close relationship that has already been established between Fort Campbell and the surrounding areas. This concept has worked for us; it fits our purpose; and it has proven to be a valid concept. It does not conflict with any other regional, governmental, or developmental organization that already exists, but works with them to accomplish their goals. The LCCIC speaks with one voice in saying "thank you" for your attendance this morning, for your support in the past of our activities, and that we are looking forward to working with the congressional delegation from Kentucky and Tennessee, and all the other parties interested in military-civilian activities of our country in the future.

THE RECORD OF THE SENATE RELATED TO THE PRESIDENT'S MESSAGE

Mr. ROBERT C. BYRD. Mr. President, on September 10, the President sent to the Congress a second state of the Union message, in which he was reported to have asked for passage of 50 measures. A careful reading of his message will not reveal a clear identification of 50 bills. Some measures are clearly identified, while others must be determined by reading between the lines, so to speak, and must be extrapolated from an analysis of the subject matter of certain paragraphs in the President's message. In any event, as of September 10, the date on which the President sent up his message, the following record had been established by the Senate:

Days in session	121
Hours in session	685:41
Total measures passed	417
Public laws	106
Treaties	10
Confirmations	37,638
Record votes	376

As to the 417 measures passed by the Senate, they are broken down as follows:

Senate bills passed	179
House bills passed	65
Senate joint resolutions passed	23
House joint resolutions passed	21
Senate concurrent resolutions passed	15
House concurrent resolutions passed	19
Senate resolutions passed	95

Of the 50 measures which can be identified by a careful reading of the President's message, the Senate as of September 10, had already passed 16 measures clearly identified as those enumerated by the President. Seven additional measures had been passed by the Senate in subject areas mentioned in the message. The Senate had passed 23 measures—or 46 percent—out of the list of 50 items contained in the President's message.

In addition to these 23 measures, one measure—pension reform—was on the Senate Calendar and will be taken up next Tuesday, September 18. Twelve other bills alluded to in the President's message were either undergoing markup in committee on September 10, or hearings had been completed or were in progress thereon.

In summary, 36 out of the 50 measures—72 percent—asked for by the President on September 10, had already been passed by the Senate or were on the Senate Calendar or hearings thereon had been either completed or were in progress.

Now, something ought to be said by way of putting this part of the legislative picture in its larger Senate context. I mentioned a little bit ago that, as of September 10, the Senate had passed 417 measures already this year. Twenty-three of those measures, as I have already indicated, can be identified in the President's message. To put it another way, the Senate, as of September 10, had passed 394 measures in addition to those 23 measures asked for by the President and already passed by the Senate. Of these 394 measures, I would like to mention just a few so as to further indicate the fine record the Senate has established during the first 8 months of this first session of the 93d Congress. Keep in mind that the following bills enacted by the Senate—not included in the President's request—do not comprise the whole record thus far:

1. Extension of Economic Stabilization Act (providing authority to the President to combat inflation).
2. Increase in Social Security Benefits.
3. Farm Bill.
4. Highway Bill.
5. Campaign Reform.
6. Emergency Medical Services.
7. Public Works and Economic Development.
8. Rivers and Harbors—Flood Control.
9. War Powers.
10. August 15 cutoff of Cambodian bombing.
11. Legislation dealing with Impoundments.
12. Confirmation of OMB Director.
13. Reconfirmation of Cabinet Officers.
14. 3 Supplemental Appropriation Bills.
15. 8 Regular Appropriation Bills.
16. Public Broadcasting.

17. Anti-hijacking of Aircraft.
18. Fuel Allocation.
19. Fair Credit Billing.
20. Lead Based Paint Poisoning.
21. Compensation for Victims of Crime.
22. Voter Registration.

Aside from the impressive Senate record of legislative enactments this year, Senate committees have done a commendable job in carrying out their oversight responsibilities under the Constitution.

For example, the Senate Judiciary Committee hearing in connection with the confirmation of L. Patrick Gray, and the Senate Judiciary Committee's insistence on the appointment of a special Watergate prosecutor and the laying down of investigative guidelines by the Judiciary Committee to be followed the special prosecutor in the conduct of the Watergate investigation. All other committees are to be equally commended on the high performance of their duties in carrying out oversight functions. The Select Committee on Presidential Campaign Activities, likewise, has acted notably in this regard.

I think every Member of the Senate should feel proud of the record of the Senate during the first 8 months of this session, and I want to compliment all Senators for the contributions they have made in this important service to the Nation. I think that this record should debunk any suggestion that the Senate has turned in a "disappointing performance," and such a record should also refute any suggestion that the Senate has been tied up in Watergate. Only 7 of the 100 Members of the Senate—and of the 535 Members of Congress—have been involved in carrying out their responsibilities under the Senate mandate, unanimously adopted by both Democrats and Republicans to investigate Watergate. The other 93 Members of the Senate—528 Members of Congress—have been busily engaged in meetings of other committees and subcommittees—numbering over 260 committees and subcommittees, in Senate and House—and have also been active in Senate and House floor debates. Additionally, we should remind ourselves that the seven Members—four Democrats and three Republicans—of the Select Committee on Presidential Campaign Activties have also been active in the other committees to which they are regularly assigned, and they have effectively and responsibly carried out their floor duties meanwhile.

In closing, I shall include a list of the 50 measures identified in the President's second State of the Union Message—the first 16 of which, as heretofore stated, have been passed by the Senate, and the next seven of which measures have been passed by the Senate in subject areas mentioned in the message:

1. Financial Institutions Restructuring Public Law 93-100.
2. Council on International Economic Policy—in conference.
3. Alaskan Pipeline—in conference.
4. Land Use Planning.
5. Toxic Substances Control—in conference.
6. Safe Drinking Water.
7. Manpower Revenue Sharing.
8. Vocational Rehabilitation—in conference.
9. Minimum Wage—Vetoed; House will reconsider 9-19-73.
10. Health Maintenance Organization.
11. Veterans Benefits—in conference.
12. ACTION.
13. FHA Mortgage Insurance Extension—contained in HUD Loan Insurance which is in conference.
14. D.C. Home Rule.
15. Federal Election Reform Commission.
16. National Foundation on Arts & Humanities—in conference.
17. Flood Insurance—Have passed S.J. Res. 26 and 112 and S. 1672 which all have become Public Law.
18. Heroin Trafficking—Have passed S. 800 containing tough provisions re: heroin trafficking.
19. Transportation Improvement—Have passed S. 2060, S. 1925, S. 2120, and S. 386 to improve rail service.
20. Disaster Preparedness & Assistance—Have passed S. 606, S. 1697, and H.R. 1975.
21-23. Indian bills—Have passed S. 1341, S. 1016 & S. 721.
24-26 Indian Bills—Pending in committee.
27. Trade Reform—House originates.
28. Export Administration Act, S. 2053 (Banking) hearings held.
29. Tax Reform (property tax relief for elderly)—House originates.
30. Stockpile Disposal, S. 1849 (Armed Services)—Pending in committee.
31. Deep Water Ports—(Commerce)—Hearings complete.
32. Gas Deregulation (Commerce)—Hearings scheduled.
33. Strip Mining (Interior)—Ordered reported on 9/10/73.
34. Department of Energy and Natural Resources (Govt. Op.)—Hearings in progress.
35. Power Plant Siting (Interior)—Pending in committee.
36. Santa Barbara Energy Reserve (Interior)—Pending in committee.
37. Housing (Banking)—Hearings held but no message yet from President.
38. Better Schools (Labor)—Hearings in progress.
39. School Busing (Labor)—Pending in committee.
40. Welfare Reform (Finance)—Pending in committee.
41. Job Security Assistance—(Finance)—House originates.
42. Pension Reform—Retirement Benefits (Labor and Finance)—On calendar.
43. Legal Services Corp. (Labor)—To be reported early October.
44. Consumer Protection Agency (Commerce and Govt. Ops.)—Hearings completed.
45. Better Communities (Banking)—Hearings in progress.
46. Criminal Code Reform (Judiciary)—Hearings in progress.
47. Capital Punishment (Judiciary)—Hearings held.
48. American Revolution Bicentennial Administration (Judiciary)—P/H; Pending in Senate Committee.
49. Metric Conversion (Commerce).
50. President's Reorganization Authority, S. 2003 (Govt. Ops.)—Pending in committee.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

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. MANSFIELD. 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.

Morning business is closed.

VOCATIONAL REHABILITATION—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of a conference report on H.R. 8070.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the 40 minutes already agreed upon.

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. CRANSTON. 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. CRANSTON. Mr. President, I submit a report of the committee of conference on H.R. 8070, and ask for its immediate consideration.

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

The 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. 8070) to authorize grants for vocational rehabilitation services, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The 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, which reads as follows:

CONFERENCE REPORT

(S. REPT. No. 391)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8070) to authorize grants for vocational rehabilitation services, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act, with the following table of contents, may be cited as the "Rehabilitation Act of 1973":

TABLE OF CONTENTS

Sec. 2. Declaration of purpose.
Sec. 3. Rehabilitation Services Administration.
Sec. 4. Advance funding.
Sec. 5. Joint funding.
Sec. 6. Consolidated rehabilitation plan.
Sec. 7. Definitions.
Sec. 8. Allotment percentage.
Sec. 9. Audit.
Sec. 10. Nonduplication.
TITLE I—VOCATIONAL REHABILITATION SERVICES
PART A—GENERAL PROVISIONS
Sec. 100. Declaration of purpose; Authorization of appropriations.

Sec. 101. State plans.
Sec. 102. Individualized written rehabilitation program.
Sec. 103. Scope of vocational rehabilitation services.
Sec. 104. Non-Federal share for construction.
PART B—BASIC VOCATIONAL REHABILITATION SERVICES
Sec. 110. State allotments.
Sec. 111. Payments to States.
Sec. 112. Client assistance.
PART C—INNOVATION AND EXPANSION GRANTS
Sec. 120. State allotments.
Sec. 121. Payments to States.
PART D—COMPREHENSIVE SERVICE NEEDS
Sec. 130. Special study.
Sec. 200. Declaration of purpose.
Sec. 201. Authorization of appropriations.
Sec. 202. Research.
Sec. 203. Training.
Sec. 204. Reports.
TITLE III—SPECIAL FEDERAL RESPONSIBILITIES
Sec. 300. Declaration of purpose.
Sec. 301. Grants for construction of rehabilitation facilities.
Sec. 302. Vocational training services for handicapped individuals.
Sec. 303. Mortgage insurance for rehabilitation facilities.
Sec. 304. Special projects and demonstrations.
Sec. 305. National Center for Deaf-Blind Youths and Adults.
Sec. 306. General grant and contract requirements.
TITLE IV—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION
Sec. 400. Administration.
Sec. 401. Program and project evaluation.
Sec. 402. Obtaining information from Federal agencies.
Sec. 403. Authorization of appropriations.
Sec. 404. Reports.
Sec. 405. Secretarial responsibility.
Sec. 406. Sheltered workshop study.
Sec. 407. State allocation study.
TITLE V—MISCELLANEOUS
Sec. 500. Effect on existing laws.
Sec. 501. Employment of handicapped individuals.
Sec. 502. Architectural and Transportation Barriers Compliance Board.
Sec. 503. Employment under Federal contracts.
Sec. 504. Nondiscrimination under Federal grants.

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to provide a statutory basis for the Rehabilitation Services Administration, and to authorize programs to—

(1) develop and implement comprehensive and continuing State plans for meeting the current and future needs of providing vocational rehabilitation services to handicapped individuals and to provide such services for the benefit of such individuals, serving first those with the most severe handicaps, so that they may prepare for and engage in gainful employment;

(2) evaluate the rehabilitation potential of handicapped individuals;

(3) conduct a study to develop methods of providing rehabilitation services to meet the current and future needs of handicapped individuals for whom a vocational goal is not possible or feasible so that they may improve their ability to live with greater independence and self-sufficiency;

(4) assist in the construction and improvement of rehabilitation facilities;

(5) develop new and innovative methods of applying the most advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems and develop new and innovative methods of providing rehabilitation services to handicapped individuals through research, special projects, and demonstrations;

(6) initiate and expand services to groups of handicapped individuals (including those who are homebound or institutionalized) who have been underserved in the past;

(7) conduct various studies and experiments to focus on long neglected problem areas;

(8) promote and expand employment opportunities in the public and private sectors for handicapped individuals and to place such individuals in employment;

(9) establish client assistance pilot projects;

(10) provide assistance for the purpose of increasing the number of rehabilitation personnel and increasing their skills through training; and

(11) evaluate existing approaches to architectural and transportation barriers confronting handicapped individuals, develop new such approaches, enforce statutory and regulatory standards and requirements regarding barrier-free construction of public facilities and study and develop solutions to existing architectural and transportation barriers impeding handicapped individuals.

REHABILITATION SERVICES ADMINISTRATION

SEC. 3. (a) There is established in the Department of Health, Education, and Welfare a Rehabilitation Services Administration which shall be headed by a Commissioner (hereinafter in this Act referred to as the "Commissioner") appointed by the President. Except for titles IV and V and as otherwise specifically provided in this Act, such Administration shall be the principal agency for carrying out this Act. The Secretary shall not approve any delegation of the functions of the Commissioner to any other officer not directly responsible to the Commissioner unless the Secretary shall first submit a plan for such delegation to the Congress. Such delegation is effective at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan for such delegation is transmitted to it: *Provided, however,* That within thirty days of such transmittal, the Secretary shall consult with the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives respecting such proposed delegation. For the purposes of this section, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day and sixty-day periods.

(b) The Secretary, through the Commissioner in coordination with other appropriate programs in the Department of Health, Education, and Welfare, in carrying out research under this Act shall establish the expertise and technological competence to, and shall, in consultation with, the National Science Foundation and the National Academy of Sciences develop and support, and stimulate the development and utilization (including production and distribution of new and existing devices) of, innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems, and be responsible for carrying out the activities described in section 202(b)(2).

(c) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42), are expended only for the programs, personnel, and administration of programs carried out under this Act.

ADVANCE FUNDING

SEC. 4. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the advance funding method of timing appropriation action, the authority provided by subsection (a) of this section shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

JOINT FUNDING

SEC. 5. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the Rehabilitation Services Administration, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements of the administering agency under or pursuant to this Act.

CONSOLIDATED REHABILITATION PLAN

SEC. 6. (a) In order to secure increased flexibility to respond to the varying needs and local conditions within the State, and in order to permit more effective and interrelated planning and operation of its rehabilitation programs, the State may submit a consolidated rehabilitation plan which includes the State's plan under section 101 (a) of this Act and its program for persons with developmental disabilities under the Developmental Disabilities Services and Facilities Construction Amendments of 1970: *Provided,* That the agency administering such State's program under such Act concurs in the submission of such a consolidated rehabilitation plan.

(b) Such a consolidated rehabilitation plan must comply with, and be administered in accordance with, all the requirements of this Act and the Developmental Disabilities Services and Facilities Construction Amendments of 1970. If the Secretary finds that all such requirements are satisfied, he may approve the plan to serve in all respects as the substitute for the separate plans which would otherwise be required with respect to each of the programs included therein, or he may advise the State to submit separate plans for such programs.

(c) Findings of noncompliance in the administration of an approved consolidated rehabilitation plan, and any reductions, suspensions, or terminations of assistance as a result thereof, shall be carried out in accordance with the procedures set forth in subsections (c) and (d) of section 101 of this Act.

DEFINITIONS

SEC. 7. For the purpose of this Act:

(1) The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

(2) The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, intoxication or otherwise the person engaging in the act, omission, or pos-

session was legally incapable of committing a crime.

(3) The term "establishment of a rehabilitation facility" means the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to rehabilitation facility purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Secretary may determine, in accordance with regulations he shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of such facilities), and the initial equipment for such buildings, and may include the initial staffing thereof.

(4) The term "evaluation of rehabilitation potential" means, as appropriate in each case:

(A) a preliminary diagnostic study to determine that the individual has a substantial handicap to employment, and that vocational rehabilitation services are needed;

(B) a diagnostic study consisting of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors which bear on the individual's handicap to employment and rehabilitation potential including, to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustments, employment opportunities, and other pertinent data helpful in determining the nature and scope of services needed;

(C) an appraisal of the individual's patterns of work behavior and ability to acquire occupational skill, and to develop work attitudes, work habits, work tolerance, and social and behavior patterns suitable for successful job performance, including the utilization of work, simulated or real, to assess and develop the individual's capacities to perform adequately in a work environment;

(D) any other goods or services provided for the purpose of ascertaining the nature of the handicap and whether it may reasonably be expected that the individual can benefit from vocational rehabilitation services;

(E) referral;

(F) the administration of these evaluation services; and

(G) (i) the provision of vocational rehabilitation services to any individual for a total period not in excess of eighteen months for the purpose of determining whether such individual is a handicapped individual, a handicapped individual for whom a vocational goal is not possible or feasible (as determined in accordance with section 102(c), or neither such individual; and (ii) an assessment, at least once in every ninety-day period during which such services are provided, of the results of the provision of such services to an individual to ascertain whether any of the determinations described in subclause (i) may be made.

(5) The term "Federal share" means 80 per centum, except that it shall mean 90 per centum for the purposes of part C of title I of this Act and as specifically set forth in section 301(b)(3): *Provided*, That with respect to payments pursuant to part B of title I of this Act to any State which are used to meet the costs of construction of those rehabilitation facilities identified in section 103(b)(2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 301(b)(3) applicable with respect to that State and that, for the purpose of determining the non-Federal share with respect to any State, expenditures by a political subdivision thereof or by a local agency shall, subject to such limitations and conditions as the Secretary shall by regulation prescribe, be regarded as expenditures by such State.

(6) The term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (B) can reasonably be expected to benefit in terms of employability from vocational rehabilitation services provided pursuant to titles I and III of this Act.

(7) The term "local agency" means an agency of a unit of general local government or of an Indian tribal organization (or combination of such units or organizations) which has an agreement with the State agency designated pursuant to section 101(a)(1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational rehabilitation services: *Provided*, That such an arrangement is made part of the agreement specified in this paragraph.

(8) The term "nonprofit", when used with respect to a rehabilitation facility, means a rehabilitation facility owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

(9) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

(D) firefighting, fire prevention, or emergency rescue missions.

(10) The term "rehabilitation facility" means a facility which is operated for the primary purpose of providing vocational rehabilitation services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals: (A) vocational rehabilitation services which shall include, under one management, medical, psychological, social, and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psychological and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be prescribed by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.

(11) The term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(12) The term "severe handicap" means the disability which requires multiple services over an extended period of time and results from amputation, blindness, cancer, cerebral palsy, cystic fibrosis, deafness, heart disease, hemiplegia, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, neurological disorders (including stroke and epilepsy), paraplegia, quadriplegia and other spinal conditions, renal failure, respiratory or pulmonary dysfunction, and any other disability specified by the Secretary in regulations he shall prescribe.

(13) The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam, American Samoa, and the Trust Territory of the Pacific Islands, and for the purposes of American Samoa and the Trust Territory of the Pacific Islands, the appropriate State agency designated as provided in section 101(a)(1) shall be the Governor of American Samoa or the High Commissioner of the Trust Territory of the Pacific Islands, as the case may be.

(14) The term "vocational rehabilitation services" means those services identified in section 103 which are provided to handicapped individuals under this Act.

ALLOTMENT PERCENTAGE

SEC. 8. (a)(1) The allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (A) the allotment percentage shall in no case be more than 75 per centum or less than 33⅓ per centum, and (B) the allotment percentage for the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands shall be 75 per centum.

(2) The allotment percentages shall be promulgated by the Secretary between July 1 and September 30 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning on the July 1 next succeeding such promulgation.

(3) The term "United States" means (but only for purposes of this subsection) the fifty States and the District of Columbia.

(b) The population of the several States and of the United States shall be determined on the basis of the most recent data available, to be furnished by the Department of Commerce by October 1 of the year preceding the fiscal year for which funds are appropriated pursuant to statutory authorizations.

AUDIT

SEC. 9. Each recipient of a grant or contract under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant or contract is made or funds thereunder used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant or con-

tract under this Act which are pertinent to such grant or contract.

NONDUPLICATION

SEC. 10. In determining the amount of any State's Federal share of expenditures for planning, administration, and services incurred by it under a State plan approved in accordance with section 101, there shall be disregarded (1) any portion of such expenditures which are financed by Federal funds provided under any other provision of law, and (2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds. No payment may be made from funds provided under one provision of this Act relating to any cost with respect to which any payment is made under any other provision of this Act.

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

DECLARATION OF PURPOSE; AUTHORIZATION OF APPROPRIATIONS

SEC. 100. (a) The purpose of this title is to authorize grants to assist States to meet the current and future needs of handicapped individuals, so that such individuals may prepare for and engage in gainful employment to the extent of their capabilities.

(b) (1) For the purpose of making grants to States under part B of this title to assist them in meeting costs of vocational rehabilitation services provided in accordance with State plans under section 101, there is authorized to be appropriated $650,000,000 for the fiscal year ending June 30, 1974, and $680,000,000 for the fiscal year ending June 30, 1975.

(2) For the purpose of carrying out part C of this title (relating to grants to States and public and nonprofit agencies to assist them in meeting the cost of projects to initiate or expand services to handicapped individuals, especially those with the most severe handicaps) and part D of this title (relating to the study of comprehensive service needs of individuals with the most severe handicaps), there is authorized to be appropriated $37,000,000 for the fiscal year ending June 30, 1974, and $39,000,000 for the fiscal year ending June 30, 1975, and there is further authorized to be appropriated for such purposes for each such year such additional sums as the Congress may determine to be necessary. Of the sums appropriated under this paragraph for each such fiscal year, $1,000,000 in each such year shall be available only for the purpose of carrying out Part D of this title.

STATE PLANS

Sec. 101. (a) For each fiscal year in which a State desires to participate in programs under this title, a State shall submit to the Secretary for his approval an annual plan for vocational rehabilitation services which shall—

(1) (A) designate a State agency as the sole State agency to administer the plan, or to supervise its administration by a local agency, except that (i) where under the State's law the State agency for the blind or other agency which provides assistance or services to the adult blind, is authorized to provide vocational rehabilitation services to such individuals, such agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for the blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency with respect to the rest of the State plan, and (ii) the Secretary, upon the request of a State, may authorize such agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit such agencies to carry out a joint program to provide services to handicapped individuals, and may waive compliance with respect to vocational rehabilitation services furnished under such programs with the requirement of clause (4) of this subsection that the plan be in effect in all political subdivisions of that State;

(B) provide that the State agency so designated to administer or supervise the administration of the State plan, or (if there are two State agencies designated under subclause (A) of this clause) to supervise or administer the part of the State plan that does not relate to services for the blind, shall be (i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, (ii) the State agency administering or supervising the administration of education or vocational education in the State, or (iii) a State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State;

(2) provide, except in the case of agencies described in clause (1) (B) (i)—

(A) that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit which (i) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of handicapped individuals, and is responsible for the vocational rehabilitation program of such State agency, (ii) has a full-time director, and (iii) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full-time on such work; and

(B) (i) that such unit shall be located at an organizational level and shall have an organizational status within such State agency comparable to that of other major organizational units of such agency, or (ii) in the case of an agency described in clause (1) (B) (ii), either that such unit shall be located and have such status, or that the director of such unit shall be the executive officer of such State agency; except that, in the case of a State which has designated only one State agency pursuant to clause (1) of this subsection, such State may, if it so desires, assign responsibility for the part of the plan under which vocational rehabilitation services are provided for the blind to one organizational unit of such agency, and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of this clause applying separately to each of such units;

(3) provide for financial participation by the State, or if the State so elects, by the State and local agencies to meet the amount of the non-Federal share;

(4) provide that the plan shall be in effect in all political subdivisions, except that in the case of any activity which, in the judgment of the Secretary, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of handicapped individuals or groups of handicapped individuals the Secretary may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by him, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, to the extent permitted by such regulations, funds contributed to such agency by a private agency, organization, or individual);

(5) (A) contain the plans, policies, and methods to be followed in carrying out the State plan and in its administration and supervision, including a description of the method to be used to expand and improve services to handicapped individuals with the most severe handicaps; and, in the event that vocational rehabilitation services cannot be provided to all eligible handicapped individuals who apply for such services, show (i) the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided, and (ii) the outcomes and service goals, and the time within which they may be achieved, for the rehabilitation of such individuals, which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first those individuals with the most severe handicaps and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving handicapped individuals, established in regulations prescribed by the Secretary; and

(B) provide satisfactory assurances to the Secretary that the State has studied and considered a broad variety of means for providing services to individuals with the most severe handicaps;

(6) provide for such methods of administration, other than methods relating to the establishment and maintenance of personal standards, as are found by the Secretary to be necessary for the proper and efficient administration of the plan;

(7) contain (A) provisions relating to the establishment and maintenance of personnel standards, which are consistent with any State licensure laws and regulations, including provisions relating to the tenure, selection, appointment, and qualifications of personnel, and (B) provisions relating to the establishment and maintenance of minimum standards governing the facilities and personnel utilized in the provisions of vocational rehabilitation services, but the Secretary shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with such provision;

(8) provide, at a minimum, for the provision of the vocational rehabilitation services specified in clauses (1) through (3) of subsection (a) of section 103, and the remainder of such services specified in such section after full consideration of eligibility for similar benefits under any other program, except that, in the case of the vocational rehabilitation services specified in clauses (4) and (5) of subsection (a) of such section, such consideration shall not be required where it would delay the provision of such services to any individual;

(9) provide that (A) an individualized written rehabilitation program meeting the requirements of section 102 will be developed for each handicapped individual eligible for vocational rehabilitation services under this Act, (B) such services will be provided under the plan in accordance with such program, and (C) records of the characteristics of each applicant will be kept specifying, as to those individuals who apply for services under this title and are determined not to be eligible therefore, the reasons for such determinations;

(10) provide that the State agency will make such reports in such form, containing such information (including the data described in subclause (C) of clause (9) of this subsection, periodic estimates of the population of handicapped individuals eligible for services under this Act in such State, specifications of the number of such individuals who will be served with funds provided under this Act and the outcomes and service goals to be achieved for such individuals in each priority category specified in accordance with clause (5) of this subsection, and the service costs for each such category), and at such time as the Secretary may require to carry out his functions under this title, and comply with such provisions as he may find necessary to assure the correctness and verification of such reports;

(11) provide for entering into cooperative

arrangements with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, other programs for handicapped individuals, veterans programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health, Education, and Welfare, the Veterans' Administration, and other Federal, State and local, public agencies providing services related to the rehabilitation of handicapped individuals;

(12) provide satisfactory assurances to the Secretary that, in the provision of vocational rehabilitation services, maximum utilization shall be made of public or other vocational or technical training facilities or other appropriate resources in the community;

(13) (A) provide that vocational rehabilitation services provided under the State plan shall be available to any civil employee of the United States disabled while in the performance of his duty on the same terms and conditions as apply to other persons, and

(B) provide that special consideration will be given to the rehabilitation under this Act of a handicapped individual whose handicapping condition arises from a disability sustained in the line of duty while such individual was performing as a public safety officer and the proximate cause of such disability was a criminal act, apparent criminal act, or a hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;

(14) provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

(15) provide for continuing statewide studies of the needs of handicapped individuals and how these needs may be most effectively met (including the State's needs for rehabilitation facilities) with a view toward the relative need for services to significant segments of the population of handicapped individuals and the need for expansion of services to those individuals with the most severe handicaps;

(16) provide for (A) periodic review and reevaluation of the status of handicapped individuals placed in extended employment in rehabilitation facilities (including workshops) to determine the feasibility of their employment, or training for employment, in the competitive labor market, and (B) maximum efforts to place such individuals in such employment or training whenever it is determined to be feasible;

(17) provide that where such State plan includes provisions for the construction of rehabilitation facilities—

(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

(B) the provisions of section 306 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

(C) there shall be compliance with regulations the Secretary shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of rehabilitation facilities) because its plan includes such provisions for construction;

(18) provide satisfactory assurances to the Secretary that the State agency designated pursuant to clause (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational rehabilitation services (or, in appropriate cases, their parents or guardians), working in the field of vocational rehabilitation, and providers of vocational rehabilitation services; and

(19) provide satisfactory assurances to the Secretary that the continuing studies required under clause (15) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Secretary may require, of appropriate amendments to the plan.

(b) The Secretary shall approve any plan which he finds fulfills the conditions specified in subsection (a) of this section, and he shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Secretary shall notify a State of his intention to disapprove its plan, and he shall afford such State reasonable notice and opportunity for hearing.

(c) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this section, finds that—

(1) the plan has been so changed that it no longer complies with the requirements of subsection (a) of this section; or

(2) in the administration of the plan there is a failure to comply substantially with any provision of such plan,

the Secretary shall notify such State agency that no further payment will be made to the State under this title (or, in his discretion, that such further payments will be reduced, in accordance with regulations the Secretary shall prescribe, or that further payments will not be made to the State only for the projects under the parts of the State plan affected by such failure), until he is satisfied there is no longer any such failure. Until he is so satisfied, the Secretary shall make no further payments to such State under this title (or shall limit payments to projects under those parts of the State plan in which there is no such failure).

(d) If any State is dissatisfied with the Secretary's action under subsection (b) or (c) of this section, such State may appeal to the United States district court for the district where the capital of such State is located and judicial review of such action shall be on the record in accordance with the provisions of chapter 7 of title 5, United States Code.

INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

SEC. 102. (a) The Secretary shall insure that the individualized written rehabilitation program required by section 101(a)(9) in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, his parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth the terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual.

(b) Each individualized written rehabilitation program shall be reviewed on an annual basis at which time each such individual (or, in appropriate cases, his parents or guardians) will be afforded an opportunity to review such program and jointly redevelop its terms. Such program shall include, but not be limited to (1) a statement of long-range rehabilitation goals for the individual and intermediate rehabilitation objectives related to the attainment of such goals, (2) a statement of the specific vocational rehabilitation services to be provided, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and, (5) where appropriate, a detailed explanation of the availability of a client assistance project established in such area pursuant to section 112.

(c) The Secretary shall also insure that (1) in developing and carrying out individualized written rehabilitation program required by section 101 in the case of each handicapped individual primary emphasis is placed upon the determination and achievement of a vocational goal for such individual, (2) a decision that such an individual is not capable of achieving such a goal and thus not eligible for vocational rehabilitation services provided with assistance under this part, is made only in full consultation with such individual (or, in appropriate cases, his parents or guardians), and only upon the certification, as an amendment to such written program, that the evaluation of rehabilitation potential has demonstrated beyond any reasonable doubt that such individual is not then capable of achieving such a goal, and (3) any such decision shall be reviewed at least annually in accordance with the procedure and criteria established in this section.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render a handicapped individual employable, including, but not limited to, the following:

(1) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including followup, follow-along, and other postemployment services necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or rehabilitation of such individuals: *Provided*, That no training services in institutions of higher education shall be paid for with funds under this title unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time, (B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physi-

cian or licensed psychologist in accordance with State licensure laws;

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

(6) interpreter services for deaf individuals, and reader services for those individuals determined to be blind after an examination by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select;

(7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

(11) telecommunications, sensory, and other technological aids and devices.

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such services and supervision, along or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies; and

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized rehabilitation written program of any one handicapped individual.

NON-FEDERAL SHARE FOR CONSTRUCTION

SEC. 104. For the purpose of determining the amount of payments to States for carrying out part B of this title, the non-Federal share, subject to such limitations and conditions as may be prescribed in regulations by the Secretary, shall include contributions of funds made by any private agency, organization, or individual to a State or local agency to assist in meeting the costs of construction or establishment of a public or nonprofit rehabilitation facility, which would be regarded as State or local funds except for the condition, imposed by the contributor, limiting use of such funds to construction or establishment of such facility.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

STATE ALLOTMENTS

SEC. 110. (a) For each fiscal year, each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized to be appropriated under subsection (b)(1) of section 100 for allotment under this section as the product of (1) the population of the State and (2) the square of its allotment percentage bears to the sum of the corresponding products for all the States. The allotment to any State (other than Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands) under the first sentence of this subsection for any fiscal year which is less than one-quarter of 1 per centum of the amount appropriated under subsection (b)(1) of section 100, or $2,000,000, whichever is greater, shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining such States under the first sentence of this subsection, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) If the payment to a State under section 111(a) for a fiscal year is less than the total payments such State received under section 2 of the Vocational Rehabilitation Act for the fiscal year ending June 30, 1973, such State shall be entitled to an additional payment (subject to the same terms and conditions applicable to other payments under this part) equal to the difference between such payment under section 111(a) and the amount so received by it. Payments attributable to the additional payment to a State under this subsection shall be made only from appropriations specifically made to carry out this subsection, and such additional appropriations are hereby authorized.

(c) Whenever the Secretary determines, after reasonable opportunity for the submission to him of comments by the State agency administering or supervising the program established under this title, that any payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title, he shall make such amount available for carrying out the purposes of this title to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for the purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 111. (a) From each State's allotment under this part for any fiscal year (including any additional payment to it under section 110(b), the Secretary shall pay to such State an amount equal to the Federal share of the cost of vocational rehabilitation services under the plan for such State approved under section 101, including expenditures for the administration of the State plan, except that the total of such payments to such State for such fiscal year may not exceed its allotment under subsection (a) (and its additional payment under subsection (b), if any) of section 110 for such a year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by clause (17) of section 101(a), and except that the amount otherwise payable to such State for such year under this section shall be reduced by the amount (if any) by which expenditures from non-Federal sources during such year under this title are less than expenditures under the State plan for the fiscal year ending June 30, 1972, under the Vocational Rehabilitation Act.

(b) The method of computing and paying amounts pursuant to subsection (a) shall be as follows:

(1) The Secretary shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such subsection for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Secretary may find necessary.

(2) The Secretary shall pay, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such subsection was greater or less than the amount which should have been paid to the State for such prior period under such subsection. Such payment shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Secretary may determine.

CLIENT ASSISTANCE

SEC. 112. (a) From funds appropriated under section 304 for special projects and demonstrations in excess of an amount equal to the amount obligated for expenditure for carrying out such projects and demonstrations from appropriations under the Vocational Rehabilitation Act in the fiscal year ending June 30, 1973, the Secretary shall set aside up to $1,500,000, but no less than $500,000 for the fiscal year ending June 30, 1974, and up to $2,500,000 but no less than $1,000,000 for the fiscal year ending June 30, 1975, to establish in no less than 7 nor more than 20 geographically dispersed regions client assistance pilot projects (hereinafter in this section referred to as "projects") to provide counselors to inform and advise all clients and client applicants in the project area of all available benefits under this Act and, upon request of such client or client applicant, to assist such clients or applicants in their relationships with projects, programs, and facilities providing services to them under this Act.

(b) The Secretary shall prescribe regulations which shall include the following requirements:

(1) No employees of such projects shall be presently serving as staff or consultants or receiving benefits of any kind directly or indirectly from any rehabilitation project, program, or facility receiving assistance under this Act in the project area.

(2) Each project shall be afforded reasonable access to policymaking and administrative personnel in State and local rehabilitation programs, projects, and facilities.

(3) The project shall submit an annual report, through the State agency designated pursuant to section 101, to the Secretary on the operation of the project during the previous year, including a summary of the work done and a uniform statistical tabulation of all cases handled by such project. A copy of each such report shall be submitted to the appropriate committees of the Congress by the Secretary, together with a summary of such reports and his evaluation of such projects, including appropriate recommendations.

(4) Each State agency may enter into cooperative arrangements with institutions of higher education to secure the services in such projects of graduate students who are undergoing clinical training activities in related fields. No compensation with funds appropriated under this Act shall be provided to such students.

(5) Reasonable assurance shall be given by the appropriate State agency that all clients or client applicants within the project area shall have the opportunity to receive adequate service under the project and shall not be pressured against or otherwise discouraged from availing themselves of the services available under such project.

(6) The project shall be funded, administered, and operated directly by and with the concurrence of the State agency designated pursuant to section 101.

PART C—INNOVATION AND EXPANSION GRANTS

STATE ALLOTMENTS

SEC. 120. (a)(1) From the sums available pursuant to section 100(b)(2) for any fiscal year for grants to States to assist them in meeting the costs described in section 121, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. The allotment to any State under the preceding sen-

tence for any fiscal year which is less than $50,000 shall be increased to that amount, and for the fiscal year ending June 30, 1974, no State shall receive less than the amount necessary to cover up to 90 per centum of the cost of continuing projects assisted under section 4(a)(2)(A) of the Vocational Rehabilitation Act, except that no such project may receive financial assistance under both the Vocational Rehabilitation Act and this Act for a total period of time in excess of three years. The total of the increase required by the preceding sentence shall be derived by proportionately reducing the allotments to each of the remaining States under the first sentence of this section, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from thereby being reduced to less than $50,000.

(b) Whenever the Secretary determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he shall make such amount available for carrying out the purposes of this section to one or more other States which he determines will be able to use additional amounts during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this part, be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.

PAYMENTS TO STATES

SEC. 121. (a) From each State's allotment under this part for any fiscal year, the Secretary shall pay to such State or, at the option of the State agency designated pursuant to section 101(a)(1), to a public or nonprofit organization or agency, a portion of the cost of planning, preparing for, and initiating special programs under the State plan approved pursuant to section 101 to expand vocational rehabilitation services, including programs to initiate or expand such services to individuals with the most severe handicaps, or of special programs under such State plan to initiate or expand services to classes of handicapped individuals who have unusual and difficult problems in connection with their rehabilitation, particularly handicapped individuals who are poor, and responsibility for whose treatment, education, and rehabilitation is shared by the State agency designated in section 101 with other agencies. The Secretary may require that any portion of a State's allotment under this section, but not more than 50 per centum of such allotment, may be expended in connection with only such projects as have first been approved by the Secretary. Any grant of funds under this section which will be used for direct services to handicapped individuals or for establishing or maintaining facilities which will render direct services to such individuals must have the prior approval of the appropriate State agency designated pursuant to section 101.

(b) Payments under this section with respect to any project may be made for a period of not to exceed three years beginning with the commencement of the project as approved, and sums appropriated for grants under this section shall remain available for such grants through the fiscal year ending June 30, 1976. Payments with respect to any project may not exceed 90 per centum of the cost of such project. The non-Federal share of the cost of a project may be in cash or in kind and may include funds spent for project purposes by a cooperating public or nonprofit agency provided that it is not included as a cost in any other federally financed program.

(c) Payments under this section may be made in advance or by way of reimbursement for services performed and purchases made, as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this section.

PART D—COMPREHENSIVE SERVICE NEEDS

SPECIAL STUDY

SEC. 130. (a) The Secretary shall conduct a comprehensive study, including research and demonstration projects of the feasibility of methods designed (1) to prepare individuals with the most severe handicaps for entry into programs under this Act who would not otherwise be eligible to enter such programs due to the severity of their handicap, and (2) to assist individuals with the most severe handicaps who, due to the severity of their handicaps or other factors such as their age, cannot reasonably be expected to be rehabilitated for employment but for whom a program of rehabilitation could improve their ability to live independently or function normally within their family and community. Such study shall encompass the extent to which other programs administered by the Secretary do or might contribute to the objectives set forth in clauses (1) and (2) of the preceding sentence and the methods by which all such programs can be coordinated at Federal, State, and local levels with those carried out under this Act to the end that individuals with the most severe handicaps are assured of receiving the kinds of assistance necessary for them to achieve such objectives.

(b) The Secretary shall report the findings of the study, research, and demonstrations directed by subsection (a) of this section to the Congress and to the President together with such recommendations for legislative or other action as he may find desirable, not later than February 1, 1975.

TITLE II—RESEARCH AND TRAINING

DECLARATION OF PURPOSE

SEC. 200. The purpose of this title is to authorize Federal assistance to State and public or nonprofit agencies and organizations to—

(a) plan and conduct research, demonstrations, and related activities in the rehabilitation of handicapped individuals, and

(b) plan and conduct courses of training and related activities designed to provide increased numbers of trained rehabilitation personnel, to increase the levels of skills of such personnel, and to develop improved methods of providing such training.

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) In order to make grants and contracts to carry out the purposes of this title, there is authorized to be appropriated:

(1) For the purpose of carrying out section 202 of this title, $25,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975; and there is further authorized to be appropriated for such purpose for each such year such additional sums as the Congress may determine to be necessary. Of the sums appropriated under this paragraph, 20 per centum, and 25 per centum of the amounts appropriated in the first and second such fiscal years, respectively, shall be available only for the purpose of carrying out activities under section 202(b)(2).

(2) For the purpose of carrying out section 203 of this title, there is authorized to be appropriated $27,700,000 each for the fiscal years ending June 30, 1974, and June 30, 1975; and there is further authorized to be appropriated for such purpose for each such year such additional sums as the Congress may determine to be necessary.

(b) Funds appropriated under this title shall remain available until expended.

RESEARCH

SEC. 202. (a) The Secretary, through the Commissioner, and in coordination with other appropriate programs in the Department of Health, Education, and Welfare, is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for the purpose of planning and conducting research, demonstrations, and related activities which bear directly on the development of methods, procedures, and devices to assist in the provision of vocational rehabilitation services to handicapped individuals, especially those with the most severe handicaps, under this Act. Such projects may include medical and other scientific, technical, methodological, and other investigations into the nature of disability, methods of analyzing it, and restorative techniques; studies and analyses of industrial, vocational, social, psychological, economic, and other factors affecting rehabilitation of handicapped individuals; special problems of homebound and institutionalized individuals; studies and analyses of architectural and engineering design adapted to meet the special needs of handicapped individuals; and related activities which hold promise of increasing knowledge and improving methods in the rehabilitation of handicapped individuals and individuals with the most severe handicaps.

(b) In addition to carrying out projects under subsection (a) of this section, the Secretary, through the Commissioner, and in coordination with other appropriate programs in the Department of Health, Education, and Welfare, is authorized to make grants to pay part or all of the costs of the following specialized research activities:

(1) Establishment and support of Rehabilitation Research and Training Centers to be operated in collaboration with institutions of higher education for the purpose of providing coordinated and advanced programs of research in rehabilitation and training of rehabilitation research personnel, including, but not limited to, graduate training. Grants may include funds for services rendered by such a center to handicapped individuals in connection with such research and training activities.

(2) Establishment and support of Rehabilitation Engineering Research Centers to (A) develop innovative methods of applying advanced medical technology, scientific achievement, and psychological and social knowledge to solve rehabilitation problems through planning and conducting research, including cooperative research with public or private agencies and organizations, designed to produce new scientific knowledge, equipment, and devices suitable for solving problems in the rehabilitation of handicapped individuals and for reducing environmental barriers, and to (B) cooperate with State agencies designated pursuant to section 101 in developing systems of information exchange and coordination to promote the prompt utilization of engineering and other scientific research to assist in solving problems in the rehabilitation of handicapped individuals.

(3) Conduct of a program for spinal cord injury research, to include support of spinal cord injuries projects and demonstrations established pursuant to section 303(b), which will (A) insure dissemination of research findings among all such centers, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among spinal cord injury investigators.

(4) Conduct a program for end-stage renal disease research, to include support of projects and demonstrations for providing special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the rehabilitation of individ-

uals suffering from such disease and which will (A) insure dissemination of research findings, (B) provide encouragement and support for initiatives and new approaches by individual and institutional investigators, and (C) establish and maintain close working relationships with other governmental and voluntary institutions and organizations engaged in similar efforts, in order to unify and coordinate scientific efforts, encourage joint planning, and promote the interchange of data and reports among investigators in the field of end-stage renal disease. No person shall be selected to participate in such program who is eligible for services for such disease under any other provision of law.

(5) Conduct of a program for international rehabilitation research, demonstration, and training for the purpose of developing new knowledge and methods in the rehabilitation of handicapped individuals in the United States, cooperating with and assisting in developing and sharing information found useful in other nations in the rehabilitation of handicapped individuals, and initiating a program to exchange experts and technical assistance in the field of rehabilitation of handicapped individuals with other nations as a means of increasing the levels of skill of rehabilitation personnel.

(c) The provisions of section 306 shall apply to assistance provided under this section, unless the context indicates to the contrary.

TRAINING

SEC. 203. (a) The Secretary, through the Commissioner, in coordination with other appropriate programs in the Department of Health, Education, and Welfare, is authorized to make grants to and contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay part of the cost of projects for training, traineeships, and related activities designed to assist in increasing the numbers of personnel trained in providing vocational services to handicapped individuals and in performing other functions necessary to the development of such services.

(b) In making such grants or contracts, funds made available for any year will be utilized to provide a balanced program of assistance to meet the medical, vocational, and other personnel training needs of both public and private rehabilitation programs and institutions, to include projects in rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, workshop and facility administration, prosthetics and orthotics, specialized personnel in providing services to blind and deaf individuals, recreation for ill and handicapped individuals, and other fields contributing to the rehabilitation of handicapped individuals, including homebound and institutionalized individuals and handicapped individuals with limited English-speaking ability. No grant shall be made under this section for furnishing to an individual any one course of study extending for a period in excess of four years.

REPORTS

SEC. 204. There shall be included in the annual report to the Congress required by section 404 a full report on the research and training activities carried out under this title and the extent to which such research and training has contributed directly to the development of methods, procedures, devices, and trained personnel to assist in the provision of vocational rehabilitation services to handicapped individuals and those with the most severe handicaps under this Act.

TITLE III—SPECIAL FEDERAL RESPONSIBILITIES

DECLARATION OF PURPOSE

SEC. 300. The purpose of this title is to—

(1) authorize grants and contracts to assist in the construction and initial staffing of rehabilitation facilities;

(2) authorize grants and contracts to assist in the provision of vocational training services to handicapped individuals;

(3) authorize grants for special projects and demonstrations which hold promise of expending or otherwise improving rehabilitation services to handicapped individuals, including individuals with spinal cord injuries, older blind individuals, and deaf individuals whose maximum vocational potential has not been reached, which experiment with new types of patterns of services or devices for the rehabilitation of handicapped individuals (including opportunities for new careers for handicapped individuals, and for other individuals in programs serving handicapped individuals) and which provide vocational rehabilitation services to handicapped migratory agricultural workers or seasonal farmworkers;

(4) establish and operate a National Center for Deaf-Blind Youths and Adults; and

(5) establish uniform grant and contract requirements for programs assisted under this title and certain other provisions of this Act.

GRANTS FOR CONSTRUCTION OF REHABILITATION FACILITIES

SEC. 301. (a) For the purpose of making grants and contracts under this section for construction of rehabilitation facilities, initial staffing, and planning assistance, there is authorized to be appropriated such sums as may be necessary for the fiscal years ending June 30, 1974, and June 30, 1975. Amounts so appropriated shall remain available for expenditure with respect to construction projects funded or initial staffing grants made under this section prior to July 1, 1977.

(b)(1) The Secretary is authorized to make grants to assist in meeting the costs of construction of public or nonprofit rehabilitation facilities. Such grants may be made to States and public or nonprofit organizations and agencies for projects for which applications are approved by the Secretary under this section.

(2) To be approved, an application for a grant for a construction project under this section must conform to the provisions of section 306.

(3) The amount of a grant under this section with respect to any construction project in any State shall be equal to the same percentage of the cost of such project as the Federal share which is applicable in the case of rehabilitation facilities (as defined in section 645(g) of the Public Health Service Act (42 U.S.C. 291o(a)), in such State, except that if the Federal share with respect to rehabilitation facilities in such State is determined pursuant to subparagraph (b)(2) of section 645 of such Act (42 U.S.C. 291o(b)(2)), the percentage of the cost for purposes of this section shall be determined in accordance with regulations prescribed by the Secretary designed to achieve as nearly as practicable results comparable to the results obtained under such subparagraph.

(c) The Secretary is also authorized to make grants to assist in the initial staffing of any public or nonprofit rehabilitation facility constructed after the date of enactment of this section (whether or not such construction was financed with the aid of a grant under this section) by covering part of the costs (determined in accordance with regulations the Secretary shall prescribe) of compensation of professional or technical personnel of such facility during the period beginning with the commencement of the operation of such facility and ending with the close of four years and three months after the month in which such operation commenced. Such grants with respect to any facility may not exceed 75 per centum of such costs for the period ending with the close of the fifteenth month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

(d) The Secretary is also authorized to make grants upon application approved by the State agency designated under section 101 to administer the State plan, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning rehabilitation facilities and the services to be provided by such facilities.

VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 302. (a) For the purpose of making grants and contracts under this section, there is authorized to be appropriated such sums as may be necessary for the fiscal years ending June 30, 1974, and June 30, 1975.

(b)(1) The Secretary is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational training services to handicapped individuals, especially those with the most severe handicaps, in public or nonprofit rehabilitation facilities.

(2)(A) Vocational training services for purposes of this subsection shall include training with a view toward career advancement; training in occupational skills; related services, including work evaluation, work testing, provision of occupational tools and equipment required by the individual to engage in such training, and job tryouts; and payment of weekly allowances to individuals receiving such training and related services.

(B) Such allowances may not be paid to any individual for any period in excess of two years, and such allowances for any week shall not exceed $30 plus $10 for each of the individual's dependents, or $70, whichever is less. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of training services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors, specified by the Secretary, as will promote such individual's capacity to engage in gainful and suitable employment.

(3) The Secretary may make a grant for a project pursuant to this subsection only on his determination that (A) the purpose of such project is to prepare handicapped individuals, especially those with the most severe handicaps, for gainful and suitable employment; (B) the individuals to receive training services under such project will include only those who have been determined to be suitable for and in need of such training services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the rehabilitation facility is located; (C) the full range of training services will be made available to each such individual, to the extent of his need for such services; and (D) the project, including the participating rehabilitation facility and the training services provided, meet such other requirements as he may prescribe in regulations for carrying out the purposes of this subsection.

(c)(1) The Secretary is authorized to make grants to public or nonprofit rehabilitation facilities, or to an organization or combination of such facilities, to pay the

Federal share of the cost of projects to analyze, improve, and increase their professional services to handicapped individuals, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

MORTGAGE INSURANCE FOR REHABILITATION FACILITIES

SEC. 303. (a) It is the purpose of this section to assist and encourage the provision of urgently needed facilities for programs for handicapped individuals.

(b) For the purpose of this section the terms "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Secretary, in consultation with the Secretary of Housing and Urban Development, and subject to the provisions of section 306, is authorized to insure up to 100 per centum of any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon, except that no mortgage of any public agency shall be insured under this section if the interest from such mortgage is exempt from Federal taxation.

(d) In order to carry out the purpose of this section, the Secretary is authorized to insure any mortgage which covers construction of a public or nonprofit rehabilitation facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Secretary, who demonstrates ability successfully to operate one or more programs for handicapped individuals. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary may make such contracts, with and acquire for not to exceed $100 such stock of interest in, such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section), and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the rehabilitation facility, when the proposed improvements are completed and the equipment is installed, but not including any cost covered by grants in aid under this Act of any other Federal Act.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market.

(e) The Secretary shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction, but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Secretary may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he shall by regulation prescribe.

(g) (1) The Secretary shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgage under title II of the National Housing Act. The Secretary may, pursuant to a formal delegation agreement containing regulations prescribed by him, delegate to the Secretary of Housing and Urban Development authority to administer this section in accordance with such delegation agreement.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Rehabilitation Facilities Insurance Fund (established by subsection (h) of this section) and all references in such provisions to "Secretary" shall be deemed to refer to the Secretary of Health, Education, and Welfare.

(h) (1) There is hereby created a Rehabilitation Facilities Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Rehabilitation Facilities Insurance Fund.

(2) The general expenses of the operations of the Rehabilitation Services Administration relating to mortgages insured under this section may be charged to the Rehabilitation Facilities Insurance Fund.

(3) Moneys in the Rehabilitation Facilities Insurance Fund not needed for the current operations of the Rehabilitation Services Administration with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Rehabilitation Facilities Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisals and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary in connection therewith, and all earnings as the assets to the fund, shall be credited to the Rehabilitation Facilities Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments, and adjustments, and expense incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Rehabilitation Facilities Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary, except that the total amount of outstanding mortgages insured shall not exceed $200,000,000.

SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 304. (a) (1) For the purpose of making grants under this section for special projects and demonstrations (and research and evaluation connected therewith), there is authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1974, and $17,000,000 for the fiscal year ending June 30, 1975; and there is further authorized to be appropriated for such purposes for each such year such additional sums as the Congress may determine to be necessary.

(2) Of the amounts appropriated pursuant to paragraph (1) of this subsection, 5 per centum in each such fiscal year shall be available only for the purpose of making grants under subsection (c) of this section, and there is authorized to be appropriated in each such fiscal year such additional amount as may be necessary to equal, when added to the amount made available for the purpose of making grants under such subsection an amount of $5,000,000 to be available for each such fiscal year.

(b) The Secretary, subject to the provisions of section 306, shall make grants to States and public or nonprofit agencies and organizations for paying part or all of the cost of special projects and demonstrations (and research and evaluation in connection therewith) (1) for establishing programs and facilities for providing vocational rehabilitation services which hold promise of expanding or otherwise improving rehabilitation services to handicapped individuals (especially those with the most severe handicaps) including individuals with spinal cord injuries, other blind individuals, and deaf individuals, whose maximum vocational potential has not been reached, and (2) for applying new types or patterns of services or devices (including opportunities for new careers for handicapped individuals for other individuals in programs servicing handicapped individuals). Projects and demonstrations providing services to individuals with spinal cord injuries shall include provisions to—

(A) establish, on an appropriate regional basis, a multidisciplinary system of providing vocational and other rehabilitation services, specifically designed to meet the special needs of individuals with spinal cord injuries, including acute care as well as periodic inpatient or outpatient followup and services;

(B) demonstrate and evaluate the benefits to individuals with spinal cord injuries served in, and the degree of cost effectiveness of, such a regional system;

(C) demonstrate and evaluate existing, new, and improved methods and equipment essential to the care, management, and rehabilitation of individuals with spinal cord injuries; and

(D) demonstrate and evaluate methods of community outreach for individuals with

spinal cord injuries and community education in connection with the problems of such individuals in areas such as housing, transportation, recreation, employment, and community activities.

(c) The Secretary, subject to the provisions of section 306, is authorized to make grants to any State agency designated pursuant to a State plan approved under section 101, or to any local agency participating in the administration of such a plan, to pay up to 90 per centum of the cost of projects or demonstrations for the provision of vocational rehabilitation services to handicapped individuals, as determined in accordance with rules prescribed by the Secretary of Labor, are migratory agricultural workers or seasonable farmworkers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of such individuals and members of their families where necessary to the rehabilitation of such individuals. Maintenance payments under this section shall be consistent with any maintenance payments made to other handicapped individuals in the State under this Act. Such grants shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit agencies and organizations having special skills and experience in the provision of services to migratory agricultural workers, seasonal farmworkers, or their families. This subsection shall be administered in coordination with other programs serving migrant agricultural workers and and seasonal farmworkers, including programs under title I of the Elementary and Secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, the Migrant Health Act, and the Farm Labor Contractor Registration Act of 1963.

(d) The Secretary is authorized to make contracts or jointly financed cooperative arrangements with employers and organizations for the establishment of projects designed to prepare handicapped individuals for gainful and suitable employment in the competitive labor market under which handicapped individuals are provided training and employment in a realistic work setting and such other services (determined in accordance with regulations prescribed by the Secretary) as may be necessary for such individuals to continue to engage in such employment.

(e)(1) The Secretary is authorized, directly or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof, to provide technical assistance (A) to rehabilitation facilities, and (B) for the purpose of removal of architectural and transportation barriers, to any public or nonprofit agency, institution, organization or facility.

(2) Any such experts or consultants shall, while serving pursuant to such contracts, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the pro rata pay rate for a person employed as a GS–18, under section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 305. (a) For the purpose of establishing and operating a National Center for Deaf-Blind Youths and Adults, there is authorized to be appropriated such sums as may be necessary for construction, which shall remain available until expended, and such sums as may be necessary for operations for the fiscal years ending June 30, 1974, and June 30, 1975.

(b) In order—

(1) to demonstrate methods of (A) providing the specialized intensive services, and other services, needed to rehabilitate handicapped individuals who are both deaf and blind, and (B) training the professional and allied personnel needed adequately to staff facilities specifically designed to provide such services and training to such personnel who have been or will be working with deaf-blind individuals;

(2) to conduct research in the problems of, and ways of meeting the problems or rehabilitating, deaf-blind individuals; and

(3) to aid in the conduct of related activities which will expand or improve the services for or help improve public understanding of the problems of deaf-blind individuals; the Secretary, subject to the provisions of section 306, is authorized to enter into an agreement with any public or nonprofit agency or organization for payment by the United States of all or part of the costs of the establishment and operation, including construction and equipment, of a center for vocational rehabilitation of handicapped individuals who are both deaf and blind, which center shall be known as the National Center for Deaf-Blind Youths and Adults.

(c) Any agency or organization desiring to enter into such agreement shall submit a proposal therefor at such time, in such manner, and containing such information as may be prescribed in regulations by the Secretary. In considering such proposals the Secretary shall give preference to proposals which (1) give promise of maximum effectiveness in the organization and operation of such Center, and (2) give promise of offering the most substantial skill, experience, and capability in providing a broad program of service, research, training, and related activities in the field of rehabilitation of deaf-blind individuals.

GENERAL GRANT AND CONTRACT REQUIREMENTS

SEC. 306. (a) The provisions of this section shall apply to all projects approved and assisted under this title. The Secretary shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under section 302.

(b) To be approved, an application for assistance for a construction project under this title must—

(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project is completed, for its effective use for its intended purpose;

(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Secretary, which he shall summarize and comment upon in the annual report to the Congress submitted under section 404;

(4) be accompanied or supplemented by plans and specifications in which due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Secretary related to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90–480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for rehabilitation facilities; and

(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5); and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(c) Upon approval of any application for a grant or contract for a project under this title, the Secretary shall reserve, from any appropriation available therefore, the amount of such grant or contract determined under this title. In case an amendment to an approved application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

(f) A project for construction of a rehabilitation facility which is primarily a workshop may, where approved by the Secretary as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of handicapped individuals.

(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

(h) When in any State, funds provided under this title will be used for providing direct services to handicapped individuals or for establishing facilities which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

(i) Prior to making any grant or entering into any contract under this title, the Secretary shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.

TITLE IV—ADMINISTRATION AND PROGRAM AND PROJECT EVALUATION

ADMINISTRATION

SEC. 400. (a) In carrying out his duties under this Act, the Secretary shall—

(1) cooperate with, and render technical assistance (directly or by grant or contract) to States in matters relating to the rehabilitation of handicapped individuals;

(2) provide short-term training and instruction in technical matters relating to vocational rehabilitation services, including the establishment and maintenance of such research fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of four years, and such training, instruction, fellowships, and traineeships may be in the fields of rehabilitation medicine, rehabilitation nursing, rehabilitation counseling, rehabilitation social work, rehabilitation psychology, physical therapy, occupational therapy, speech pathology and audiology, prosthetics and orthotics, recreation for ill and handicapped individuals, and other specialized fields contributing to the rehabilitation of handicapped individuals; and

(3) disseminate information relating to vocational rehabilitation services, and otherwise promote the cause of the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment.

(b) The Secretary is authorized to make rules and regulations governing the administration of this title and titles I through III of this Act, and, except as otherwise provided in this Act, to delegate to any officer or employee of the United States such of his powers and duties under such titles, except the making of rules and regulations, as he finds necessary to carry out the provisions of such titles. Such rules and regulations shall be published in the Federal Register, on at least an interim basis, no later than ninety days after the date of enactment of this Act.

(c) The Secretary is authorized (directly or by grants or contracts) to conduct studies, investigations, and evaluation of the programs authorized by this Act, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, their utilization in gainful and suitable employment, and with respect to architectural, transportation, and other environmental and attitudinal barriers to their rehabilitation, including the problems of homebound, institutionalized, and older blind individuals.

(d) There is authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer the provisions of this Act.

(e) In carrying out his duties under this Act, the Secretary shall insure the maximum coordination and consultation, at both national and local levels, with the Administrator of Veterans' Affairs and his designees with respect to programs for and relating to the rehabilitation of disabled veterans carried out under title 38, United States Code.

PROGRAM AND PROJECTION EVALUATION

SEC. 401. (a) (1) The Secretary shall measure and evaluate the impact of all programs authorized by this Act, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(2) In carrying out his responsibilities under this subsection, the Secretary, in the case of research, demonstrations, and related activities carried out under section 202, shall, after taking into consideration the views of State agencies designated pursuant to section 101, on an annual basis—

(A) reassess priorities to which such activities should be directed; and

(B) review present research, demonstration, and related activities to determine, in terms of the purpose specified for such activities by subsection (a) of section 202, whether and on what basis such activities should be continued, revised, or terminated.

(3) The Secretary shall, within 12 months after the date of enactment of this Act, and on each April 1 thereafter, prepare and furnish to the appropriate committees of the Congress a complete report on the determination and review carried out under paragraph (2) of this subsection, together with such recommendations, including any recommendations for additional legislation, as he deems appropriate.

(b) Effective July 1, 1974, before funds for the programs and projects covered by this Act are released, the Secretary shall develop and publish general standards for evaluation of the programs and project effectiveness in achieving the objectives of this Act. He shall consider the extent to which such standards have been met in deciding, in accordance with procedures set forth in subsection (b), (c), and (d) of section 101, whether to renew or supplement financial assistance authorized under any section of this Act. Reports submitted pursuant to section 404 shall describe the actions taken as a result of these evaluations.

(c) In carrying out evaluations under this title, the Secretary shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this Act about such programs and projects.

(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness no later than ninety days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this Act shall become the property of the United States.

OBTAINING INFORMATION FROM FEDERAL AGENCIES

SEC. 402. Such information as the Secretary may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by the agencies of the executive branch.

AUTHORIZATION OF APPROPRIATIONS

SEC. 403. There is authorized to be appropriated for the fiscal years ending June 30, 1974, and June 30, 1975, such sums as the Secretary may require, but not to exceed an amount equal to one-half of 1 per centum of the funds appropriated under titles I, II, and III of this Act or $1,000,000, whichever is greater, to be available to conduct program and project evaluations as required by this title.

REPORTS

SEC. 404. Not later than one hundred and twenty days after the close of each fiscal year, the Secretary shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act. Such annual reports shall include (1) statistical data reflecting, with the maximum feasible detail vocational rehabilitation services provided handicapped individuals during the preceding fiscal year, (2) specifically distinguish among rehabilitation closures attributable to physical restoration, placement in competitive employment, extended or terminal employment in a sheltered workshop or rehabilitation facility, employment as a homemaker or unpaid family worker, and provision of other services, and (3) include a detailed evaluation of services provided with assistance under title I of this Act, especially services to those with the most severe handicaps.

SECRETARIAL RESPONSIBILITIES

SEC. 405. (a) It shall be the function of the Secretary, with the assistance of agencies within the Department, other departments and agencies within the Federal Government, handicapped individuals, and public and private agencies and organizations, through the Office of the Secretary, to—

(1) prepare for submission to the Congress within eighteen months after the date of enactment of this Act, a long-range projection for the provision of comprehensive services to handicapped individuals and for programs of research, evaluation, and training related to such services and individuals;

(2) analyze on a continuing basis and include in his report submitted under section 404, a report on the results of such analysis, program operation to determine consistency with applicable provisions of law, progress toward meeting the goals and priorities set forth in the projection required under clause (1), and the effectiveness of all programs providing services to handicapped individuals, and the elimination of unnecessary duplication and overlap in such programs under the jurisdiction of the Secretary;

(3) encourage coordinated and cooperative planning designed to produce maximum effectiveness, sensitivity, and continuity in the provision of services for handicapped individuals by all programs;

(4) develop means of promoting the prompt utilization of engineering and other scientific research to assist in solving problems in education (including promotion of the development of curriculums stressing barrier free design and the adoption of such curriculums by schools of architecture, design, and engineering), health, employment, rehabilitation, architectural, housing, and transportation barriers, and other areas so as to bring about full integration of handicapped individuals into all aspects of society;

(5) provide a central clearinghouse for information and resource availability for handicapped individuals through (A) the evaluation of systems within the Department of Health, Education, and Welfare, other departments and agencies of the Federal Government, public and private agencies and organizations, and other sources, which provide (i) information and data regarding the location, provision, and availability of services and programs for handicapped individuals, regarding research and recent medical and scientific developments bearing on handicapping conditions (and their prevention, amelioration, causes, and cures), and regarding the current numbers of handicapped individuals and their needs, and (ii) any other such relevant information and data which the Secretary deems necessary; and (B) utilizing the results of such evaluation and existing information systems, the development within such Department of a coordinated system of information and data retrieval, which will have the capacity and responsibility to provide general and specific information regarding the information and data referred to in subclause (A) of this clause to the Congress, public and private agencies and organizations, handicapped individuals and their families, professionals in fields serving such individuals, and the general public.

(b) In selecting personnel to assist in the performance of the functions assigned in subsection (a) of this section, the Secretary shall give special emphasis to qualified handicapped individuals.

(c) The functions assigned to the Secretary by this section shall not be delegated to any persons not assigned to and operating in the Office of the Secretary, except that he may establish an Office for the Handicapped in the office of an appropriate

Assistant Secretary of the Department of Health, Education, and Welfare to carry out such functions.

(d) There are authorized to be appropriated for carrying out this section $500,000 each for the fiscal years ending June 30, 1974, and June 30, 1975.

(e) Not later than thirty days after the appropriation Act containing sums for carrying out the provisions of this Act as enacted for each fiscal year, the Secretary shall set aside out of sums available to carry out this section or otherwise available pursuant to any other Act, an amount which he determines is necessary and appropriate to enable him to carry out the provisions of this section and shall notify the appropriate committees of the Congress of the amount so set aside, the number of personnel necessary for such purpose, and the basis for his determination under this subsection and his reasons therefor.

SHELTERED WORKSHOP STUDY

SEC. 406. (a) The Secretary shall conduct an original study of the role of sheltered workshops in the rehabilitation and employment of handicapped individuals, including a study of wage payments in sheltered workshops. The study shall incorporate guidelines which are consistent with criteria provided in resolutions adopted by the Committee on Labor and Public Welfare of the United States Senate or the Committee on Education and Labor of the United States House of Representatives, or both.

(b) The study shall include site visits to sheltered workshops, interviews with handicapped trainees or clients, and consultations with interested individuals and groups and State agencies designated pursuant to section 101.

(c) Any contracts awarded for the purpose of carrying out all or part of this study shall not be made with individuals or groups with a financial or other direct interest in sheltered workshops.

(d) The Secretary shall report to the Congress his findings and recommendations with respect to such study within twenty-four months after the date of enactment of this Act.

STATE ALLOCATION STUDY

SEC. 407. (a) The Secretary shall conduct a thorough study of the allotment of funds among the States for grants for basic vocational rehabilitation services authorized under part B of title I of this Act, including a consideration of—

(1) the needs of individuals requiring vocational rehabilitation services;

(2) the financial capability of the States to furnish vocational rehabilitation assistance including, on a State-by-State basis, per capita income per capita costs of services rendered, State tax rates, and the ability and willingness of a State to provide the non-Federal share of the costs of rendering such services;

(3) the continuing demand upon the States to furnish vocational rehabilitation services, together with a consideration of the factor that no State would receive less Federal financial assistance under such part than it received under section 2 of the Vocational Rehabilitation Act in the fiscal year immediately prior to the enactment of this Act.

(b) Not later than June 30, 1974, the Secretary shall report to the Congress his findings and recommendations, including recommendations for additional legislation, with respect to the study required by this section, which report shall include recommendations with respect to allotment of Federal funds among the States and the Federal share of the cost of furnishing vocational rehabilitation services by the States.

TITLE V—MISCELLANEOUS

EFFECT ON EXISTING LAW

SEC. 500. (a) The Vocational Rehabilitation Act (29 U.S.C. 31 et seq.) is repealed ninety days after the date of enactment of this Act and references to such Vocational Rehabilitation Act in any other provision of law shall, ninety days after such date, be deemed to be references to the Rehabilitation Act of 1973. Unexpended appropriations for carrying out the Vocational Rehabilitation Act may be made available to carry out this Act, as directed by the President. Approved State plans for vocational rehabilitation, approved projects, and contractual arrangements authorized under the Vocational Rehabilitation Act will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

(b) The authorizations of appropriations in the Vocational Rehabilitation Act are hereby extended at the level specified for the fiscal year 1972 for the fiscal year 1973.

EMPLOYMENT OF HANDICAPPED INDIVIDUALS

SEC. 501. (a) There is established within the Federal Government an Interagency Committee on Handicapped Employees (hereinafter in this section referred to as the "Committee"), comprised of such members as the President may select, including the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Civil Service Commission, the Administrator of Veterans' Affairs, and the Secretaries of Labor and Health, Education, and Welfare. The Secretary of Health, Education, and Welfare and the Chairman of the Civil Service Commission shall serve as co-chairmen of the Committee. The resources of the President's Committees on Employment of the Handicapped and on Mental Retardation shall be made full available to the Committee. It shall be the purpose and function of the Committee (1) to provide a focus for Federal and other employment of handicapped individuals, and to review, on a periodic basis, in cooperation with the Civil Service Commission, the adequacy of hiring placement, and advancement practices with respect to handicapped individuals, by each department, agency, and instrumentality in the executive branch of Government, and to insure that the special needs of such individuals are being met; and (2) to consult with the Civil Service Commission to assist the Commission to carry out its responsibilities under subsections (b), (c), and (d) of this section. On the basis of such review and consultation, the Committee shall periodically make to the Civil Service Commission such recommendations for legislative and administrative changes as it deems necessary or desirable. The Civil Service Commission shall timely transmit to the appropriate committees of Congress any such recommendations.

(b) Each department, agency, and instrumentality (including the United States Postal Service and the Postal Rate Commission) in the executive branch shall, within one hundred and eighty days after the date of enactment of this Act, submit to the Civil Service Commission and to the Committee an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality. Such plan shall include a description of the extent to which and methods whereby the special needs of handicapped employees are being met. Such plan shall be updated annually, and shall be reviewed annually and approved by the Commission, if the Commission determines, after consultation with the Committee, that such plan provides sufficient assurances, procedures and commitments to provide adequate hiring, placement, and advancement opportunities for handicapped individuals.

(c) The Civil Service Commission, after consultation with the Committee, shall develop and recommend to the Secretary for referral to the appropriate State agencies, policies and procedures which will facilitate the hiring, placement, and advancement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, veterans' programs, or any other program for handicapped individuals, including the promotion of job opportunities for such individuals. The Secretary shall encourage such State agencies to adopt and implement such policies and procedures.

(d) The Civil Service Commission, after consultation with the Committee, shall, on June 30, 1974, and at the end of each subsequent fiscal year, make a complete report to the appropriate committees of the Congress with respect to the practices of and achievements in hiring, placement, and advancement of handicapped individuals by each department, agency, and instrumentality and the effectiveness of the affirmative action programs required by subsection (b) of this section, together with recommendations as to legislation which have been submitted to the Civil Service Commission under subsection (a) of this section, or other appropriate action to insure the adequacy of such practices. Such report shall also include an evaluation by the Committee of the effectiveness of the Civil Service Commission's activities under subsections (b) and (c) of this section.

(e) An individual who, as a part of his individualized written rehabilitation program under a State plan approved under this Act, participates in a program of unpaid work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(f)(1) The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized and directed to cooperate with the President's Committee on Employment of the Handicapped in carrying out its functions.

(2) In selecting personnel to fill all positions on the President's Committee on Employment of the Handicapped, special consideration shall be given to qualified handicapped individuals.

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 502. (a) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Board") which shall be composed of the heads of each of the following departments or agencies (or their designees whose positions are Executive Level IV or higher):

(1) Department of Health, Education, and Welfare;

(2) Department of Transportation;

(3) Department of Housing and Urban Development;

(4) Department of Labor;

(5) Department of the Interior;

(6) General Services Administration;

(7) United States Postal Service; and

(8) Veterans' Administration.

(b) It shall be the function of the Board to: (1) insure compliance with the standards prescribed by the General Services Administration, the Department of Defense, and the Department of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968 (Public Law 90-480), as amended by the Act of March 5, 1970 (Public Law 91-205); (2) investigate and examine alternative approaches to the architectural, transportation, and attitudinal barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate, or local), and residential and institutional housing; (3) determine

what measures are being taken by Federal, State, and local governments and by other public or nonprofit agencies to eliminate the barriers described in clause (2) of this subsection; (4) promote the use of the International Accessibility Symbol in all public facilities that are in compliance with the standards prescribed by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development pursuant to the Architectural Barriers Act of 1968; (5) make to the President and to Congress reports which shall describe in detail the results to its investigations under clauses (2) and (3) of this subsection; and (6) make to the President and to the Congress such recommendations for legislation and administration as it deems necessary or desirable, to eliminate the barriers described in clause (2) of this subsection.

(c) The Board shall also (1)(A) determine how and to what extent transportation barriers impede the mobility of handicapped individuals and aged handicapped individuals and consider ways in which travel expenses in connection with transportation to and from work for handicapped individuals can be met or subsidized when such individuals are unable to use mass transit systems or need special equipment in private transportation, and (B) consider the housing needs of handicapped individuals; (2) determine what measures are being taken, especially by public and other nonprofit agencies and groups having an interest in and a capacity to deal with such problems, (A) to eliminate barriers from public transportation systems (including vehicles used in such systems), and to prevent their incorporation in new or expanded transportation systems and (B) to make housing available and accessible to handicapped individuals or to meet sheltered housing needs; and (3) prepare plans and proposals for such further actions as may be necessary to the goals of adequate transportation and housing for handicapped individuals, including proposals for bringing together in a cooperative effort, agences, organizations, and groups already working toward such goals or whose cooperation is essential to effective and comprehensive action.

(d) In carrying out its functions under this section, the Board shall conduct investigations, hold public hearings, and issue such orders as it deems necessary to insure compliance with the provisions of the Acts cited in subsection (b). The provisions of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, shall apply to procedures under this section, and an order of compliance issued by the Board shall be a final order for purposes of judicial review.

(e) The Board is authorized to appoint as many hearing examiners as are necessary for proceedings required to be conducted under this section. The provisions applicable to hearing examiners appointed under section 3105 of title 5, United States Code, shall apply to hearing examiners appointed under this subsection.

(f) The departments or agencies specified in subsection (a) of this section shall make available to the Board such technical, administrative, or other assistance as it may require to carry out its functions under this section, and the Board may appoint such other advisers, technical experts, and consultants as it deems necessary to assist it in carrying out its functions under this section. Special advisory and technical experts and consultants appointed pursuant to this subsection shall, while performing their functions under this section, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the daily pay rate, for a person employed as a GS-18 under section 5332 of title 45, United States Code, including traveltime; and while serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of such title 5 for persons in the Government service employed intermittently.

(g) The Board shall, at the end of each fiscal year, report its activities during the preceding fiscal year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Board, and the reports and recommendations described in clauses (5) and (6) of subsection (b) of this section. The Board shall prepare two final reports of its activities under subsection (c). One such report shall be on its activities in the field of transportation barriers to handicapped individuals, and the other such report shall be on its activities in the field of the housing needs of handicapped individuals. The Board shall, prior to January 1, 1975, submit each such report, together with its recommendations, to the President and the Congress. The Board shall also prepare for such submission an interim report of its activities in each such field within 18 months after the date of enactment of this Act.

(h) There are authorized to be appropriated for the purpose of carrying out the duties and functions of the Board under this section $1,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975.

EMPLOYMENT UNDER FEDERAL CONTRACTS

SEC. 503. (a) Any contract in excess of $2,500 entered into by any Federal department or agency for the procurement of personal property and nonpersonal services (including construction for the United States shall contain a provision requiring that, in employing persons to carry out such contract the party contracting with the United States shall take affirmative action to employ and advance in employment qualified handicapped individuals as defined in section 7(6). The provisions of this section shall apply to any subcontract in excess of $2,500 entered into by a prime contractor in carrying out any contract for the procurement of personal property and nonpersonal services (including construction) for the United States. The President shall implement the provisions of this section by promulgating regulations within ninety days after the date of enactment of this section.

(b) If any handicapped individual believes any contractor has failed or refuses to comply with the provisions of his contract with the United States, relating to employment of handicapped individuals, such individual may file a complaint with the Department of Labor. The Department shall promptly investigate such complaint and shall take such action thereof as the facts and circumstances warrant, consistent with the terms of such contract and the laws and regulations applicable thereto.

(c) The requirements of this section may be waived, in whole or in part, by the President with respect to a particular contract or subcontract, in accordance with guidelines set forth in regulations which he shall prescribe, when he determines that special circumstances in the national interest so require and states in writing his reasons for such determination.

NONDISCRIMINATION UNDER FEDERAL GRANTS

SEC. 504. No otherwise qualified handicapped individual in the United States, as defined in section 7(6), shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, agrees to the same.

JENNINGS RANDOLPH,
ALAN CRANSTON,
HARRISON WILLIAMS,
CLAIBORNE PELL,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
BILL HATHAWAY,
ROBT. STAFFORD,
ROBERT TAFT, JR.,
RICHARD S. SCHWEIKER,
J. GLENN BEALL, JR.,
Managers on the Part of the Senate.

CARL D. PERKINS,
JOHN BRADEMAS,
PATSY T. MINK,
ALBERT H. QUIE,
EDWIN D. ESHLEMAN,
Managers on the Part of the House.

The ACTING PRESIDENT pro tempore. The time on the conference report is limited to 40 minutes, to be equally divided, with 20 minutes, equally divided, on any debatable motion or appeal.

Who yields time?

Mr. CRANSTON. Mr. President, I yield myself such time as I may require.

The ACTING PRESIDENT pro tempore. Does the Senator from West Virginia yield time to the Senator from California?

Mr. RANDOLPH. Mr. President, I desire that the Senator from California be in charge of the time on the conference report. It was he who acted as floor manager of the Rehabilitation Act when it was previously considered in the Senate, and he conducted the hearings on this measure.

The ACTING PRESIDENT pro tempore. How much time does the Senator from California yield himself?

Mr. CRANSTON. I yield myself such time as I may require.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I first ask unanimous consent that during the consideration and vote on the conference report on the Vocational Rehabilitation Act, the privilege of the floor be granted to Jon Steinberg, Lisa Walker, Bob Humphreys, and Roy Millenson, of the Committee on Labor and Public Welfare.

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

Mr. CRANSTON. Mr. President, this is the seventh time in the last year we have brought to the Senate floor legislation to provide a new design for the Nation's Federal/State vocational rehabilitation programs. This time, with this conference report, I am belatedly pleased to say, to paraphrase Henry Higgins, "I think we have got it."

Last night I understand that HEW Secretary Weinberger issued a statement calling on the House and Senate to rapidly approve the conference report on H.R. 8070, and send it to the President for signature.

Mr. President, as the Senators will recall, the bill, S. 1875, which we brought from the Labor and Public Welfare Committee earlier this summer and the text of which the Senate approved on July 18, represented the results of an intensive negotiation with the administration to arrive at a mutually acceptable

compromise. Thus, the conferees on the part of the Senate on this measure had a double responsibility—not only diligently and forcefully to represent the position of the Senate but to carry out our agreement with the administration.

Mr. President, I hope and believe that we have faithfully carried out these responsibilities. It can fairly be said that all of the Senate conferees had in the forefront in their thinking throughout the three conference sessions on this bill the importance of our fully and vigorously representing the position of the Senate, as supported by the administration. In fact, Mr. President, the RECORD will show that the Senate position in whole or in large measure prevailed on the overwhelming majority of the some 65 differences between the House and Senate versions of the bill.

The result is a bill which generally follows the Senate version, except that on a few major and some minor items, after careful examination and lengthy discussion, the House conferees persuaded us that certain provisions in the House measure were desirable, and, in some cases, preferable to a comparable provision in the Senate version. In those instances where we agreed to make modifications in the Senate provisions, the modifications made were generally clarifying and were not intended to be material. This was certainly the case with respect to the individualized written program and client assistance.

The authorizations of appropriations in the conference report total approximately $1.54 million over fiscal years 1974 and 1975. This is approximately $46.5 million above the amount authorized to be appropriated in the Senate version. With the exception of the authorizations of appropriations for the basic program—which were set at $650 million and $680 million, respectively, for these two years, as compared to the present $590 million level—the authorization figures agreed to were basically those in the Senate amendment.

Specifically, Mr. President, the amounts authorized to be appropriated for fiscal year 1974 total $756.3 million, which is about $56.2 million above the President's request for this year.

Mr. President, now that we all seem to be agreed on this particular version of the legislation, I would like to stress that, in my judgment, this is a very fine measure which in no way represents a major capitulation on the part of the Congress from the terms of the original bill, H.R. 8395, which was pocket-vetoed by the President last October. It is true that that bill as well as S. 7 this Congress which was again vetoed by the President this past March included valuable provisions which I would have preferred be enacted into law. In those respects, the two vetoed bills were superior to the conference report we are considering today.

However, Mr. President, I would like to briefly outline the vital provisions which remain in this conference report.

First, there has been absolutely no substantive change in the basic state grant program provisions as they were initially included in the pocket-vetoed bill a year ago. Thus, the conference report will redirect the provision of vocational rehabilitation services to focus upon handicapped individuals with the most severe handicaps. It will, for the first time, require that every handicapped individual participate as an equal partner in the development of an individualized written rehabilitation program specifically tailored to help that individual achieve his maximum vocational potential.

And it will impose new and important responsibilities upon the Rehabilitation Services Administration to establish priorities and goals for, and oversee, the implementation of the basic program by the State agencies.

Further, it will earmark funds to establish up to 20 demonstration client assistance projects throughout the Nation to give handicapped clients, for the first time, an ombudsman when they are unable to receive a satisfactory response or resolution of a difference from the regular system, itself.

Second, the conference report still contains several major new programs, including:

First. A new Federal Government affirmative action program requiring each Federal agency, under the overview of the Civil Service Commission, to develop and implement plans for the employment and advancement in employment of handicapped individuals;

Second. The establishment of an Architectural and Transportation Barriers Compliance Board to enforce existing Federal statutory requirements to make public buildings and transportation facilities accessible to handicapped individuals;

Third. A requirement that all Federal contractors and subcontractors take affirmative action to promote the employment and advancement in employment of handicapped individuals, with enforcement authority placed in the Department of Labor;

Fourth. A requirement that there be no discrimination against qualified handicapped individuals in any program or activity receiving Federal funds;

Fifth. A new Federal mortgage insurance program to facilitate the construction of necessary rehabilitation facilities;

Sixth. New responsibilities imposed upon the Secretary of Health, Eudcation, and Welfare to coordinate and evaluate, and disseminate information about all programs in the Department serving handicapped individuals, with a commitment from the administration to spend $500,000 for this purpose; and

Seventh. Dramatic redirection of the research and training programs to stress immediate relevance to solving the problems of handicapped persons and the maximum utilization of our Nation's science and technology toward this end, with the mandate that HEW must bring together personnel with outstanding scientific and technological competence to carry out this new mission.

Third, Mr. President, the amount of funds authorized to be appropriated in the conference report for the 2 fiscal years is $138 million more than the President wanted.

Fourth, Mr. President, the conference report provides that the Commissioner of the Rehabilitation Services Administration shall be appointed by the President, rather than by the Secretary, and mandates that the research, training, and services responsibilities under the act be carried out through the administration—RSA—which the Commissioner is charged to head and which is thus given a statutory mandate.

Fifth, the conference report contains the requirement that several important studies be conducted, including a sheltered workshop study and a new major study by HEW. Of the entire basic State grant allocation method and formula, as well as a special study, with demonstration projects, of means of providing comprehensive services to individuals for whom a vocational goal is not feasible. It also requires that numerous reports regarding the implementation of the many programs under the act be submitted to the Congress and the public.

Mr. President, I ask unanimous consent to have printed in the RECORD the joint explanatory statement of the conferees.

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

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8070) to authorize grants for vocational rehabilitation services, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment strikes all of the House bill after the enacting clause and inserts a substitute. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The differences between the House bill and the Senate amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes.

SECTION 2. DECLARATION OF PURPOSE

Both the House bill and the Senate amendment contained declarations of purpose reflecting their respective provisions. The conference agreement contains a declaration of purpose reflecting the agreements reached in conference.

SECTION 3. REHABILITATION SERVICES ADMINISTRATION

The Senate amendment requires that the Commissioner of the Rehabilitation Services Administration be appointed by the President. The House bill contains no comparable provision. The House recedes.

The House bill provides that the Secretary shall establish, within the Rehabilitation Services Administration, a Center for Technological Assessment and Application. Such Center, in consultation with the National Science Foundation and the National Academy of Science, will be responsible for developing, supporting and stimulating the development and utilization and application of technical, medical and scientific achievement and psychological and social knowledge to solve rehabilitation problems.

The Senate amendment provides that the Secretary, through the Commissioner in coordination with other programs in HEW, in carrying out research under this Act, shall

establish the expertise and technical competence, in consultation with the National Science Foundation and the National Academy of Science, to develop and support the development and utilization and application of advanced medical technology, etc., scientific achievement and psychological and social knowledge to solve rehabilitation provision.

The conference report adopts the Senate provision.

The Senate amendment provides that funds appropriated pursuant to this Act, as well as unexpended appropriations for carrying out the existing Vocational Rehabilitation Act, are to be expended only for programs, personnel, and the administration of programs, carried out under this Act. The House bill contains no comparable provision. The House recedes.

SECTION 7. DEFINITIONS

In the definition of "establishment of a rehabilitation facility", the House bill provides that the Commissioner shall prescribe regulations with regard to rehabilitation facilities and the expenditure of funds. The Senate amendment provides that the Secretary shall prescribe these regulations. The House recedes.

In the definition of "Federal share", the House bill provides that the Commissioner shall prescribe regulations with respect to the expenditures of political subdivisions of States which may be treated as State expenditures. The Senate amendment provides that the Secretary shall prescribe these regulations. The House recedes.

The House bill defines the term "handicapped individual" to mean any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (B) can reasonably be expected to benefit from vocational rehabilitation services.

The Senate amendment provides that the term "handicapped individual" means any individual who (A) has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment and (B) can reasonably be expected to benefit in terms of employability from vocational rehabilitation services provided pursuant to titles I and III of this Act.

The conference agreement includes the Senate provision, but the Conferees note that the phrase in terms of employability" is merely clarifying in nature and does not differ substantially from the House provision.

SECTION 8. ALLOTMENT PERCENTAGE

The House bill provides that the Commissioner, while the Senate amendment provides that the Secretary, shall promulgate the allotment percentages. The House recedes.

Section 100. Authorization of Appropriations for Vocational Rehabilitation Services.—Basic Program

[In millions]

	House	Senate
Fiscal year 1973	----	$590
Fiscal year 1974	$660	$610
Fiscal year 1975	$690	$640

The Senate amendment further provides that additional sums may be appropriated if Congress deems necessary. The House bill contains no comparable provision.

The Conference agreement adopts the House provision, but with an amendment reducing the amounts authorized to be appropriated to $650,000,000 for fiscal year 1974 and $680,000,000 for fiscal year 1975.

The Authorization of Appropriations for Innovation and Expansion Grants

Fiscal year:	House	Senate
1973	----------	$35, 860, 000
1974	Such sums	37, 000, 000
1975	Such sums	39, 000, 000

The Senate amendment further provides that Congress may appropriate such additional sums for each such year as deemed necessary. Of the sums appropriated under this paragraph, $1,000,000 each year is to be available only for the purpose of carrying out part D of title I (relating to the study of services to severely handicapped individuals).

The House bill provides for Congress to appropriate such sums as necessary to carry out the study separate from the funds authorized to carry out the innovation and expansion grants under section 120.

The House recedes with respect to fiscal years 1974 and 1975. With respect to FY 1973, see the explanation of section 500(b).

SECTION 101. STATE PLANS

Throughout section 101, the House invests authority in the Commissioner, whereas the Senate amendment invests authority in the Secretary. The House recedes.

The House bill requires that the State plan show the order of selection of individuals to insure that services are provided first to those individuals with the most severe handicaps.

The Senate amendment requires a method of selection insuring special emphasis to those individuals with the most severe handicaps.

The Senate recedes.

The Conferees retained the House langauge which declares that those individuals with the most severe handicaps shall be served first by State rehabilitation agencies. However, the Conferees wish to make clear that it is not their intention that the Rehabilitation Services Administration or any State rehabilitation agency discontinue or refuse services to any handicapped individual because of the *type* of disability the person has. Moreover, the Conferees stress that this provision and those provisions governing eligibility for services in the basic program are intended to emphasize services to those individuals who have severe physical or mental disabilities and that persons with social disadvantages or handicaps are not by virture thereof made eligible for services under this program.

SECTION 102. INDIVIDUALIZED WRITTEN REHABILITATION PROGRAM

The House bill provides that the written program shall set forth the terms and conditions under which goods and services will be provided to individuals.

The Senate amendment specifies that, in addition to the terms and conditions, the "rights and remedies" under which goods and services will be provided to individuals shall also be set forth.

The House recedes.

The House bill provides that each written program will be reviewed annually at which time each individual will be afforded an opportunity to review and reconsider its terms.

The Senate amendment provides that the individual may have an opportunity to review such program and renegotiate its terms annually.

The Conference agreement, in lieu of "reconsider" in the House bill and "renegotiate" in the Senate amendment, inserts the words "jointly redevelop".

In addition, the Senate amendment provides that the program shall include, where appropriate, a detailed explanation of the availability of a client assistant project.

The House bill has no comparable provision.

The House recedes.

SECTION 104. NON-FEDERAL SHARE FOR CONSTRUCTION

The House bill provides that the non-Federal share is subject to such limitation as may be prescribed in regulations issued by the Commissioner. The Senate amendment provides this authority to the Secretary. The House recedes.

SECTION 110. STATE ALLOTMENTS

Existing law provides that the allotment to the States be based on the amount authorized to be appropriated.

The House bill makes no change in this provision.

The Senate amendment would base the allotment on the amount of money appropriated.

The Senate recedes.

Existing law provides that the allotment to any State shall be at least $1,000,000. This minimum is provided by reducing each State's allotment proportionately.

The House bill provides that a State shall receive no less than $2,000,000 or ¼ of 1% of the amount appropriated, whichever is greater.

The Senate amendment provides that each State shall receive ¼ of 1% or the alternative minimum amount ($2,000,000 unless adequate funds are not appropriated in which event a $1,000,000 minimum would apply to assure that each State receive the same amount as received for the Basic Program under section 2 for FY 1973).

The Senate recedes.

The House bill, but not the Senate amendment, provides that in the event a state allotment is less than the total payments received under section 2 of the Vocational Rehabilitation Act for FY 1973, such State shall be entitled to such additional amounts as necessary to prevent such decrease in payments.

The Senate amendment provides that if adequate funds are not appropriated to permit payment of the $2 million minimum to each State entitled to such minimum without reducing any other State's allotment below its FY 1973 amount, the minimum shall remain at $1 million.

The Senate recedes, subject to technical changes in the House provision to clarify the meaning.

The House bill provides that whenever the Commissioner determines that a State will not utilize its allotment, he shall make such amount available to one or more States. The Senate amendment provides similar authority, after reasonable opportunity for the State agency involved to submit comments. The House recedes.

SECTION 111. PAYMENTS TO STATES

The House bill provides that the Commissioner, whereas the Senate amendment provides that the Secretary, shall make the payment to the States. The House recedes.

SECTION 112. CLIENT ASSISTANCE

The Senate amendment, but not the House bill, requires the Secretary to set aside a portion of the funds appropriated for special projects and demonstrations (section 304 in the Conference report) to carry out client assistance demonstration projects.

The amount set aside was up to $1.5 million, but not less than $500,000 for FY 1973; and up to $2.5 million but not less than $1 million for FY 1974 and FY 1975.

There were to be no less than 10 and no more than 20 geographically dispersed projects.

The purpose would be to provide counselors to inform and advise clients and client applicants in the project area of all available benefits and to assist them in their relationships with projects, programs and facilities.

The project staff was to be afforded reasonable access to policy-making and administrative personnel of State and local rehabilitation programs.

The project must submit an annual report, through the State agency, to the Secretary and the Congress.

A state agency must not discourage individuals from availing themselves of the project services.

The project shall be funded, administered and operated by the State agency.

The Conference agreement contains the Senate provision with the following modifications:

(1) The amount set aside is to be up to $1.5 million, but not less than $500,000 for FY 1974, and up to $2.5 million, but not less than $1 million, for FY 1975, but funds authorized to carry out this program will be made available only if new dollars are added to section 304 funding for special projects and demonstrations above the amount obligated for such projects from appropriations under the Vocational Rehabilitation Act in fiscal year 1973. It is the understanding of the Conferees that no funds will be taken from other sections to pay for client assistance projects and that the level of funding of existing programs under section 304 will not be reduced to provide funding for those projects.

(2) Assistance in relationships with projects, programs, and facilities would be provided clients and client applicants only upon request of a client or client applicant.

(3) The number of such projects and demonstrations would be not less than 7 nor more than 20.

(4) The employees of the projects may not be presently serving as staff or consultants or receiving benefits of any kind from a rehabilitation project, program, or facility funded under this Act in the project area.

(5) Each project is to be afforded reasonable access to policy-making and administration personnel in State and local rehabilitation programs, projects, and facilities.

(6) Projects may be carried on only with the concurrence of the appropriate State agency.

SECTION 120. STATE ALLOTMENTS

The House bill establishes, for innovation and expansion grants, a minimum of $50,000 or such other amount specified as a minimum allotment in an appropriations Act.

The Senate amendment establishes the same minimum, but with no reference to an appropriations Act.

The House bill provides authority to the Commissioner under this part, whereas the Senate amendment provides authority to the Secretary.

In both instances, the conference report includes the language of the Senate amendment.

SECTION 121. PAYMENTS TO STATES

The House bill provides that funds appropriated shall remain available through FY 1976. The Senate amendment provides that funds shall remain available through FY 1975. The Senate recedes.

SECTION 130. SPECIAL STUDY

The House bill requires the Commissioner to conduct a special study of the needs of severely handicapped individuals, which would include research and demonstration projects, whereas the Senate amendment provides that the study may include such projects. The Senate recedes.

The House bill authorizes the appropriation of such sums as are necessary to carry out the purposes of the special study. The Senate amendment would earmark funds appropriated for innovation and expansion grants (section 100(b)(2)) to carry out the purposes of this provision. The House recedes.

The Senate amendment requires the report to be submitted no later than January 1, 1975. The House bill requires the report no later than June 30, 1975. The Conference agreement requires the report to be submitted no later than February 1, 1975.

SECTION 200. DECLARATION OF PURPOSE

The Senate amendment, but not the House bill, contains a declaration of purpose for a research and training title. The House recedes.

SECTION 201. AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH AND TRAINING GRANTS

Research

	House	Senate
Fiscal year 1973	----------	[1] $20,346,000
Fiscal year 1974	Such sums	[1] 25,000,000
Fiscal year 1975	Such sums	[1] 25,000,000

[1] Plus for each such year such additional sums. Of the funds appropriated 15% in FY 1973, 20% in FY 1974, and 25% in FY 1975 are to be expended pursuant to section 202(b)(2) (Establishment and support of rehabilitation engineering research centers).

Training

	House	Senate
Fiscal year 1973	----------	[1] $27,700,000
Fiscal year 1974	Such sums	[1] 27,700,000
Fiscal year 1975	Such sums	[1] 27,700,000

[1] Plus for each such year such additional sums.

The Senate amendment, but not the House bill, provides that funds appropriated under this title shall remain available until expended.

The House recedes on both items with respect to fiscal years 1974 and 1975. With respect to fiscal year 1973, see explanation of section 500(b).

SECTION 202. RESEARCH

The House bill provides that the Commissioner, whereas the Senate amendment authorizes the Secretary through the Commissioner in coordination with other appropriate HEW programs, to make research grants and contracts. The House recedes.

The House bill, but not the Senate amendment, includes a program for end-stage renal disease research. The Senate recedes.

SECTION 203. TRAINING

The House bill provides that the Commissioner, whereas the Senate amendment provides that the Secretary through the Commissioner in coordination with other appropriate HEW programs, is authorized to make training grants and contracts. The House recedes.

SECTION 204. REPORTS

The Senate amendment, but not the House bill, requires a full report on research and training activities. The House bill contains no comparable provision. The House recedes.

The Senate amendment creates a separate title (title II) for the research and training provisions. The comparable remainder provisions are contained in the House bill among those in title II. The House recedes.

SECTION 300. DECLARATION OF PURPOSE

The Senate amendment contains a declaration of purpose for a title III—Special Federal Responsibilities. The comparable title in the House bill does not. The House recedes.

SECTION 301. AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION OF REHABILITATION FACILITIES

	House	Senate
Fiscal year 1973	----------	$550,000 [1]
Fiscal year 1974	Such sums	$500,000 [1]
Fiscal year 1975	Such sums	$500,000 [1]

[1] Plus for each such year such additional sums.

The Senate recedes.

SECTION 302. AUTHORIZATION OF APPROPRIATIONS FOR VOCATIONAL TRAINING SERVICES

	House	Senate
Fiscal year 1973	----------	$10,300,000 [1]
Fiscal year 1974	Such sums	$10,300,000 [1]
Fiscal year 1975	Such sums	$12,000,000 [1]

[1] Plus for each such year such additional sums.

The Senate recedes.

The House bill authorizes the Commissioner, whereas the Senate amendment authorizes the Secretary, to make grants to pay up to 90% of the cost of projects for providing vocational training services to handicapped individuals. The House recedes.

SECTION 303. MORTGAGE INSURANCE

The House bill authorizes a program to provide mortgage insurance for rehabilitation facilities to insure up to 100 percent of any mortgage which covers construction of a public or nonprofit private rehabilitation facility. Administration of the program may be delegated to HUD. Total outstanding mortgages insured may not exceed $250 million. The Senate amendment has no comparable provision. The Senate recedes, except that the $250 million limit is reduced to $200 million.

SECTION 205 OF THE HOUSE BILL. ANNUAL INTEREST GRANTS

The House bill authorizes the payment of annual interest grants to States and public or nonprofit agencies to reduce the cost of borrowing for construction of rehabilitation facilities.

The interest grant will be sufficient to reduce by 4 percentage points the interest rate otherwise payable or by one-half of such rate, whichever is the lesser.

The section authorizes necessary appropriations for the grants and provides that the amount of grants payable will not exceed $1 million in FY 1974, and $4 million in FY 1975. It also provides that no more than 15 percent of the funds provided for interest grants may be used in any one State.

The Senate amendment contains no comparable provision.

The conference substitute does not include this provision.

SECTION 304. AUTHORIZATION OF APPROPRIATIONS FOR SPECIAL PROJECTS AND DEMONSTRATIONS

	House	*Senate*
Fiscal year 1973	----------	[1] $12,000,000
Fiscal year 1974	Such sums	[1] 15,000,000
Fiscal year 1975	Such sums	[1] 17,000,000

[1] Plus for each such year such additional sums.

The house recedes with respect to fiscal year 1974 and 1975. With respect to fiscal year 1973, see the explanation of section 500(b).

The Senate amendment, but not the House bill, would require a specific set-aside of 10% of the funds appropriated under this section for services for migratory agricultural workers and further authorizes additional appropriations specifically for such services if necessary to bring the amount available up to $5,000,000. The House recedes with an amendment reducing the set aside to 5%.

The House bill authorizes the Commissioner, whereas the Senate amendment authorizes the Secretary, to make grants for special projects for handicapped individuals with special problems (spinal cord injured, older blind, and deaf persons, migratory agricultural workers, etc.) The House recedes.

Under the House bill, special project grants for establishing programs and facilities are to be made only to individuals with spinal cord injuries, older blind individuals, and deaf individuals whose maximum potential has not been achieved.

Under the Senate amendment, such grants are to be made to all handicapped individuals for the provisions of services which hold promise of expanding or otherwise improving services to handicapped individuals and such grants shall include grants for services for the individuals mentioned above. The House recedes.

The Senate amendment includes in section 303(b)(2) in clauses (A), (B), (C), and (D) provisions which shall be included in project and demonstration grants for providing services to individuals with spinal

cord injuries. The House bill contains no comparable provision. The House recedes.

Both the House bill and the Senate amendment provide that services are to be provided to the families of migratory workers; however, the House bill, but not the Senate amendment, specifies that this is to be the case whether or not such family members are themselves handicapped. The Senate recedes.

Both the House bill and the Senate amendment authorize agreements with employers to prepare handicapped persons for suitable and gainful employment and the provision of technical assistance to rehabilitation facilities and for the removal of architectural and transportation barriers. The House bill gives authority under this section to the Commissioner, while the Senate amendment gives the authority to the Secretary. The House recedes.

SECTION 305. NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

The House bill authorizes the appropriation of such sums for each of fiscal year 1974 and fiscal year 1975. The Senate amendment authorizes the appropriation of $1,200,000 for the 3-year period fiscal year 1973, fiscal year 1974, and fiscal year 1975, plus such additional sums.

The Senate amendment further authorizes for each such years such additional sums as are necessary for the operation of such Center.

The House bill makes no such authorization for the operation of the Center. The Senate recedes.

The House bill authorizes the appropriation of such sums as may be necessary for each of FY 1974 and FY 1975 for construction and operation of the Center. The Senate amendment authorizes the appropriation of $1,200,000 for the 3-year period—FY 1973, FY 1974 and FY 1975—plus such additional sums for construction and such sums as may be necessary for operation of the Center. The Senate recedes.

SECTION 306. GENERAL GRANT AND CONTRACT REQUIREMENTS

The House bill places authority for carrying out this section in the Commissioner, whereas the Senate amendment places authority in the Secretary. The House recedes.

SECTION 400. ADMINISTRATION

The House bill authorizes the Secretary to make such rules and regulations governing the administration of title III, Administration and Program and Project Evaluation; title IV, Office for the Handicapped; and title V, Miscellaneous. The House bill further authorizes the Secretary to delegate this authority.

The Senate amendment authorizes the Secretary to make such rules and regulations as he finds necessary to carry out the provisions of title I, Vocational Rehabilitation Services; title II, Research and Training; title III, Special Federal Responsibilities; and title IV, Administration of Program and Project Evaluation. The Senate amendment authorizes only such delegations of authority as are otherwise provided for in the Act. The House recedes.

SECTION 403. AUTHORIZATION OF APPROPRIATIONS FOR EVALUATION

The House bill and the Senate amendment authorize the appropriation of such sums as may be necessary for program and project evaluation.

The Senate amendment limits the amount which may be appropriated to an amount equal to one-half of 1% of funds appropriated for titles I, II and III, or $1,000,000—whichever is greater. The House bill contains no comparable provision. The House recedes.

SECTION 404. ANNUAL REPORT

The Senate amendment, but not the House bill, specifically requires the report on title I to include detailed evaluation of service to those with the most severe handicaps.

The House bill requires the report to include a detailed evaluation of all persons receiving assistance under title I.

The Senate recedes with an amendment requiring that the report on title I services stress evaluation of services to those persons with the most severe handicaps.

SECTION 405. SECRETARIAL RESPONSIBILITIES

The House bill in a separate title IV would establish an Office for the Handicapped in the Office of the Secretary of HEW to perform a number of general coordinating functions such as long-range planning, program analysis and evaluation, and an information and resource clearinghouse.

The Senate amendment requires that the same functions be performed by the Office of the Secretary but permits, without specifically mandating, a structural component to carry them out.

The conference agreement includes the Senate provision.

The Senate amendment requires the Secretary to give special emphasis to qualified handicapped individuals in selecting personnel to assist in the performance of the functions assigned to the Secretary. The House bill contains no comparable provision. The House recedes.

Authorizations of appropriations

	House	Senate
Fiscal year 1973	----------	Such sums
Fiscal year 1974	Such sums	$500,000
Fiscal year 1975	Such sums	500,000

The House recedes with respect to FY 1974 and 1975. With respect to FY 1973, see the explanation of section 500(b).

The Senate amendment requires the Secretary to set aside out of sums available to carry out the Act or available pursuant to any other Act, an amount which he determines is necessary and appropriate to enable him to carry out the provisions of this section. He is required also to notify the appropriate committees of Congress of the amounts so set aside. The House bill contains no comparable provision. The House recedes, with a clarifying amendment.

SECTION 407. STATE ALLOCATION STUDY

The Senate amendment requires a thorough study of the allotment of funds among the States of grants for basic vocational rehabilitation services authorized under title I. The House bill has no comparable provision. The House recedes.

SECTION 500. EFFECT ON EXISTING LAW

The House bill in subsection (a) repeals the Vocational Rehabilitation Act effective July 1, 1973, whereas the Senate amendment repeals it 90 days after the enactment of this Act. The House recedes.

The House bill in subsection (b) extends to FY 1973 the authorizations in the Vocational Rehabilitation Act at the level specified for FY 1972. The Senate amendment contains no comparable provision. The Senate recedes.

SECTION 501. EMPLOYMENT OF HANDICAPPED INDIVIDUALS

The Senate amendment, but not the House bill, establishes an Interagency Committee on Handicapped Employees.

The purpose of the Committee is to provide a focus for Federal and other handicapped employment, provide for review and approval by the Civil Service Commission of the adequacy of hiring, placement, and advancement practices of Federal agencies with respect to handicapped persons, and for consultation by the Committee with the Civil Service Commission and the making of recommendations by the Committee.

Each Federal department and agency in the executive branch of government (and the Postal Service and Rate Commission) is required to submit to the Civil Service Commission within 180 days after enactment an affirmative action program plan for the hiring, placement, and advancement of handicapped individuals.

The Civil Service Commission is required on June 30, 1974, and at the end of each subsequent fiscal year, to make a complete report to the appropriate committees of Congress on the hiring, placement, and advancement of handicapped individuals in the Federal government, including its recommendations as to legislation or other action to insure the adequacy of such practices, which report shall include the Interagency Committee's evaluation of the Commission's activities.

The House recedes.

SECTION 502. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

The House bill, but not the Senate amendment, directs the Board to undertake a study of transportation and housing needs and problems for handicapped individuals. The Senate recedes.

Authorizations of appropriations for Architectural and Transportation Barriers Compliance Board

	House	Senate
Fiscal year 1973	----------	Such sums
Fiscal year 1974	Such sums	$1,250,000
Fiscal year 1975	Such sums	$1,500,000

The conference report authorizes the appropriation of $1,000,000 each for fiscal years 1974 and 1975.

SECTION 503. EMPLOYMENT UNDER FEDERAL CONTRACTS

The House bill permits the President to waive the requirements of this section relative to affirmative action programs for employment of handicapped individuals by Government contractors, when he determines that special circumstances in the national interest so require. The Senate amendment contains no comparable provision. The Senate recedes.

Title Amendment. The Senate amendment, but not the House bill, contains a title amendment. The House recedes.

JENNINGS RANDOLPH,
ALAN CRANSTON,
HARRISON WILLIAMS,
CLAIBORNE PELL,
EDWARD M. KENNEDY,
WALTER F. MONDALE,
BILL HATHAWAY,
ROBERT T. STAFFORD,
ROBERT TAFT,
RICHARD S. SCHWEIKER,
GLENN BEALL,
Managers on the Part of the Senate.

CARL D. PERKINS,
JOHN BRADEMAS,
PATSY T. MINK,
ALBERT H. QUIE,
EDWIN D. ESHLEMAN,
Managers on the Part of the House.

Mr. CRANSTON. Mr. President, I believe that what I have said should make very clear the importance of the Senate approving the conference report, and I urge that we do so by an overwhelming vote.

I would be remiss if I did not acknowledge the enormous contributions to the legislative product before us today that has been made by so many of my colleagues in both Houses. We are all indebted to them for the dedication and

vigor with which they have pursued the enactment of legislation to provide a program we can all be proud of to assist America's 9.8 million handicapped persons.

So, Mr. President, I want to thank the Senator from West Virginia (Mr. RANDOLPH), the chairman of the Subcommittee on the Handicapped, for his wonderful help on this measure and for his permitting me to handle it. I am deeply grateful for that opportunity. I am delighted that we were able to work so closely together to come up with a bill that meets most of the objectives we have had in mind from the start, a bill I am now delighted to support in its present form.

I am also grateful to the Senator from Vermont (Mr. STAFFORD), the ranking minority member of the subcommittee, for his very, very hard work and his willingness to work with us as a team to get the best possible measure before the Congress and to the President for his signature. Also, I wish to express my appreciation for the hard work done by the chairman, Senator WILLIAMS and Senators JAVITS and TAFT, as well as the members of the conference in the other body, Representatives PERKINS, BRADEMAS, and QUIE, for their magnificent work.

I am delighted now to yield to the Senator from Vermont (Mr. STAFFORD).

Mr. STAFFORD. Mr. President, I yield myself so much time as I may consume.

I ask unanimous consent that Michael Francis, of my staff, may have privileges of the floor during the consideration of this conference report and the vote on it.

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

Mr. STAFFORD. Mr. President, it has been a real pleasure to work with the distinguished Senator from California (Mr. CRANSTON) and with the very distinguished Senator from West Virginia (Mr. RANDOLPH) and the other members of the subcommittee, the full committee, and the Senate conferees in the work that has gone forward in connection with H.R. 8070, the Rehabilitation Act of 1973.

Mr. President, as all my colleagues are aware, there is a long history of the Congress trying to enact H.R. 8070, the Rehabilitation Act of 1973, into law. The conference report before you reflects a compromise between the House-passed bill and S. 1875, a bill which passed the Senate with the administration's approval.

Of the items of difference between the House and the Senate that were of importance to the administration, I believe the Senate position was upheld on 90 percent of these items and, therefore, I feel the President will approve it.

Mr. President, I ask unanimous consent that a copy of a statement by Secretary of Health Education, and Welfare Caspar Weinberger asking the Congress to support the conference report of H.R. 8070 be printed at the conclusion of my remarks.

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

[See exhibit 1.]

Mr. STAFFORD. Mr. President, this is a major piece of legislation introducing certain reforms to a program that has had a long and distinguished record of providing vocational training and rehabilitation for the handicapped of our Nation.

The Senate bill, S. 1875, introduced by myself and other members of the Labor and Public Welfare Committee, seeks to accommodate objections voiced by the administration in two previous vetoes of the Rehabilitation Act and also to maintain those very important initiatives to make the rehabilitation system more responsive to the needs of handicapped individuals, especially those whose handicaps are most severe.

There are no significant departures in this conference bill from the reforms which both the House and Senate felt were absolutely necessary to strengthen this Nation's rehabilitation effort.

Stated simply, the goal of this bill is to provide the necessary means of rehabilitation so that those individuals suffering from disabling handicaps can, through joint efforts with the rehabilitation program, become participants in our society and also have the Federal Government insure that the necessary opportunities exist for those handicapped individuals who have participated in the program.

I do not think it is necessary for me to reiterate all the significant changes that have been made in the program and that I have discussed in my previous statements. Suffice it to say that I feel this is a good bill which can receive the administration's support.

Mr. President, I ask that my colleagues unanimously support this conference report on the Rehabilitation Act of 1973.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

STATEMENT BY CASPAR W. WEINBERGER, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

I strongly urge the Congress to adopt the Conference Committee version of the Vocational Rehabilitation bill, H.R. 8070. The bill, which will be considered by both Houses today, is illustrative of the constructive legislation that results when the Congress and the Administration work together.

Earlier bills were vetoed because they set unrealistically high spending levels and endangered the basic vocational rehabilitation program, which has justifiably enjoyed bipartisan support for more than half a century, by diluting its orientation toward employment. H.R. 8070 has remedied these defects. It authorizes a generous level of funding and a solid program. It deserves the support of every Member of Congress.

Mr. CRANSTON. Mr. President, I thank the Senator very much for that statement and again for all the hard and effective work he has done on the conference report.

I yield five minutes to the distinguished Senator from West Virginia (Mr. RANDOLPH), who has done so much over so many years in this field to help handicapped Americans, and most recently on this measure.

Mr. RANDOLPH. Mr. President, over the past year, nearly all has been said that could be emphasized in support of modernizing the Federal-State vocational rehabilitation program. In that time, the Rehabilitation Act has been reviewed by the Senate no fewer than six times—today marks the seventh.

The Subcommittee on the Handicapped began consideration of legislation to improve the vocational rehabilitation program in May of 1972. Much time and a prodigious amount of effort have been expended by Senators and staff to bring this conference report to the Senate.

On two previous occasions, more comprehensive Rehabilitation Acts have been vetoed by the President. This time I have sound reason to be very hopeful that H.R. 8070 will become law. The Senate-passed measure had the support of the administration. The measure before the Senate today differs in very few particulars, as has been said by the Senator from California (Mr. CRANSTON) and the Senator from Vermont (Mr. STAFFORD), from the Senate-passed bill.

Although the conference report on H.R. 8070 represents a compromise between the positions of the House and Senate, as is almost always the case, the Senate conferees were successful in holding the position of the Senate on 46 of the 65 differences in the two bills.

The pending legislation is not perfect, nor in my opinion, is it broad enough or ambitious enough. It is scaled down considerably from the previously vetoed measures, H.R. 8395 and S. 7. It is, nevertheless, an exciting and progressive bill which holds the promise of dramatically improving the Federal-State rehabilitation program.

As chairman of the Subcommittee on the Handicapped, I particularly thank the able floor manager of this legislation, Senator CRANSTON, for his capable leadership on the bill.

Our gratitude goes also to Senator STAFFORD, who has demonstrated his continuous and unflagging interest in rehabilitation legislation, as well as Senator WILLIAMS, Senator JAVITS, and Senator TAFT, and other members of the Labor and Public Welfare Committee.

With dedication by the administration to actively implement the Rehabilitation Act of 1973, the handicapped citizens of America can look forward to a new and bright renaissance in vocational rehabilitation.

I urge my colleagues to give support to this worthwhile compromise measure, which I first introduced as S. 3987 on September 14, 1972.

Mr. CRANSTON. Mr. President, I thank the Senator from West Virginia once again for all he has done and for those very generous words.

Mr. STAFFORD. Mr. President, I also would like to thank the Senator from West Virginia for his words.

Mr. JAVITS. Mr. President, I am pleased that, as indicated by the statement of HEW Secretary Weinberger, the administration supports the adoption of the conference report on the Rehabilitation Act of 1973, H.R. 8070. As the Secretary points out, this is a most constructive and reasonable bill—I ask that the full text of his statement be included as a part of my remarks.

At the time of his confirmation hearings before the Senate Committee on

Labor and Public Welfare early this year, in a letter to the committee, Secretary Weinberger stated that—

The Vocational Rehabilitation program is among the most successful in HEW.

He pointed out that—

The benefits of the program are many times its cost. Conservative estimates of the ratio of benefits to costs have ranged between 8 to 1 and 35 to 1.

The bill before us is consistent with that more than half century of tradition of Federal vocational rehabilitation programs.

When this measure was before the Senate last year there was particular discussion on the matter of allocations to the States. I am pleased that the bill now before us contains a provision I sponsored, section 407, which directs the Secretary of Health, Education, and Welfare, to "conduct a thorough study of the allotment of funds among the States for grants for basic vocational rehabilitation services authorized under part B of title I." The report is due by June 30 of next year and should serve as a guide and a resource to further congressional consideration of the basic services program formula which has for too long operated to the disadvantage of the handicapped in urbanized States.

In closing I should like to express my appreciation to the junior Senator from Vermont (Mr. STAFFORD), who as ranking minority member of the Subcommittee on the Handicapped did so much to hammer out the compromise which has resulted in congressional passage of this legislation and its support by the administration. He was ably supported by Senators TAFT, SCHWEIKER, and BEALL, the other minority members of the subcommittee. I should also like to express my appreciation to the chairman of the Subcommittee of the Handicapped, Senator RANDOLPH, and to his cofloor leader of this bill, Senator CRANSTON, who worked so long and so patiently to bring into being the measure now before us which, I am now quite sure, will soon be signed into law.

Mr. President, I urge acceptance of the conference report.

Mr. PACKWOOD. Mr. President, I would just like to add a personal note of appreciation to the House and Senate conferees for their efforts on this important vocational rehabilitation legislation. For too long the handicapped have been forced to suffer uncertainty and implicit lack of support, not because any of us opposed vocational rehabilitation programs, but because we couldn't agree on a bill. It seems to me that a great tragedy exists when the handicapped must bear the burden of our political struggles. This legislation is not just a game of words—it is literally the difference between dependency and self-sufficiency for over a million physically and mentally handicapped Americans. For example, in 1972 alone, our vocational rehabilitation programs provided assistance which enabled 326,138 disabled people to return to productive and meaningful lives.

Mr. President, I understand that the bill now before us for final approval is supported by virtually all parties, including the administration. Again, I want to commend my colleagues for seeking and obtaining this consensus, and for thereby avoiding further painful delays.

Mr. WILLIAMS. Mr. President. I am pleased to join with Senator CRANSTON, Senator STAFFORD, and Senator RANDOLPH in returning to the Senate floor today with the conference report to accompany H.R. 8070, the Rehabilitation Act of 1973. As all of my colleagues know, this is the third conference report we have brought to the Senate on this legislation; and I am pleased that the administration can finally join us in supporting this legislation.

This conference report is substantially similar to the Senate bill which was passed by this body on July 18. The major difference lies in the authorization of appropriations for the basic State-Federal vocational rehabilitation program under title I; under the conference agreement, this authorization is $650 million for fiscal year 1974 and $680 million for fiscal year 1975.

I point out for my colleagues that the conference report would authorize appropriations of $1.539 billion for the 2 fiscal years—1974 and 1975. This amount is $46.55 million more than the bill passed unanimously by the Senate on July 18, and only $138.55 million more than the President's budget request for these 2 years.

Mr. President, of an estimated minimum population of 9 million individuals who are eligible and could immediately utilize vocational rehabilitation services in fiscal year 1972, only 1.1 million individuals received any services throughout the 50 States. In my own State of New Jersey, despite a dramatic increase in the last few years of the total numbers of individuals served, the rehabilitation program continues to serve only 3.8 percent of the population. The approval and implementation, at long last, of this legislation will move this Nation toward serving these individuals through the important research and training provisions, through its procedural protections, and through the priority given to providing services to individuals with the most severe handicaps.

This conference report contains significant provisions which I believe will make important changes in the lives of many handicapped individuals. Among these provisions are the following:

A requirement that States provide individualized written rehabilitation programs for each individual receiving services;

Authorization of a program for client assistance to aid individuals seeking services under the rehabilitation program;

Direction to the State to give priority in services under the vocational rehabilitation program to those individuals with the most severe handicaps;

Direction to the Secretary of Health, Education, and Welfare to provide coordination and long-range planning for all programs which affect the handicapped within the Department;

The creation of an Architectural and Transportation Barriers Compliance Board to seek the elimination of barriers and compliance with Federal laws prohibiting architectural and other barriers;

The prohibition of discrimination in employment under Federal contracts and discrimination in Federal projects; and

A Federal Interagency Committee on the Employment of Handicapped Individuals.

Finally, Mr. President, I wish to thank my colleagues and their staff for the time and effort which they have spent in the last 15 months on this legislation. Through the continuing efforts of Senator CRANSTON and Senator STAFFORD, this legislation has maintained its integrity. The leadership of Senator RANDOLPH has insured that the Subcommittee on the Handicapped will continue its steadfast commitment to this program and the people it serves.

Mr. CRANSTON. Mr. President, I yield back the remainder of my time.

Mr. STAFFORD. Mr. President, I yield back the remainder of my time on behalf of the minority.

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

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. All time has been yielded back. 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 Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator Louisiana (Mr. JOHNSTON), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from Colorado (Mr. DOMINICK), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. HELMS) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote "yea."

The result was announced—yeas 88, nays 0, as follows:

[No. 393 Leg.]

YEAS—88

Abourezk	Cannon	Griffin
Aiken	Case	Gurney
Allen	Chiles	Hansen
Baker	Clark	Hart
Bartlett	Cook	Hartke
Bayh	Cotton	Haskell
Beall	Cranston	Hatfield
Bennett	Curtis	Hathaway
Bentsen	Dole	Hollings
Bible	Domenici	Hruska
Brooke	Eagleton	Huddleston
Buckley	Eastland	Hughes
Burdick	Ervin	Humphrey
Byrd, Harry F., Jr.	Fannin	Inouye
Byrd, Robert C.	Fong	Jackson
	Goldwater	Javits

Kennedy	Nelson	Sparkman
Long	Nunn	Stafford
Magnuson	Packwood	Stennis
Mansfield	Pastore	Stevens
Mathias	Pearson	Stevenson
McClellan	Pell	Symington
McClure	Percy	Taft
McGee	Proxmire	Talmadge
McGovern	Randolph	Thurmond
Metcalf	Ribicoff	Tower
Mondale	Roth	Weicker
Montoya	Schweiker	Williams
Moss	Scott, Pa.	Young
Muskie	Scott, Va.	

NAYS—0

NOT VOTING—12

Bellmon	Dominick	Johnston
Biden	Fulbright	McIntyre
Brock	Gravel	Saxbe
Church	Helms	Tunney

So the conference report on H.R. 8070 was agreed to.

Mr. CRANSTON. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, the Senate vote of agreement to the conference report H.R. 8070, the Vocational Rehabilitation Act of 1973 is evidence of the commitment the Congress has met in its responsibility in working out a program for the millions of Americans which the legislation will effect.

The legislation enacted today is much needed, and is the result of much hard work and rework. As we all are aware legislation in this area has been vetoed in both the 92d and 93d Congresses. The bill before us today will fulfill the goals set by Congress to expand and continue in a sound and responsible way the vocational rehabilitation work which the Congress and the country has been so dedicated to over the past 53 years.

Throughout my years in Congress, I have been a strong advocate of the vocational rehabilitation program. It is one of the oldest Federal grant-in-aid programs. It has demonstrated its effectiveness in returning over 3 million handicapped Americans to productive, working lives.

MILITARY CONSTRUCTION AUTHORIZATION, 1974

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). Under the previous order, the Senate will now proceed to the consideration of S. 2408, which the clerk will state.

The legislative clerk read as follows:

S. 2408, to authorize certain construction at military installations, and for other purposes.

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.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be charged to neither side.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. 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. TOWER. Mr. President, I ask unanimous consent that Michael J. Hemphill, on the staff of the Joint Committee on Defense Production, be allowed to be present on the floor during the consideration of S. 2408, the military construction authorization bill.

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged to neither side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. 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.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered. Who yields time on the bill?

Mr. TOWER. I yield myself such time as I may require.

Mr. President, I do not know that there is any controversy about the military construction bill before the Senate. It has been considered carefully. We went below the administration request by approximately $139 million, which includes an increase of $10.3 million over the prior years' authority

The principal features of the bill this year are that the military construction program reflects support of a base line military strength which is the lowest since the pre-Korean War period in early 1950; consolidation and realinement of the missions performed by the major installations; the shift from a draft dominated force to an all-volunteer force; and greater reliance on the mobilization readiness of the Reserve forces.

A large portion of the departmental request was directed at improving the attractiveness of military life in order to maintain an all-voluntary force.

Sixty percent of the total budget in this bill is devoted to housing needs. As every Member of this body knows, in our experiment with the all-volunteer force, we are finding that we have to make service life far more attractive and more comfortable.

Actually, 56 percent of our total defense dollar is going for personnel. This is a very high amount, when we consider that that leaves only 44 percent for the procurement of hardware, for day-to-day operations of the military, and for military construction. So we are paying a very high price for the experimentation with the all-volunteer force. I hope the experiment is successful. It is something that apparently the American people are demanding.

We must understand that most of the so-called peace dividend as a result of the conclusion of hostilities in Southeast Asia on our part has gone into additional personnel cost in the armed services, even though we have had force reductions in the Armed Forces. Our personnel costs have gone up, and that is reflected in the military construction authorization, in that we include 60 percent for housing. That is pretty much in the ballpark, with the normal percentage of the defense dollar now being spent for personnel.

I do not believe any items here are controversial. We have included $110 million for the Reserve forces, which seems to me to be almost inordinately small, considering the size of this authorization, which totals $2,835,444,000.

Mr. President, I yield to the Senator from South Carolina such time as he may require.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, this bill which provides for authorization in the amount of $2.8 billion in military construction during fiscal year 1974 has been carefully considered by both the Military Construction Subcommittee and the full Committee on Armed Services. The amounts requested are slightly greater than that approved by the committee. However, the distinguished chairman of the Military Construction Subcommittee, the senior Senator from Missouri (Mr. SYMINGTON), has thoroughly inquired into all of these projects in doing his usual outstanding job.

Mr. President, I would also like to commend the distinguished senior Senator from Texas (Mr. TOWER) who is the ranking minority member of the Military Construction Subcommittee. Both the chairman of the subcommittee and the ranking minority member did a fine job on this bill.

In my judgment, the bill is not everything that is desired, but we think it meets the requirements; we think it fulfills the main goals that the services have in mind in military construction; and we feel the bill is sound and that the bill should be passed by the Senate without delay. Since it accomplishes the main purposes, we hope it will receive prompt attention by the Senate.

The ACTING PRESIDENT pro tempore. Who yields time?

RECESS UNTIL 11:45 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 11:45 a.m.

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

Accordingly, at 11:21 a.m., the Senate took a recess until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ROBERT C. BYRD).

EXECUTIVE SESSION

Mr. TOWER. Mr. President, I ask unanimous consent that the pending business, S. 2408, be temporarily laid aside and that the Senate go into executive session to consider four nominations reported favorably earlier today by the Armed Services Committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

There being no objection, the Senate

proceeded to the consideration of executive nominations.

U.S. NAVY

The legislative clerk read the nomination of Mr. Joseph T. McCullen, Jr., of Maryland, to be an Assistant Secretary of the Navy.

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

The legislative clerk read the name of Mr. David Samuel Potter, of Wisconsin, to be an Assistant Secretary of the Navy.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nomination is confirmed.

U.S. AIR FORCE

The legislative clerk read the name of Mr. Walter B. LaBerge, of California, to be an Assistant Secretary of the Air Force.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nomination is confirmed.

U.S. ARMY

The legislative clerk read the nomination of Mr. Norman R. Augustine, of Texas, to be an Assistant Secretary of the Army.

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

Mr. TOWER. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of the confirmation of these nominations.

LEGISLATIVE SESSION

Mr. TOWER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged against either side.

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

The legislative clerk proceeded to call the roll.

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

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

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS, 1974

Mr. GOLDWATER. Mr. President, on H.R. 8916, the Departments of State, Justice, and Commerce and the judiciary appropriations bill, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. H.R. 8916 has been reported. I cannot find a report from the committee. I am told that there is one; that a dummy report has been submitted. I have never heard of this practice before. I should like to ask the Chair if it is proper to proceed in this way.

The PRESIDING OFFICER. This is a practice that is frequently followed. A so-called dummy report will be submitted at the desk with the understanding that the committee will have until midnight that same day or, by unanimous consent, a longer time, provided that the committee will have until such time to send the report to the Printing Office. In this instance, I am advised that the printed report should be available at this time.

The Chair will be happy to check to see if the printed report has come up from the Government Printing Office and the distinguished Senator from Arizona will then be so advised.

Mr. GOLDWATER. I appreciate the Chair's volunteering to act. The reason I was interested is that I understand that the bill is to come up on Monday. I am interested in it, but I have not been able to read anything about it, and I was wondering whether this practice had been raised before. It seems to me to be a little bit out of bounds but, with the Chair's assurance, I think I can live with it.

The PRESIDING OFFICER. The Senator from Arizona has expressed a legitimate concern and the Chair will attempt to ascertain if and when the report was printed and the Senator will be so advised.

Mr. GOLDWATER. I thank the Chair and suggest the absence of a quorum.

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed by the quorum not be charged to either side.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

NORTH ATLANTIC ASSEMBLY—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HASKELL). The Chair, on behalf of the Vice President, as a supplementary announcement, has appointed the following Senators to compose the complete group, as of now, to attend the North Atlantic Assembly, to be held in Ankara, Turkey, October 21–27, 1973: Senators SPARKMAN, Chairman, KENNEDY, TUNNEY, BENTSEN, HUMPHREY, JAVITS, PEARSON, COOK, STEVENS; and the following Senators to be alternate delegates to the same conference: Senators MANSFIELD, RANDOLPH, PELL, MCINTYRE, BAYH, EAGLETON, and BUCKLEY.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1081) to authorize the Secretary of the Interior to grant rights-of-way across Federal lands where the use of such rights-of-way is in the public interest and the applicant for the right-of-way demonstrates the financial and technical capability to use the right-of-way in a manner which will protect the environment, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HALEY, Mr. MELCHER, Mr. JOHNSON of California, Mr. UDALL, Mr. SAYLOR, Mr. STEIGER of Arizona, and Mr. YOUNG of Alaska were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 1141) to provide a new coinage design and date emblematic of the Bicentennial of the American Revolution for dollars, half dollars, and quarter dollars, to authorize the issuance of special gold and silver coins commemorating the Bicentennial of the American Revolution, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, immediately following the remarks of the distinguished Senator from Minnesota (Mr. HUMPHREY) and prior to the remarks of the equally distinguished Senator from Minnesota (Mr. MONDALE), I be recognized for not to exceed 15 minutes.

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

ORDER FOR ADJOURNMENT UNTIL MONDAY, SEPTEMBER 17, 1973

Mr. ROBERT C. BYRD. Mr. President, at the direction of the distinguished majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 noon on Monday next.

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

(Later in the day this order was modified to provide for the Senate to convene at 11 a.m. on Monday.)

RECESS UNTIL 12:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 12:30 p.m.

The motion was agreed to; and at 12:10 p.m., the Senate took a recess until 12:30 p.m.; whereupon, the Senate reassembled when called to order by Mr. HASKELL.

QUORUM CALL

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged to neither side.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT TO MONDAY NEXT AT 11 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock Monday morning next.

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

ORDER FOR RECOGNITION OF SENATORS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders previously entered for the recognition of Senators on Monday next, the following Senators be recognized for not to exceed 15 minutes each and in the order stated: Senators CURTIS, BUCKLEY, and GRIFFIN.

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

RECESS UNTIL 1:04 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 30 minutes.

The motion was agreed to; and at 12:34 p.m., the Senate took a recess until 1:04 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. HATHAWAY).

QUORUM CALL

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged to neither side.

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

The legislative clerk proceeded to call the roll.

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

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

MILITARY CONSTRUCTION AUTHORIZATION, 1974

The Senate continued with the consideration of the bill (S. 2408) to authorize certain construction at military installations, and for other purposes.

Mr. SYMINGTON. Mr. President, the bill before the Senate today provides construction and other related authority for the military departments and defense agencies within and outside the United States, including authority for all costs of military family housing and the construction of facilities for the Reserve components.

The total new authority granted by the bill is $2,813,033,000. In addition thereto, approval is granted for an increase in prior years authority of $10,361,000, for a total authorization of $2,835,444,000.

After careful consideration of some 680 individual projects at 287 named installations within the United States and overseas, the committee approved an amount totaling approximately $139 million below the budget request. This is a decrease of about 5 percent in new authority.

Considering the composition of the bill, the committee considers this to be a substantial reduction, but is of the opinion the amount granted is fully adequate to provide for the construction needs of the Department of Defense during fiscal year 1974.

Again this year, as has been the case for the past couple of years, a large portion of the departmental request was directed at improving the attractiveness of military life in order to maintain an all volunteer force.

For example, 60 percent of the total budget request is devoted to military housing needs for bachelor personnel and military families. We are increasingly having problems securing enlistees because of the volunteer program, and this certainly should help.

In the Army program, exclusive of $80 million provided for NATO infrastructure, 68 percent was earmarked for bachelor housing. This might be compared to 22 percent for the Navy and 13 percent for the Air Force. In total, $501 million was requested for bachelor housing for the three military services.

Over $91 million was requested for community support facilities such as gymnasiums, servicemen's clubs, and other morale related facilities.

Beginning this year, the Department has embarked on a program to update and modernize aging medical facilities in order to provide modern and efficient medical care. About $146 million was requested for this purpose.

For the most part, the committee has approved these requests.

A reduction was made, however, of about $50 million in the military family housing program. This was made possible by recouping certain authority granted last year for a number of housing units that were not constructed due to the base closure program, the deferral of some 657 units of new housing that is questionable, and an adjustment to an increase in the unit cost requested this year.

Nevertheless, a very adequate family housing program is provided for. In substance, it provides for the construction of 11,032 units of new housing during this fiscal year, and grants an increase in the average unit cost limitation from $24,000 to $27,000 in order to cover the increase in building costs and to provide a little additional living space primarily for noncommissioned officers.

Mr. President, I wanted to specifically call these matters to the attention of the Senate today in light of the difficulties the voluntary force concept seems to be facing.

The months of June, July, and August are supposed to be among the best for recruitment, but enlistments have fallen well behind quotas, primarily in the Army. For example, in June of this year, the Army got 90 percent of the number of personnel wanted; in July, the figure dropped to 76 percent, but climbed back to 81 percent in August.

Recruiting and training personnel is an expensive proposition. Special efforts must be made to retain trained personnel now in the service and to encourage others to enlist. If providing decent quarters, modern medical facilities, and other morale-related facilities will help retain personnel and encourage others to enlist, then it is believed the money will be well spent.

Another major request this year was for 98 air and water pollution projects. About $110 million is provided in the bill for this purpose. I am glad to note that this is a substantial decrease from last year's request. This indicates that the Department has turned the corner in their pollution abatement program.

Of particular interest to some, I am sure, will be the fact that the bill contains about $53 million for projects made necessary as a result of the base closures and realinements announced last April. These have been substantially approved. We know from past experience that it would serve little purpose to defer such projects in the hope that announced closures might be reversed or delayed.

Last year the committee denied the authorization requested for the beginning of the Trident submarine base. At that time the Navy was uncertain as to the location, or the cost, for that matter. It was then estimated the cost would be around $1 billion. It would seem a year's delay proved fruitful. In the interim a site was selected in Washington State, and the estimated cost is now about one-half of last year's estimate. The bill provides $118.3 million for the first increment of the Trident facilities.

For the Reserve Forces $109.7 million was provided, which is the largest program proposed to date. This is the third year in which the committee has approved a substantial increase in the

program for construction of training facilities for the Reserve forces. These increases reflect the continuing concern of the committee, as well as the Department of Defense, that the Reserve components be recognized as a vital element on the first line of defense against external threats to the Nation. Department of Defense witnesses have indicated that current defense planning envisages the Reserve and the National Guard as a primary source of military manpower in future emergencies in lieu of increased draft calls.

Finally, Mr. President, I wish to call attention to section 204, on page 18, of the bill before you. This section pertains to the naval weapons range on the island of Culebra. The naval training activities on this small island off the eastern coast of Puerto Rico has been a political and an emotional issue for a number of years. After extensive studies were made, the Secretary of Defense, on May 24, 1973, ordered the weapons range activities removed from Culebra and relocated to certain uninhabited islands off the western coast of Puerto Rico. At the time hearings were held on this bill the Navy had not submitted to the committee any plans for this move, or estimates of cost. The longer this move, which is inevitable, is delayed, the more costly it will be. The provision in question will require the Navy to make this move by July 1, 1975, and authorizes the appropriation of $12 million for this purpose.

Mr. President, I believe that I have fairly outlined the salient features of the bill before you. As I have previously indicated, the committee in reporting the bill is confident that the construction needs of the Department of Defense will be adequately provided for.

Mr. TOWER. Mr. President, I yield myself such time as I may require. I already have made my opening remarks, and the Senator from South Carolina (Mr. THURMOND) has made his opening remarks. I do not know of anyone on this side who wants to comment on the military construction bill, and unless there are amendments, I would be prepared to yield back my time.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for 2 minutes for the purpose of offering an amendment?

Mr. SYMINGTON. I yield.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 26, between lines 13 and 14, insert the following:

SEC. 304. (a) Section 301 of Public Law 92-145 is amended under the heading "Inside the United States" as follows: Under the subheading "Strategic Air Command" with respect to Malstrom Air Force Base, Great Falls, Montana, strike out "$522,000" and insert in place thereof "$735,000".

(b) Public Law 92-145 is further amended by striking out in clause (3) of section 702 "$226,484,000" and "$247,347,000" and inserting in place thereof "$226,697,000" and "$247,560,000", respectively.

On page 26, line 14, strike out "Sec. 304" and insert in lieu thereof "Sec. 305".

Mr. MANSFIELD. Mr. President, the fiscal year 1972 Military Construction Authorization Act which was enacted in 1971 included an important project at Malmstrom Air Force Base, Mont. This was for a dormitory to house single airwomen. Malmstrom Air Force Base is one of the bases designated to utilize WAF personnel in various essential fields. Appropriate facilities are needed at Malmstrom to properly accommodate these single women airmen residing on base. At present, they are housed in dormitories designed for male servicemen, and these barracks do not meet the desired standards for female ocupancy.

The project previously approved by Congress was for 120 persons at a cost of $522,000. This was the only project for Malmstrom during that fiscal year. Bids for the dormitory were received in April 1973. Due to rapidly escalating construction costs throughout the country, this project could not be legally awarded. The total cost, based on the lowest bid submitted, exceeds the base authorization. The current estimate, based on valid bids, is $735,000 which incorporates the cost escalation since the bids were submitted.

In order to construct this essential project, the authorization for Malmstrom AFB in the fiscal year 1972 authorization law must be increased by $213,000 to a total of $735,000.

Mr. President, this information came in too late for the committee to consider it. I would urge the committee and the Senate to give approval to the amendment.

Mr. SYMINGTON. Mr. President, the Senator from Texas (Mr. TOWER) has indicated he would accept the amendment, and I am prepared to accept the amendment.

Mr. TOWER. Mr. President, I accept the amendment.

Mr. MANSFIELD. I thank the Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SYMINGTON. Mr. President, I have a statement from the distinguished senior Senator from Massachusetts (Mr. KENNEDY) which I wish to read into the RECORD, inasmuch as he is unable to be in the Chamber at this time.

He writes that he would like to thank the Senator from Missouri, the chairman of the Military Construction Subcommittee and acting chairman of the full committee, for the decision to hold hearings in June on the Navy base closings. He states that he knows these decisions added to an already difficult economic situation in his State.

He asks if it is not correct that in this bill there is some $53 million requested by the services for additions at other bases made necessary by the closing of existing bases. The answer is yes.

He asked if we would agree that Congress was given very little opportunity to analyze effectively the reasons offered by the Defense Department for their specific actions until he scheduled hearings on that subject.

I regret that the answer to that question also was yes.

In that regard he asks whether I would agree that the detailed record finally provided that hearings should not have had to await formal action by the committee but should have been provided by the Department of Defense at the same time that it announced an intention to close bases.

My answer to that would also be yes.

He also asks whether I would agree that there appears to have been a somewhat less than thorough analysis of the economic effect of these decisions, as well as of the relative merits of individual bases prior to the decision to close was made and that in any case, this material was not originally offered to the committee and the Congress as part of DOD's seemingly clear responsibilities under section 613 of the Military Construction Authorization Act of 1967 and under section 125 of title 10.

We had hearings for several days for the people of the Commonwealth of Massachusetts and also the State of Rhode Island, and I would agree to that.

He asked if I would show his concern that the ultimate costs may be far more than what were originally estimated. He notes that on page 21 one element of the Navy's transfer of facilities already has been shown to be shortsighted.

I can only say that in general I agree with the observations of the senior Senator from Massachusetts. I think it is most unfortunate that with so many bases abroad, many of which I consider unnecessary to the security of the United States, we had to close the well known Navy base, the Boston Navy Yard, noted for its efficiency, and also the closing of so much in the State of Rhode Island.

I submit this for the RECORD for the Senator from Massachusetts along with my responses.

AN IMPORTANT DAY FOR THE PEOPLE OF CULEBRA, PUERTO RICO

Mr. JAVITS. Mr. President, usually the bill presently under consideration, the military construction authorization bill (S. 2408) is not a controversial one. However, one section of this bill, section 204, signifies the end of one very controversial issue and a matter that has troubled me deeply: the use by the Navy of the inhabited island of Culebra, Puerto Rico as a weapons testing range. For many years the people of Culebra have been subjected to unnecessary harassment and, indeed danger to their personal safety by the use of this island as a weapons testing range. In the past I have supported legislation to bring the weapons testing there to an end, and now our efforts are brought to fruition. Commendably, on May 24, 1973 then Secretary of Defense Richardson announced his decision to move the weapons range from Culebra, effective July 1, 1975. This decision will now be given statutory effect by Section 204, when it becomes law, which reads as follows:

SEC. 204. In order to permit the execution of an order of the Secretary of Defense, dated May 24, 1973, that the Department of the Navy transfer all Atlantic Fleet weapons

range activities now conducted on or near the island of Culebra to the islands of Desecheo and Monito, not later than July 1, 1975, there is hereby authorized to be appropriated the sum of $12,000,000 for construction and equipment for substitute facilities, such sums to remain available until expended.

Mr. President, I want to commend the Armed Services Committee for including this provision in the bill. Today is an important day for the people of Culebra and the people of the United States.

Mr. BAKER. Mr. President, I wish to commend the chairman and members of the Senate Armed Services Committee for providing $12 million in the military construction bill, presently pending before the Senate, to effect the transfer of the Atlantic Fleet Weapons Range from the inhabited island of Culebra to the two uninhabited islands of Desecheo and Monito.

This transfer was ordered by the Secretary of Defense on May 24, 1973, and it represents the fruition of efforts by many to end the Navy's use of this tiny island east of Puerto Rico as a target for naval weapons. For years, the Navy claimed that Culebra was essential to the national security as a target for ship-to-shore and aerial bombardment until 1972, when two studies conducted by DOD concluded that there were other islands in the general vicinity that were uninhabited and that would serve the same security purpose. Thus, Senator HUMPHREY and I introduced legislation, cosponsored by 38 Members of this body, to force the Navy to move elsewhere for their target practice; and I was very pleased to see Elliot Richardson, in his last action as Secretary of Defense, order the Navy to complete such a transfer by July 1, 1975.

The questions of how to effect the transfer and how to protect Culebra's unique environment from uncontrolled development remain to be answered. However, I am confident that the Department of Interior, the Navy, and the Government of the Commonwealth of Puerto Rico can work out these details in the near future and that the transfer can be brought about as quickly and smoothly as possible.

The funds included in section 204 of the military construction bill are essential to this purpose and I want to especially commend the junior Senator from Washington for bringing this important matter to the attention of the Armed Services Committee during the markup of the bill.

Mr. ROBERT C. BYRD. Mr. President, my distinguished colleague from California (Mr. TUNNEY) is necessarily absent from today's discussion of the military construction authorization bill. However, he has expressed considerable interest in this measure and has prepared a statement for the RECORD.

I ask unanimous consent that Senator TUNNEY'S statement be included in the RECORD.

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

STATEMENT BY SENATOR JOHN TUNNEY

Mr. President, on August 3, 1973, I submitted the following statement for the Record to the Chairman of the Armed Services Military Construction Subcommittee. I ask unanimous consent that my statement be inserted in the Record at this point.

Mr. President, I was advised this item would not be included in Fiscal Year 1974 Military Construction Appropriation Authorization. However, I do not at this time have an amendment to the Military Construction Bill because I am assured funds for construction of a new 15th Air Force Headquarters at March Air Force Base in Riverside, California, will be a part of the FY '75 Milcon authorization request.

The 15th Air Force is an integral part of the Strategic Air Command. Although headquartered at March AFB, California, there are four divisions throughout the West Coast, including the 12th Strategic Missile Division at F.E. Warren AFB, Wyoming, and the 47th Division at Fairchild AFB, Washington.

During August 1972 I toured the present 15th Air Force Headquarters and became aware of certain deficiencies in the general structures housing of the headquarters which can best be described as 26 wood frame, World War II era buildings, in an advanced state of deterioration, which are widely separated.

Mr. President, this separation results in inefficiency and a significant loss in manhours during consideration and discussion of classified matters and various staff actions. Further, the additional direct and indirect cost of maintenance to these substandard facilities.

Mr. President, the efficiency of an Armed Forces and their efforts to provide adequate defense necessitates certain considerations relative to adequate facilities. I would only restate my continued awareness of this need to construction of a new 15th Air Force Headquarters at March AFB, California.

STATEMENT OF SENATOR JOHN V. TUNNEY BEFORE THE ARMED SERVICES MILITARY CONSTRUCTION SUBCOMMITTEE OF FUNDING A NEW 15TH AIR FORCE HEADQUARTERS AT MARCH AIR FORCE BASE, AUGUST 3, 1973

Mr. Chairman: I wish to support the authorization of funds for construction of a new 15th Air Force Headquarters at March Air Force Base in Riverside, California.

The 15th Air Force (Commanded by Lt. Gen. William F. Pitts) is an integral part of the Strategic Air Command. Although headquartered at March AFB, California, there are four divisions throughout the West Coast, including, the 12th Strategic Missile Division at Davis-Monthan AFB, Arizona, the 14th Air Division at Beale AFB, California, the 4th Strategic Missile Division at F. E. Warren AFB, Wyoming and the 47th Air Division at Fairchild AFB, Washington.

In August 1972, I had the pleasure and honor of touring the 15th Air Force Headquarters and meeting the then new Commander, General Pitts. At that time, I became aware of certain deficiencies in the general structures housing the headquarters and for your viewing I have enclosed some pictures that graphically illustrate the deterioration of these World War II era buildings, as a part of this presentation.

Mr. Chairman, this construction project will combine into a single facility numerous command and staff activities of Fifteenth Air Force located at March Air Force Base. These activities are presently housed in twenty-six deteriorated World War II wood frame buildings which are widely separated. This separation results in inefficiency and a significant loss in man-hours during consideration and discussion of classified matter and various staff actions. The twenty-six existing substandard buildings will be disposed of upon completion of this project.

The estimated cost of the Department of the Air Force is set at $2,500,000. The quantitative data in square footage is as follows:

Total requirements	89,205 SF
Existing—substandard	107,223 SF
Existing—adequate	27,055 SF
Deficiency	62,150 SF

The efficiency of an Armed Forces and their efforts to provide adequate defenses necessitate consideration of this authorization during your current deliberations. Adequate facilities are essential to maintain satisfactory levels of performance at March Air Force Base.

Thank you, Mr. Chairman, for this opportunity to provide information on this matter for your consideration.

COMING TO GRIPS WITH THE PROBLEM OF CULEBRA

Mr. JACKSON. Mr. President, on August 27, 1970, I observed that—

> We have delayed too long coming to grips with the problem of Culebra. As a result of the Senate's concern . . . there is some hope that the Navy is beginning to realize that the situation there is serious: that what is at stake is something more than the Navy's use of a training facility. In fact, what is at stake is the quality of life on Culebra and the Navy's right to decide how far it can go in affecting the lives and well-being of the people who live there.

Congress enacted legislation dealing with the Culebra issue later that year, as part of the Military Construction Act of 1971. The bill that emerged from conference directed the Secretary of Defense to complete a study of alternatives to Culebra by April 1, 1971, and to submit this study to the President as well as to the chairmen of the Senate and House Armed Services Committees. When I presented the conference report to the Senate in October 1970, I stated:

> In my view, the report will be the President's report and will reflect an appreciation of the political ramifications for Latin America which are involved in the long term settlement of this problem which has not been present in the Department of the Navy's previous public statements on Culebra. To insure that this is the case, I have written the President and asked that the White House staff and the State Department be directed to monitor the Secretary's study and to review the report and recommendations before a formal policy on Culebra is adopted by the Department of Defense.

In the course of debate on this conference report, I assured my fellow Senators that "I intend to follow through personally."

On Tuesday, September 11, 1973, I was obliged to honor that pledge by recommending to the Armed Services Committee during its markup session on the military construction authorization bill for 1974 that $12 million be added to the bill to fund the transfer of all Navy operations from the inhabited island of Culebra to the uninhabited islands of Desecheo and Monito by July 1, 1975. The committee unanimously adopted this provision. I think it important to set forth here in some detail why I found it necessary to take this initiative.

On November 16, 1970, Gov. Luis Ferre wrote to the President calling the issue of Culebra "and overriding question of momentous importance in the minds of Puerto Ricans here and on the mainland."

He added:

> The issue has taken on potentially explosive proportions and has accordingly become a reason for the gravest concern to me and to my administration. Puerto Ricans every-

where are watching and waiting to see what the United States will do. Unless we can find a just and agreeable solution, our efforts to strengthen the ties between Puerto Rico and the mainland, to have Puerto Rico serve as a bridge of understanding to Latin America for the United States, will suffer a severe setback. Whether right or wrong, Puerto Ricans universally see in the Culebra question an issue of colonialism. So apparently do the citizens of Central and South American countries who are also watching and waiting to see what the Federal Government in Washington will ultimately do.

It is my most earnest belief that the United States has at stake in the Culebra matter a great deal more than the simple question of a place for the Navy to engage in target practice. Most unfortunately, I think very little of this has been understood by nearly all the people who have concerned themselves with this matter in the Federal Government in Washington.

President Nixon responded to Governor Ferre's letter on December 15, 1970, acknowledging that "all of us in the Federal Government share your sense of urgency in this matter," and added that he would be personally represented on the Defense Department study by the Chairman of the Council on Environmental Quality who "will be in continuing touch with me on this matter." The President also informed Governor Ferre that he was requesting that—

The Secretary of State be consulted throughout the study period with respect to all aspects of the Culebra question pertaining to our foreign relations, especially those with our Central and South American neighbors.

While the Department of Defense study was underway, the Navy negotiated a so-called peace treaty which was signed by Navy Secretary, John Chafee; Gov. Luis Ferre; Puerto Rican Senate president, Rafael Hernandez Colon; and Culebra's mayor, Ramon Feliciano, on January 11, 1971. In paragraph 11 of this agreement, the Navy promised—

To continue to investigate both technological and geographical alternatives to the training done on Culebra. The purpose of these investigations will be to find feasible alternatives that will eventually permit the transfer away from Culebra of the training that will be conducted after January 1, 1972.

In a final paragraph, No. 12, added at the insistence of the Puerto Rican signatories, it was stated to be the position of the Puerto Rican Government and of the three Puerto Rican signatories:

That the Navy should terminate all training operations on Culebra and its neighboring cays within a reasonable period.

It was stated to be the hope of the signatories:

That the study that the Department of Defense is required by law to undertake will conclude that this is feasible.

On April 1, 1971, this hope was realized. Secretary of Defense Laird transmitted to Congress the report embodying his study of alternatives to Culebra. This report concluded that—

Culebra can be "replaced" for at most $50 million.

The $50 million figure referred to the cost of constructing an artificial island as a substitute for Culebra. The study specifically noted that—

There are alternative sites which have the potential for accommodating these [fleet readiness] activities and that alternatives are available which could accommodate the NGFS [Naval Gunfire Support] training now done at Culebra.

It also specifically noted that the uninhabited island of Desecheo "is of more than sufficient size to serve as an impact area for NGFS—naval gunfire support—training."

Premised on this study, costing more than $100,000 and bearing the imprimatur of President Nixon and his Secretary of State, Secretary of Defense Laird announced publicly on April 1, 1971, that he had directed the Navy—

To initiate those land surveys, training maneuvers analyses and engineering studies required to provide the option of moving by June 1975 to a suitable alternative to the target areas on Culebra.

And stated further that he would—

Reappraise the Culebra situation . . . by the end of 1972 in order to make a final decision *where* to relocate the Naval Training target areas now on Culebra. . . ." (Italics added.)

The clear implication of the Secretary's announcement was that he had concluded from his study and in consultation with the President and the Secretary of State that the Navy could and should transfer its training operations away from Culebra by June 1975, and that he was deferring until the end of 1972 only the decision on "where" these naval training operations would be transferred. This implicit meaning was publicly made explicit by Governor Ferre who announced to a relieved Puerto Rican public that the Secretary of Defense had assured him in private telephone conservations immediately preceding his April 1, 1971, public announcement that all Navy operations would, in fact, be transferred away from Culebra by June 1975.

A subsequent UPI story suggested that some military officials were placing a different construction on the Secretary's April 1, 1971, announcement. In an effort to remove any doubt as to the Secretary's intentions, then Puerto Rican Senate president, now Governor, Raphael Hernandez Colon wrote to the Office of the Secretary of Defense on April 21, 1971. Alluding to the UPI story, Senor Hernandez Colon wrote:

There is sufficient confusion and concern in Puerto Rico about this that I feel it is most important to clarify the matter as quickly as possible, so that the people of Puerto Rico can have a clear understanding of the scope of the Defense Department's commitment on Culebra.

On April 23, 1971, Mr. Jerry W. Friedheim, Deputy Assistant Secretary of Defense and official spokesman for the Defense Department replied:

We hope the Secretary's statement makes it clear that Navy operations on Culebra are to be transferred by June 1975 unless a reversal of the situation occurs because of (1) the collective wishes of the Culebrans themselves, (2) action by the Congress, or (3) the President's future assessment of national security demands.

In testimony before the Subcommittees on Military Construction of the Senate Committees on Armed Services and Appropriations in the summer of 1971, Mr. Joseph A. Grimes, Jr., Deputy Under Secretary of the Navy, affirmed that the Navy would comply with the directives of the Secretary of Defense as these were specifically clarified by the precise language contained in Mr. Friedheim's letter and quoted above.

On October 27, 1971, the President signed into law the Military Construction Authorization Act of 1972. Section 207 of this act directed the Secretary of Defense "to prepare a detailed feasibility study of the most advantageous alternative to the weapons training now being conducted in the Culebra complex of the Atlantic Fleet Weapons Range." The Secretary was directed to complete this study by December 31, 1972, and to transmit to the President of the United States and to the chairman of the House and Senate Armed Services Committees a report summarizing the study results together with the Secretary's recommendations. It already was established that there were adequate alternatives to Culebra. Congress was directing the Secretary of Defense to provide detailed information on the best alternative and assumed that the Secretary would comply with his own publicly announced commitment to transfer naval training operations away from Culebra by June 1975.

On November 4, 1972, with the results of the detailed feasibility study before him, Secretary of Defense Laird reaffirmed his commitment to announce by the end of 1972 a final decision "where to relocate the naval training target areas now on Culebra."

The Secretary must have been aware of the widely publicized explanation of his commitment contained in Mr. Friedheim's letter. His November 4 reaffirmation of the Defense Department commitment, contained in a telex message to Governor Ferre, was published in Puerto Rican newspapers on Sunday, November 5, 1972.

On December 18, 1972, Mayor Feliciano, of Culebra, dispatched identical telegrams to President Nixon and to Secretary of Defense Laird reaffirming Culebra's insistence upon an unqualified termination of all firing activities at Culebra by a date certain. Thus, the first of the three possible reversing factors set forth in Mr. Friedheim's letter had not come to pass. Likewise, neither Congress nor the President reversed Secretary Laird's decision to transfer all firing operations away from Culebra by June 1975.

Nonetheless, on December 27, 1972, Secretary Laird reversed his decision. A new dimension was added to the Culebra problem—the credibility of a commitment of the U.S. Government. Maintaining the credibility of our Government's commitments is just as essential to our national security as the training that takes place at Culebra.

In January of this year, Senator BAKER and Senator HUMPHREY introduced legislation to make good on the word given by our Federal Government

to the Commonwealth of Puerto Rico by directing the transfer of all Navy operations away from Culebra by July 1, 1975.

In a move totally without precedent, all four elected Governors of Puerto Rico, past and present, representing three different political parties, joined in a letter to U.S. Senators, urging support of this bill and expressing the unified position of all Puerto Ricans that Navy training operations at Culebra must terminate by July 1, 1975.

In the course of his confirmation hearing, Secretary of Defense Richardson promised to review the Culebra policy of his Department. The detailed feasibility study produced by the Defense Department concluded that alternatives to Culebra are available and "suitable from an operational viewpoint." Indeed, this study documented the extent to which a shift of Navy operations from Culebra to an uninhabited site would both improve Navy training and contribute to the economy of the United States. Remaining at Culebra was the most expensive alternative considered in the study. Most significantly, shifting Navy operations from the inhabited island of Culebra to an uninhabited site would eliminate the risk to civilians of gross errors—a risk that an earlier Defense Department study concluded is "unduly high for training operations in an area where there are nonparticipants within the weapons delivery range."

After reviewing this study in detail and consulting with the Navy and Members of Congress and Gov. Rafael Hernandez Colon of Puerto Rico, Secretary Richardson decided on May 24, 1973, that it would be—

In the long-range interest of the various parties to move the current training activities by July 1, 1975, from the Culebra complex east of Puerto Rico to the uninhabited islands of Desecheo and Monito off the western coast of Puerto Rico provided:

"1. That the Congress authorizes and appropriates the funds required, and:

"2. That a satisfactory overall arrangement can be worked out with the Government of Puerto Rico for carrying out the proposed move and for insuring the long-term continuation of the Atlantic Fleet Weapons Range and the Fleet Marine Force Training Area."

On May 24, 1973, Secretary Richardson also directed the Navy to submit to his office by July 1, 1973, a time-phased plan for implementing his decision. On June 19, 1973, Gov. Hernandez Colon wrote to the Defense Department expressing approval of the transfer and his desire that discussion begin immediately looking toward satisfaction of Richardson's decision.

On May 29 of this year, Senators HUMPREY, BAKER, KENNEDY, and I introduced S. 1897, a bill to fund the transfer of Navy training activities from Culebra to Desecheo and Monito by July 1, 1975. When the military construction authorization bill of 1974 was marked up in subcommittee last Thursday, however, no consideration was given to funding the transfer of Navy operations away from Culebra because, despite the July 1, 1973, deadline imposed in the directive from Defense Secretary Richardson to the Navy Department, the Defense Department has not yet submitted to the Armed Services Committees cost figures for the transfer. I understand that the Navy has submitted internally cost figures which indicate that the transfer can be effected for the $12 million the committee has provided.

Frankly, I am surprised that the Defense Department failed to come forward and implement Secretary Richardson's decision. During his confirmation hearing, Secretary Schlesinger adopted Richardson's decision on Culebra as his own and promised that—

The Department will work with the Congress and the Commonwealth of Puerto Rico to jointly meet the conditions upon which Secretary Richardson's decision was predicated.

If the honor of the United States was not in issue as a result of Secretary Laird's commitment—and I think it was—there can be no question, but that the honor of the United States is at issue now in light of Secretary Richardson's announced decision and Secretary Schlesinger's public affirmation of that decision.

With the action of the full Armed Services Committee at my urging, I hope the Defense Department will act promptly to request the necessary funds from the House Armed Services Committee so that we finally can bring peace to Culebra without interrupting necessary Atlantic Fleet weapons range training.

Mr. President, I ask unanimous consent that several articles bearing on the Culebra issue be printed in the RECORD.

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

[From the Miami Herald, Dec. 29, 1972]

FULL SPEED ASTERN ON CULEBRA

Tiny Culebra Island, off the coast of Puerto Rico, by 1970 had tired of being used for target practice by the U.S. Navy.

For about 10 days each month, the Navy fired on part of the island during training exercises. For an average of 21 days a month, U.S. military aircraft did the same.

Angered Culebrans began agitating for an end to that one-way war. By 1971, most of Puerto Rico's politicians and civic leaders agreed.

Under pressure, the Defense Department announced it would phase out Culebra. Sen. Henry Jackson (D., Wash.), a major supporter of the military in Congress, suggested that the Navy's land in Culebra be turned into a national park so that the island's beauty could be forever preserved.

Three days before last November's Presidential election, Secretary of Defense Melvin Laird sent a telegram to Puerto Rican Gov. Luis Ferre reaffirming that pledge. Mr. Ferre, a representative of the New Progressive Party, was running for reelection as governor. His party is aligned with the stateside Republican Party. The telegram was published in the newspapers.

But Mr. Ferre lost that election in an upset to young (36) Rafael Hernandez Colon, a member of the Popular Democratic Party, which is aligned with stateside Democrats.

Pretty soon, White House and Pentagon statements began to talk about whether the base at Culebra would be relocated—not when, as had been stated previously.

And this week, Mr. Laird made his pirouette complete. He now says the Navy will not move. That, in a bullseye, could settle Culebra's future.

In 1971 the Navy undertook a $2.5-million study of the Culebra issue, and on its findings the decision had been made to pull out. The study said the base was not essential to the United States, but was important for "training effectiveness and efficiency."

On balance, the conclusion was to move. The study correctly pointed out that Culebra had become a symbol of U.S. policy. It spoke of "unfavorable after-shocks" in Latin America.

One paragraph of the study is worth repeating now: "The effect of the Culebra problem could range beyond the expectations of 'experts' if an unfavorable outcome turned Puerto Rican politics away from the United States and in an independent direction. There are forces throughout the Caribbean that stand ready to exploit such an estrangement. The radicalization of the political process in Puerto Rico could have even more far reaching effects."

The election is over, Mr. Laird, and the Republican-favored candidate lost. But the volatility of the Culebra issue remains. Nothing has changed except the governor.

[From the Chicago Sun-Times, Dec. 30, 1972]

TREATING PUERTO RICO AS A COLONY

There was a good deal of hooting last August at the ignorance of the United Nations Committee on Colonialism which, prompted by Cuba, accused the United States of treating Puerto Rico as a "colony" and denying the island its "inalienable right" to independence. Very few Puerto Ricans want independence from the United States. On Tuesday they will inaugurate a new governor, Rafael Hernandez Colon, who won election as a proponent of continuing Puerto Rico's status as a commonwealth. His Popular Democratic Party has ties with the mainland Democratic Party. He defeated the incumbent governor, Luis A. Ferre, who favors statehood and whose party is affiliated with the mainland Republican Party. No responsible Puerto Rican statesman favors independence.

Still there is some talk, particularly among extreme left-wingers on college campuses, that the United States does treat Puerto Rico as a "colony" and it is most unfortunate that such dissenters have just been given new ammunition by Defense Sec. Melvin Laird. He has reversed an agreement made two years ago to take the Navy's controversial naval and air-gunnery training range off the island of Culebra which is a Puerto Rican municipality of some 850 persons.

For years the Culebrans have sought to stop the use of their land for gunnery practice. They said it was dangerous, disturbed their peace of mind and interfered with their livelihood, mostly fishing. The Navy suggested resettling the islanders, but this merely provoked greater nationalist sentiment along the lines of "why should we move from our homes?" The issue came down to this: Was the Navy's need for the island so essential as to override the islander's basic rights to be left alone? The debate spilled into Congress. The late Sen. Ralph T. Smith (R-Ill.), a Navy veteran, said the Navy policy was "stupid," and in disregard of the welfare of the U.S. citizens who lived on Culebra.

Everyone thought the issue was resolved two years ago when the Navy agreed to move and a new site was to be announced at the end of this year. Puerto Ricans were reassured when Laird reiterated this position three days before the election for governor last Nov. 4; the issue had arisen again during the campaign. Last Wednesday Laird said that the Navy would keep the base at least until 1985 as a result of a new study that showed Culebra to be superior to any alternatives.

As we mentioned in an editorial on the subject Dec. 19, 1970, it may be hard for mainland residents to grasp the severity of the feelings of Puerto Ricans on the issue. It is a tumultuous one in San Juan. Gov.-

elect Hernandez Colon, former president of the Puerto Rican Senate, says his opposition to the site remains "unaltered." Jaime Benitez, former chancellor of the University of Puerto Rico and the island's newly elected resident commissioner in Washington, said the Laird announcement was "equivalent to an apple of discord" between the commonwealth and the United States.

This is no minor matter to be decided by the Pentagon brass on the basis of what the Navy thinks it needs. This is a matter involving not only the rights of individual Culebrans but the right of all Puerto Ricans to respect for their views in Washington. We wonder if the decision would have been different if Ferre had been elected.

Puerto Rico is not a colony and should not be treated in the manner of George V. It was just such an attitude as Laird has exhibited that caused Thomas Jefferson to put in the Bill of Rights the provision that no soldier shall in time of peace be quartered in any house without the consent of the owner. Let the Navy not quarter its gunners where they are not wanted. Elliot Richardson, who soon will succeed Laird as defense chief, should review the Culebra controversy.

[From the New York Post, January 1973]

TARGET PRACTICE

(By Jose Torres)

When Defense Secretary Melvin Laird said this week that the Navy would continue its shelling maneuvers on Puerto Rico's tiny island-municipality of Culebra at least until 1985, no one here seemed shocked. Those who are suffering the most, the 700 inhabitants of the offshore town, seem to be aware that as far as the U.S. Navy is concerned, they are the "gooks" of the Caribbean.

As they see it, to drop bombs on Asian children, women and old people is no different for the U.S. establishment than it is to make life miserable for the inhabitants of Culebra. It is clear that power and might are right and the weak are always wrong. The people of Puerto Rico have been consistently protesting the use of Culebra as a Navy target practice site and the Navy is paying no attention to those cries.

"What can you expect?" said a young man who lives in Culebra and works in San Juan. "The bombing of the U.S. in Vietnam is thought of in America as like taking a lollipop from a baby . . . What do you think the reaction will be when we begin to protest again about this news that the Navy will remain in my town until the Americans review the case again in 1985?"

Of course, those surprised by the Laird announcement are the ones who thought that America was a sensitive country that cared for the weak, for those countries which are much smaller than the most powerful country in history. For these there was hope when in 1971 the Navy and the Government of Puerto Rico agreed to have a private organization decide where to relocate the target areas.

During his campaign for reelection, Gov. Luis A. Ferre announced that the Culebra case was closed, implying that the Navy was going to be out of there soon. But when Laird's announcement reached Puerto Rico this week, the Governor simply said: "Well, that is no longer my problem. The one to deal with it is the new administration." Thus did the defeated incumbent wash his hands of the whole affair.

Governor-elect Rafael Hernandez Colon reacted this way: "So now it is up to the U.S. Congress to make a decision. My intention and that of the people of Puerto Rico is to stop the Navy from its arbitrary use of Culebra as a target practice range. We'll persist in that position."

Hernandez Colon said that there are many Senators and Congressmen in the U.S. who seem to sympathize with the position of the people of Puerto Rico. The future of the Culebrenese is in the hands of the U.S. Congress.

There are two things about the American mentality. It is basically military. And it is always engaged in inventing things. In the past decade the concentration of invention has been almost exclusively in apparatus that had to do with military power. Big powerful bombers, sophisticated weapons. The problem is that inventions have to be tested. Baltimore, Newark, Washington are not the appropriate places for tests. So, Indochina and Culebra become the places.

In the Nixon campaign we were told: Peace is at hand, the PWs will be home before Christmas, the Navy will get out of Culebra.

Then came the landslide victory and now we are looking at the results. More people have been murdered in Indochina, families of the PWs don't know if they will ever see their children again, and Culebra will have the Navy and its bombs probably forever.

People worried when at the end of the '60s a left-wing movement arose in the U.S. There were those who fled the country because, as one of them said, "America was on its way toward disappearance." I remember a friend of mine, Felipe Luciano, saying: "This is nothing. Wait for the right wing to arise. There is going to be a lot of trouble when we see Nixon and his gang doing their number."

I think we are seeing that now.

[From the Washington Star-News, Jan. 6, 1973]

CULEBRAN TURN-AROUND

The Defense Department's curious gyrations regarding the island of Culebra have not, thus far, aroused much concern in this country. But they are having a bad effect on United States-Puerto Rico relations, and they raise a question of credibility that Defense Secretary Laird should attempt to answer.

He announced the other day that the Navy won't stop using Culebra (which is just off Puerto Rico) as a gunnery target range, even though he earlier led its 850 residents to believe the bombardments would stop in 1975. Indeed he practically promised that as late as November 4, just before the Puerto Rican elections. This was seen by many as a friendly assist for Governor Luis Ferre, who was seeking re-election and trying to cope with strong public revulsion at the Culebran shelling. But Ferre was beaten by an opponent who demands an immediate halt, and Puerto Ricans elected a new commissioner to Washington who's of the same mind.

Now Laird says a new study reveals the necessity of continuing the cannonades at Culebra at least until 1985. This has caused a good deal of rage in Puerto Rico, not to speak of Culebra, where everyone's nerves are getting pretty ragged. The Culebrans long have pleaded for peace and quiet and safe beaches. They seemed to have won at last, then suddenly the deal was off.

None of us would feel very comfortable, though, if the Navy were unable to hit what it shoots at, and hence the Atlantic fleet must have a target range somewhere. The question is whether there's a satisfactory alternative to Culebra. The Navy and Laird say there isn't. But a Pentagon study released last April indicates there are several, including uninhabited islands and construction of an artificial island. That study was made public, but a later one upon which Laird says the new decision is based, is being kept classified and therefore cannot be analyzed.

Also, there is scant satisfaction in Laird's promise of still another study "not later than the early 1980s," conducted with a view to eliminating the Culebra operation "as soon after 1985 as possible." Why should the harried Culebrans be kept in suspense that long, when the Pentagon already has spent upwards of $3 million on recent studies? If there are good reasons for indefinite continuation of the bombarding (and there may be), Defense officials should be able to make a better case for it than they have so far.

They soon will feel congressional prodding to do that, for legislation was introduced just this week to abolish the Culebra range. The impression that Washington has played Puerto Rican politics with the issue, and reneged on a commitment, is sitting very badly with some members of Congress.

[From the Washington Post, Jan. 8, 1973]

STOP THE BOMBING—ON CULEBRA

(By Stephen S. Rosenfeld)

The Defense Secretary's recent decision to renege on his pledge to stop using Culebra as a Navy bombing range, and instead to continue to bomb the little island near Puerto Rico until 1985, must have struck many people as an outrage of virtually Orwellian dimensions. Until 1985? People *live* on Culebra. Surely Elliot Richardson will promptly reverse the decision when he takes over from Melvin Laird at the Pentagon a few weeks hence.

There is another smaller group of people, however, who while perhaps being no less outraged by Mr. Laird's decision, may take a more personal and somber view of it. I refer, of course, to those of us who over the last 37 years actually participated one way or another in the bombing of Culebra.

My own turn fell in the winter of 1954–55 while attached to a marine air control squadron which, because of the clear field needed for the communications equipment that it used to direct the bombing on Culebra, pitched its big floored pyramid tents atop the highest ridge of nearby Vieques. There the tangled green tumbled down to a gorgeous white beach on which, local legend had it, scenes of the movie "Exodus" had been filmed. What was described as the director's quarters became the officers' club. Tax-free Heineken's beer cost 12 cents a can at the PX.

A couple of times a week, we controllers climbed into air-conditioned radar vans, sat down at consoles and, while the sergeants did everything, watched a jumpy needle scratch an airplane's course across a map of an island shaped somewhat like a jellyfish, and called Culebra. By radio, we would talk the pilot so many degrees this way or that, so many thousand feet, up or down, until at a point designated as the target, we would tell the pilot to "release ordnance," if that is the proper phrase.

It was our common routine, practiced in between sunnings, siestas, jeep trips to eat langousta at Vieques' 400-year-old town of Isabel Segunda ("Izzy Segoo" or "Segoo"), plane hops for the day to San Juan or St. Thomas. I read copiously. A tentmate, an electronics major from Purdue, learned how to go through our little island ridge switchboard and telephone his girlfriend in Indiana—all this while lying in his cot: a fantastic feat in terms of both drama and technology, we thought.

I cannot recall once ever thinking that people lived on Culebra and might accidentally be hit by one of our bombs or rockets; or even thinking to inquire. Our maps identified topographical features only. It was a time of the century when young men in uniform griped about the specifics of military life but did not question its general purpose. Culebra was a bombing range, simply an island within easy range of Vieques. Our planes used it to "train" for a cause which we may not have been able to identify but which we certainly had no itch to challenge.

I do recall thinking that it was nice for the United States to have such pleasant islands so conveniently located for its military training purposes. It seemed not only proper but natural that the United States should have good bombing ranges. Anyway, we air controllers were inside vans on a beautiful hilltop, and Culebra was a jellyfish on a chart.

At one point, I was appointed something like community relations officer. In that capacity, and in considerable embarrassment, I had to pay a Vieques farmer a modest sum for a pig run over by one of our men. By happenstance, soon afterwards I read "Shooting an Elephant," whose title story concerned Orwell's consternation at having the only gun available to shoot a rampaging elephant in the village in India where he had been a British civil servant. The death of an animal in a foreign land, I remember thinking, complicates life for foreigners.

In the radar van, the needle jumped across the map and we told pilots whom we never met except on the radio to "release ordnance." I hope none of that "ordnance" ever hurt the people who lived on Culebra—we never met *them* on the radio or any other way. And now that I know that people actually live there, I hope Elliot Richardson finds another island for a bombing range.

[From the San Juan Star, Mar. 2, 1973]

RICHARDSON TO REVIEW CULEBRA CASE

(By Ed Konstant)

WASHINGTON.—Secretary of Defense Elliot Richardson told Gov. Hernandez Colon Thursday he would take a fresh look at the Navy-Culebra situation shortly after the Pentagon chief spoke on the phone with former Gov. Ferre.

Ferre, who paid a surprise visit to Washington, later in the day flew to Boston with Vice President Spiro Agnew. The vice president, who was due in that city, invited Ferre along on the Air Force Two flight.

Details of the talk Hernandez Colon had with Richardson were not disclosed.

However Ferre told Richardson he believes the Pentagon should honor its commitment to get the Navy off Culebra by 1975.

Ferre, who arrived here quietly Wednesday night, was to attend a meeting of the Massachusetts Institute of Technology board of directors. He is to return today to San Juan.

Hernandez Colon's talk with Richardson was described by Resident Commissioner Jaime Benitez as "preliminary conversations."

Richardson, he added, made no promises other than to review the case.

The secretary made a similar pledge during his Senate confirmation hearings last month.

Last Dec. 27, former Secretary of Defense Melvin Laird announced the Navy would remain on Culebra at least until 1985, reversing a public pledge he had made as late as a few days before the Puerto Rican elections that target practice there would end by 1975.

Hernandez Colon was accompanied to the Pentagon by Sen. Howard Baker, R.-Tenn., author of a bill calling for the Navy to end weapons range activities on Culebra by 1975.

Benitez said he has also asked to meet with Richardson to discuss the old controversy. He said this apparently will take place in a couple of weeks, after the secretary "finishes studying papers and documents relating to the issue."

Benitez has also introduced in the House proposed legislation similar to the Baker bill.

Hernandez Colon had been in Washington to attend the winter meeting of the National Governors Conference. Richardson was the only federal official with whom he had an appointment.

[From the San Juan Star, Mar. 16, 1973]

STUDY ON CULEBRA DENIES NAVY CLAIM

(By Ed Konstant)

WASHINGTON.—A Pentagon study report denies a Navy claim that moving Navy target practice from Culebra to Mona Island could cause "international problems" in the Mona passage shipping lanes.

The report also exposes the failure of the study team that prepared it to properly assess Puerto Rico's political sentiment by claiming that neither the Popular Democratic nor New Progressive Parties oppose Navy target practice on Culebra.

This is the report on which former Secretary of Defense Melvin Laird based his Dec. 27 decision to keep the Navy on Culebra at least until 1985.

A declassified version of the six-volume report has finally been released by the Pentagon. Previously, the Navy held briefings on some of the material in the report.

But the actual report produced Wednesday by Culebra Atty. Richard Copaken differed considerably from what the Navy told newsmen here at one of these briefings last month. It also included much material the Navy never mentioned.

The decision to keep the Navy on Culebra was chosen over several alternatives, including one that said it was "militarily feasible" to transfer weapons range activities to Mona and Monito Islands between Puerto Rico and the Dominican Republic.

Mona and Monito were dismissed at last month's press briefing by a Navy spokesman for a variety of reasons. One that was stressed at the time was shopping in the Mona passage, an international shipping lane.

"There could be international problems . . . with the fact that Mona and Monito sit in an international passage," the spokesman told newsmen.

However, the actual declassified study paints a different picture. Referring to the Mona-Monito alternative, it says:

"Though the Mona passage is a major shipping lane, it is considered the range activities at Mona and Monito would not deter ships from using the passage nor cause any significant diversion of shipping."

Copaken called this evidence of the availability of an operational "alternative" to Culebra.

"There is no problem with the Mona passage, none," he said.

Copaken noted the report says the size of Mona would allow the Navy to use two air-to-ground and one ship-to-shore target capability, only one air-to-ground target can be used there at a time.

The attorney called the Mona-Monito alternative "clearly superior" to Culebra and less costly in the long run to the taxpayer. However, he again said he did not advocate a move to that specific alternative, adding the choice of options is the Navy's duty.

[From the Armed Forces Journal, April 1973]

CULEBRA—GO AWAY

(By Benjamin F. Schemmer)

Nothing gives us less pleasure than to raise again an issue called "Culebra." We thought the issue had been resolved two years ago when former Defense Secretary Melvin Laird stated publicly that the Navy would quit firing on the island by June of 1975 and told us he had directed the Navy to study "where" to relocate the Culebra targets.

There's no future for AFJ on Culebra. It's a losing proposition. We don't have one subscriber on the island. We wish Culebra would go away—but it won't. Every time we *mention* the issue, our motives are indicted, senior Navy officials (*some* but by *no* means all) ask if we've "sold out," and our usually constructive "dialogue" with top Navy officials cools noticeably.

But the *Navy*, not AFJ, has much of *its* future at stake over Culebra. What bothers us is how little the Navy seems to perceive, or address, the *real* issues.

Congress has a rare opportunity to help the Navy resolve this long-festering political issue that threatens its continued strategic presence at Roosevelt Roads, as well as Vieques, its primary training target in the Caribbean. But the chance is slipping away fast. We're counting on Otis Pike to save the day for the Navy.

The move—shifting operation from Culebra to an uninhabited island—would have the added values of improving Navy training and saving money.

A recently declassified Navy study concludes that such alternatives are available and "suitable from an operational viewpoint." In one important respect, such an alternative was found to be superior to Culebra, constrained as that tiny, inhabited target is by safety considerations. In periods of peak use, the Navy says, "two bombing/rocket targets should be available for simultaneous use." The proximity of the Culebra air-to-ground targets "to one another and the flight patterns necessary to provide safe firing bearings are such that only one of these targets may be used at any one time."

By contrast, the Navy study points out that "all of the [alternative]sites evaluated—including Mona together with Monito [both uninhabited] [and] Desecho [also uninhabited]—are suitable for conduct of all the required types of naval gunfire and aircraft weapons exercises." As the study points out, "The size of Mona permits the use of the *two* aircraft target areas *concurrently* with one another and with the naval gunfire target area" [emphasis added]. As for ships firing on islands so far removed from Roosevelt Roads, it could even add to their training: after all, sailors have to learn to navigate and maneuver as well as shoot. Moreover, the study notes that there are more varied angles and firing ranges than are possible at Culebra.

Obviously, a shift of operations from the inhabited island of Culebra to an uninhabited site would eliminate the present risk to civilians of gross errors: An earlier Defense Department study concluded that the gross error rate at Culebra is "unduly high for training operations in an area where there are non-participants within the weapons delivery range."

The cost of achieving these real training improvements is about $10 million less than what the Navy will spend this year at Atlantic Fleet Weapons Range. As the Navy study points out, however, much (possibly all) of this cost would be offset over time by gains to the total U.S. economy. The study indicates that *remaining at Culebra is the most costly alternative* on an annual basis.

In light of these findings and Secretary Laird's public commitment that the Navy would stop shelling Culebra by June 1975, why did he reverse his stand last December (Feb AFJ)? The *only* hint we can find in the Navy study (which led to his about-face) is a "political assessment" that we find incredible and disturbing. The study implies that the two major political parties in Puerto Rico do not oppose the Navy's continued use of Culebra. But documents made public by Sen. Howard Baker (R–Tenn.) and the repeated statements of political leaders in Puerto Rico leave little room to doubt that *all* political parties there are united in their determination to terminate Navy shelling of Culebra and in their sense of betrayal by Mr. Laird.

The Navy study says flatly that "neither" of the two major political parties "have any official platform advocating removal of the weapons range," thus implying that neither objects to keeping Culebra as a target within

it. But the Popular Democratic Party *does* have, and had had, a platform plank to terminate the shelling on Culebra. And it carefully distinguishes between Culebra and Vieques, implicitly recognizing the Navy and Marine Corps needs to retain the latter (also inhabited, but with much better and larger safety buffers for its inhabitants).

What's at stake now, given Mr. Laird's about-face and reaction in Puerto Rico to it, is that Puerto Ricans conceivably could soon become so frustrated over the Culebra issue that they will in fact move to have the Navy give up Vieques as well.

But there are signs that Puerto Rico's new governor, Hernandez Colon, is anxious to work out a resolution of this dispute which takes full cognizance of the Navy's real training and strategic needs in Puerto Rico. Secretary of Defense Elliot Richardson committed, in his confirmation hearings, to reassess Mr. Laird's December surprise announcement that the bombing and shelling of Culebra, past commitments notwithstanding, would continue indefinitely.

Mr. Richardson and the Governor met here on 1 March to discuss the issue. Mr. Richardson, we understand, will announce his decision soon. But—without going into detail—we are not persuaded that he has been getting the *full* story or a *balanced* assessment weighing *both* sides of the issue. Nor are we persuaded that the Navy really understands how much its strategic interests in the Caribbean could be in jeopardy or how the Culebra target alternatives stack up.

So it may be up to Congress to assure that the Culebra issue is finally decided on its *merits*—and, we regret to say, to protect the Navy from itself. Specifically, it's probably up to Representative Otis G. Pike (D-NY), head of the new House Armed Services Subcommittee on Military Installations and Facilities (see page 11), which has clear jurisdiction over the Culebra issue. Mr. Pike has made it clear to AFJ that his committee will hold "substantial hearings" on the matter "independent of what Mr. Richardson may decide."

Mr. Pike is also a friend of the Navy, a man of insight and political savvy—he is not known for slicing onions only one peel deep.

Culebra is a sore spot; sunlight is a great disinfectant. What Puerto Rico and the Navy need to resolve this issue in a way that will serve the interest of *all* is just that, more sunlight. *We* don't want to prejudge the issues. Nor should the Navy, nor Mr. Richardson.

It's up to you, Otis.

[From the San Juan Star, Apr. 10, 1973]

SWITCH LINKED TO CULEBRA ISSUE: DESECHEO ISLAND TRANSFER IS BLOCKED

(By Ed Konstant)

WASHINGTON.—Desecheo Island's role as a possible alternative to Navy target practice on Culebra was in doubt Monday following a hasty series of events that nearly consigned it to a future as a bird refuge and recreation site.

As a result, President Nixon's Property Review Board plans to take another look at Desecheo to determine whether it can be turned over to the Commonwealth.

It all began when the White House announced early Monday that Desecheo Island was to be transferred to the Interior Department for development as a bird refuge and recreation area.

Reacting immediately, Culebra Atty. Richard Copaken moved to block the transfer. By late Monday, a Property Review Board official who talked with Copaken said the transfer would be temporarily halted.

"We will make sure that the property is held," the official said. "We plan to reopen the case. I am sure the General Services Administration (which approved the transfer) was acting in good faith."

The transfer, he added, still could occur, but now all the implications of it will be discussed at a high federal level. Apparently it had not been before.

The transfer was announced routinely by the White House along with that of 16 other sites across the nation being set aside for preservation as public recreation areas under the Legacy of Parks Program. There was no mention of the Culebra issue.

However, the implications of the White House decision were quite clear. Desecheo has been often cited by Gov. Hernandez Colon and Copaken as a possible alternative to Culebra.

By removing Desecheo as an alternative, the Nixon administration would have sharply restricted the number of options available to the Navy for relocating its Culebra weapons range. Copaken had viewed Desecheo, a former Air Force bombing range off Puerto Rico's west coast, in joint use with Monito Island.

Unless the transfer can somehow be thwarted, the only options to Culebra will be:

Vieques, now considered by even the Navy as politically improbable.

Mona and Monito islands, the former eyed by Fomento as a possible oil storage center and opposed by conservationists for any industrial or military use.

An artificial island, whose cost the Navy estimates could run up to $200 million, perhaps too expensive for Congress.

In its Legacy of Parks Program announcement, the White House also disclosed that five acres of land in Puerta de Tierra valued at $1 million were also being transferred to the Interior Department to become part of the San Juan National Historic Site.

To be administered by the National Park Service, those five acres comprise what was once the navy-owned La Princesa Housing area on Munoz Rivera Avenue. It is adjacent to Ft. San Cristobal.

The White House announcement caught not only Copaken by surprise but also the office of Resident Commissioner Jaime Benitez. One reason is that the Commonwealth apparently was never made aware of the transfer plan.

That in itself was not strange considering the formal mechanics of the transfer procedure. But Copaken and others close to the Navy-Culebra controversy questioned the nature of the action because of the prominence given to Desecheo as an alternative.

Though no dates were attached to the announcement, a White House spokesman said the Interior Department request for jurisdiction over Desecheo was made early this year. The Pentagon announced its decision to allow the Navy to remain on Culebra on Dec. 27, 1972.

The proposed transfer was not without its curious sidelights.

The White House spokesman said Legacy of Parks Program transfers are usually made to state and local governments. Only occasionally, he added, is surplus federal land for this purpose given to the Interior Department.

A spokesman said Legacy of Parks Program transfers are usually made to state and local governments. Only occasionally, he added, is surplus federal land for this purpose given to the Interior Department.

A spokesman for the Interior Department's Bureau of Outdoor Recreation, which processes formal transfers, was surprised to learn how remote Desecheo is from any population center. Legacy of Parks land, he added, is always accessible to the public for recreational use.

Once a formal transfer is made there is little, if anything, that can be done to overturn it. The law setting up the Legacy of Parks Program provides that such property be preserved "in perpetuity."

Lying 12 miles off western Puerto Rico, Desecheo comprises 360 acres and was mentioned prominently in the new Pentagon study report of the Navy-Culebra issue as being a feasible alternative.

[From the Christian Science Monitor, Apr. 11, 1973]

CULEBRANS ASK U.S. NAVY FOR A CEASE-FIRE

(By Richard D. Copaken)

CULEBRA, PUERTO RICO.—Some 726 Spanish-speaking, United States citizens reside on this tiny Puerto Rican island. For the most part, they fish or farm. Culebrans are poor, but they love their island home. Unfortunately, so does the U.S. Navy, which uses one-fourth of it as a convenient Caribbean training target.

Culebra has been bombed, shelled, and strafed continuously since 1936. Annually, the Navy invites navies from 20 nations to join in shelling the island.

Despite Defense Department promises that the Navy would find another training target, bombs and shells are still dropping on Culebra—and being opposed by Culebrans and Puerto Rican Government officials. The controversy may reach a climax in this Congress as the result of a bipartisan bill sponsored by 33 senators, including Majority Leader Mike Mansfield (D) of Montana and Minority Leader Hugh Scott (R) of Pennsylvania to terminate all Navy operations at Culebra by July 1, 1975.

Culebra is a magnificent volcanic outcropping in the Atlantic, halfway between the main island of Puerto Rico and the Virgin Islands. Less than three by seven miles, this municipality of Puerto is blessed with perfect weather, abundant wildlife, and pink and white sand. Over the last thousand years, currents and geography conspired to produce some of the finest coral formations in the entire world just off Culebra's coast.

Culebra's northwest peninsula serves as the target for offshore naval shelling; keys off Culebra's west coast are bombarded in air-to-ground operations. Two towns, Dewey and Clark, are within two to three miles of the targets. Some families live even closer.

The Navy asserts it protects Culebra's environment because its maneuvers keep man's despoilment to a minimum. Culebrans don't accept the premise that continuous bombing and shelling is a necessary price of preservation, and they challenge the Navy's record as protector.

Approaching Culebra by plane, one is struck by its beauty. Blue-green waters spread from shore. Dark swathes cut through a remarkably transparent sea, signaling enormous beds of coral below. Lagoons and lush green mountains, dotted with thousands of soaring birds, complete the picture of an idylic natural wonderland. But as the plane circles closer, the Navy's contribution comes into view. Amid nesting sooty terns and some rare and endangered species of birds, including the nearly extinct Bahamian pintail, lie target tanks and gaping craters—the pockmarked scars of naval shelling.

Culebrans experience constant anxiety. The Navy boasts of its safety record: Only one civilian killed, another child disfigured while playing with a dud, and nine Navy personnel killed when their observation post on Culebra was mistaken for the target. But, sporadically, shells have landed throughout the community. One hit a cistern less than 50 yards from the Town Hall in Dewey. A Defense Department report concluded that the gross error rate at Culebra is "unduly high . . . where there are nonparticipants within the

weapons' delivery range." The Navy officer in charge of World War II training at Culebra observed: "It is a miracle that more Culebrans have not been killed."

Besides posing a continuing threat to an entire community, Navy shelling and bombing destroyed irreplaceable coral and fish, as well as birds in great numbers. Even though President Theodore Roosevelt set aside Culebra's keys as a National Fish and Wildlife Refuge in 1909, he authorized the use of these islands for "naval . . . purposes."

Surrounding Culebra are some of the oldest living corals in the world, still in a state of climactic growth. They are breathtaking, as is the rich marine life they nurture. Naval training has taken its toll on both.

Culebra suffered an ecological disaster in 1970. The Navy, carrying out orders to rid Culebran waters of more than 30 years of accumulated duds, stacked all shells it could find on one of the most magnificent coral reefs in the entire Caribbean and then began detonating this ordnance.

After several smaller explosions destroyed considerable coral and massacred thousands of fish, angry Culebrans complained to Rafael Hernandes Colon, then Senate President and now Governor of Puerto Rico. He secured local counsel who went to federal court in San Juan on behalf of the Culebrans, seeking a temporary restraining order pending completion of an environmental-impact statement by the Navy as required by the National Environmental Policy Act.

When the matter came before Federal Judge Hiram Cancio on Dec. 7, 1970, the U.S. attorney representing the Navy persuaded the judge that his client would not conduct further explosions pending full review by the court and, consequently, that there was no immediate threat of irreparable harm.

At the very moment the Navy's counsel was giving these assurances—and unknown to him—a Navy demolition team pulled the pin for another ordnance-removal operation on Culebra's coral. When the Judge learned of the explosions, he immediately issued a temporary restraining order. For Culebra it was unfortunately late. A Navy study conceded that this explosion "left a crater 15 feet deep and 100 feet in diameter."

ALTERNATIVES STUDIED

In October, 1970, President Nixon signed a law directing the Secretary of Defense to study all possible training alternatives to Culebra. Three months later, Navy Secretary John Chafee signed a "peace treaty" agreeing to reduce activities on Culebra and to seek an alternative site.

When the congressional directed study was published in April 1971, showing that Culebra could be replaced, Secretary of Defense Melvin R. Laird promised the Puerto Ricans that he would transfer all Navy operations away from Culebra by no later than June, 1975. Pending release of a second congressionally mandated study that sought more detailed information on alternatives to Culebra, Secretary Laird reaffirmed his commitment in a Nov. 4, 1972, telegram to then Governor Luis Ferre. This was made public in Puerto Rico.

But on Dec. 27, 1971, Mr. Laird abruptly reversed himself and announced that Navy shelling at Culebra would continue indefinitely and at least until 1985. He claimed his reversal was based on a secret Navy study.

SUITABLE SITES FOUND

At the time it was assumed that this study found no suitable alternative to Culebra and that this information came to the Secretary after his November telegram to the Governor. When this study was declassified last month, however, Culebrans learned it concluded that a number of uninhabited island alternatives were "suitable for conduct of all of the required types of naval gunfire and aircraft-weapon exercises," and that at least one uninhabited site was admittedly superior to Culebra for Navy training. The study was dated Oct. 16, 1972—several weeks before Mr. Laird reaffirmed his commitment to terminate Navy shelling at Culebra.

The Culebrans and Puerto Rico returned to Congress in their pursuit of the promised peace. Sen. Howard H. Baker Jr. (R) of Tennessee and Hubert H. Humphrey (D) of Minnesota introduced S. 156, a bill to terminate all Navy operations at Culebra by no later than July 1, 1975, by ending Navy funds for such operations beyond this date. Thirty-three Senators now cosponsor S. 156. And during his confirmation hearings, the new Secretary of Defense, Elliot L. Richardson, agreed to review Mr. Laird's reversal.

DETERMINATION VOICED

All four men elected Governor of Puerto Rico throughout its history, representing three political parties, and the Mayor of Culebra, strongly endorsed S. 156. Shortly before taking office, Puerto Rico's newly elected Governor, Rafael Hernandez Colon, reacted to Secretary Laird's reversal with unbowed determination.

"So now it is up to the United States Congress to make a decision. My intention and that of the people of Puerto Rico is to stop the Navy from the arbitrary use of Culebra as a target-practice range. We'll persist in that position."

Culebra and all Puerto Rico continue to hope that Congress or Secretary Richardson or President Nixon will make good on the promise of the United States Government to end the shelling, but the legislative and political process is slow. In the meantime, shells and bombs continue to fall on Culebra.

[From the San Juan Star, Apr. 29, 1973]

COPAKEN PUTS BRAKES ON DESECHEO TRANSFER

(By Ed Konstant)

WASHINGTON.—The Navy released its "hold" on Desecheo Island just nine days after its new boss promised a Senate committee he would review a decision allowing target practice to continue on Culebra.

Desecheo, a 360-acre island off western Puerto Rico, was found by a recent Navy study to be a feasible alternative to the Culebra weapons range.

Earlier this month, the Interior Department's Bureau of Sport Fisheries and Wildlife nearly gained control of Desecheo for use as a bird refuge. That would have removed it from the small list of options to Culebra.

However, fast action by Culebra Atty. Richard Copaken thwarted the proposed transfer of Desecheo by the President's Property Review Board. The board, which did not know of Desecheo's role in the Culebra controversy, has frozen the transfer and reopened the case.

Desecheo, a former Department of Health, Education and Welfare experimental site, became surplus on May 1, 1972. Eight days later the Navy expressed its first interest in obtaining the island.

Following a series of memos and phone calls between the Navy and the General Services Administration, a formal request for a "hold" on the disposal of Desecheo was made by the Navy on June 1, 1972.

Presumably, the Navy wanted to keep Desecheo open as an option in the event it was ordered to move off Culebra. At that time, it had contracted to private consultants a study ordered several months before by Congress.

On July 27, 1972, A. R. Young, director of the Navy's real estate division, wrote to the GSA that the Navy exepected the study to be submitted to it by Nov. 9, 1972 for "review and forwarding to the Armed Services Committees of Congress by Dec. 31, 1972, for approval."

Copaken, who made copies of the Navy-GSA memos available, noted Tuesday that Nov. 9, 1972, was the day after Puerto Rico's elections. Copaken has consistently maintained that the Navy has always wanted a statehood administration at La Fortaleza because of its belief it would be more friendly to its demands.

On Dec. 27, 1972, former Secretary of Defense Melvin Laird announced the results of the study and ruled that the Navy would continue operating on Culebra at least until 1985.

Events moved quietly, but rapidly, after that.

On Jan. 9, the GSA told the Navy of a request by the Bureau of Sport Fisheries and Wildlife for jurisdiction over Desecheo. But, it added that the bureau's request was being held "in abeyance" because of the interest expressed in Desecheo by both agencies.

The next day, Elliot Richardson, President Nixon's nominee for Secretary of Defense, told the Senate Armed Services Committee he would "review" Laird's decision. Richardson was testifying at a confirmation hearing.

Just nine days later, the Navy made up its mind about Desecheo. It asked the GSA on Jan. 19 to release its hold on Desecheo, clearing the way for its quiet transfer to the Bureau of Sports Fisheries and Wildlife.

On Jan. 23, the Navy put it in formal writing. "We hereby cancel our requirement," the Navy wrote to the GSA.

Copaken said Tuesday he doubted that Richardson was aware of the entire situation when he promised the Senate Committee he would review the Culebra case. Such a review, he noted, could have been considerably weakened by the cancellation of Desecheo as an alternative.

Copaken said the Navy "knew" the loss of Desecheo as an alternative would strengthen its current position on Culebra.

Since late January, Copaken, who also represents the Commonwealth in the case, has consistently cited Desecheo as a logical alternative to Culebra. However, until the White House announced the planned transfer of the island two weeks ago, he and everyone else in the Commonwealth government, was unaware that Desecheo's future availability had been in jeopardy.

[From the San Juan Star, May 2, 1973]

FRAUD CHARGED OVER CULEBRA LETTER

Culebra Mayor Ramon Feliciano labeled "a fraud" Tuesday a letter sent recently to the Secretary of Defense, in which 231 Culebra residents urged the Navy to continue using the tiny island as a target range.

Speaking at a news conference, Mayor Feliciano charged that 73 of the letter signers were not Culebra residents, and that another 42 work for the U.S. Navy. The third group of 87 signers were relatives of the Navy employes.

Feliciano, and the Commonwealth, have been pressing the Pentagon to terminate all gunnery and bombing exercises no later than July 1, 1975. Late last year, the then outgoing Secretary of Defense, Melvin Laird, announced that a study made by an outside construction firm demonstrated no suitable substitute was available for Culebra. Laird recommended the Navy plan to continue using the area until the next decade.

Feliciano told reporters that if the disputed letter hurts his campaign to get the Navy out of Culebra by 1975, then he will take legal action on the grounds that fraud was perpetrated. The signatures were certified by a notary public.

In a related action, Feliciano said he has "no objection" to the holding of a referendum to determine if the Culebrans want the Navy to stay. The mayor said the big majority of the island's 750 residents want the navy to leave.

Feliciano met with the press at the San Juan office of Resident Commissioner Jaime Benitez.

Benitez was scheduled to meet Monday with U.S. Defense Secretary Elliot Richard-

son on the Culebra controversy, but before the meeting could take place President Nixon announced Richardson's appointment as Attorney General, an abrupt move arising out of the Watergate affair. Observers see Richardson's switch to the Justice Department as possibly delaying a Defense Department decision on Culebra.

[From the Boston Globe, May 24, 1973]

RICHARDSON SAYS HE WILL SETTLE CULEBRA DISPUTE

Att. Gen. designate Elliot L. Richardson gave private assurances on Capitol Hill yesterday that he would not resign as Defense Secretary without resolving the knotty issue of whether the Navy should continue to use the small Puerto Rican Island of Culebra as a gunnery range.

The 3-by-7-mile island off the east coast of Puerto Rico is populated by 900 persons who have been protesting the Navy's long-time use of the island for air-to-ground and ship-to-shore target practice.

Richardson's predecessor, Melvin Laird, promised in 1971 that he would move the target range. But last December he reneged, saying that Culebra was indispensable to the Navy.

During confirmation hearings in January, Richardson assured the Senate he would reconsider Laird's decision.

Richardson's special assistant Johnathan Moore has been working fulltime, evaluating several options to Culebra, including construction of an artificial island in the Caribbean.

[From the San Juan Star, May 24, 1973]

CULEBRA—AGAIN

Culebra is like a moving neon sign with changing messages—every time you look up it says something different.

Now the Navy is to move its shooting out of Culebra by July, 1975—again. Outgoing Secretary of Defense (incoming Attorney General) Richardson has told the congressional armed forces committees that the Defense Department is willing to transfer all target operations from Culebra to Monito and Desecheo Islands west of the Puerto Rican mainland.

Gov. Hernandez Colon, who had been pursuing just such a solution with Richardson, is taking the position that this is the final decision on Culebra, though the Navy, it if chose to do so, could still wage an uphill fight with the odds definitely against it.

We think the occasion was appropriately saluted by Hernandez Colon when he ordered champagne and shared it with the La Fortaleza press corps, topping it with this toast:

"Peace for Culebrans and all Puerto Rico."

We'll drink to that.

[From the Washington Post, May 25, 1973]

RICHARDSON ACTS TO YIELD ON CULEBRA

(By Michael Getler)

Outgoing Defense Secretary Elliot L. Richardson moved yesterday to end a long and bitter dispute between the Navy and the 800 inhabitants of the tiny Caribbean island of Culebra, where the Navy has been carrying out target practice on a special firing range for almost 40 years.

Ending two years of Pentagon vacillation on the question of moving the target area, Richardson said the firing range would be moved by July 1, 1975, to the two uninhabited islands of Desecheo and Monito off the western coast of Puerto Rico.

Richardson said, however, that his action was contingent upon Congress providing the $10 million-plus required to build new facilities, and a satisfactory arrangement being worked out with the government of Puerto Rico for the transfer and for insuring long-term use of the two other islands for Navy and Marine Corps training.

Culebra, a 7,000-acre island just east of Puerto Rico, is part of the Atlantic Fleet weapons range, and its 328-acre target area has long been judged as vital to keep Navy shipboard gunners and fighter-bomber pilots trained in delivering their weapons accurately.

The Navy's use of the island, however, has been highly controversial both in Puerto Rico and in this country, especially in recent years when U.S. congressmen introduced bills to force the Navy out after the Pentagon, in 1972, reversed itself on a pledge to leave by 1975.

The roots of the recent controversy date back to January, 1971, when the Navy, in an attempt to reconcile its difference with the local inhabitants, announced it was taking various measures including reducing the amount of firing and greater use of nonexplosive shells. The Navy also promised to study alternative areas for its target practice.

In April, 1971, former Defense Secretary Melvin R. Laird announced the firing range would be moved from Culebra by June, 1975. On November, 1972, just a few days before the gubernatorial election in Puerto Rico, Laird also announced that by December, 1972, he would state "where" the firing range would be moved.

But on Dec. 27, 1972, in a move that precipitated sharp new protest, Laird said that the Navy studies showed Culebra was the best place for the range and that the Navy would retain its operations there until at least 1985.

In January of this year, Sen. Howard Baker (R.-Tenn.) introduced a bill that would have forced the Navy out of Culebra by July, 1975. It charged the service with "a breach of faith with the people of Puerto Rico."

In announcing his decision yesterday in a letter to Sen. John C. Stennis, chairman of the Senate Armed Services Committee, Richardson appeared to lend a different interpretation than did Laird to the studies carried out in 1972.

Richardson said, "The most recent study forwarded to the Secretary of Defense by the Navy in December 1972, concluded that although there were some operational and cost advantages to remaining on Culebra, several alternative sites using other islands off Puerto Rico were also suitable from an operational viewpoint and would meet military requirements."

During Richardson's confirmation hearing last January to become Secretary of Defense, he had promised the committee to conduct another review of the then still-simmering Culebra situation.

[From the San Juan Star, May 25, 1973]

QUIT CULEBRA IN 1975, RICHARDSON TELLS NAVY

(By Ed Konstant, Betsy Lopez Abrams, and Connie Arena)

CELEBRATION

CULEBRA.—"I bring you tidings of peace," Gov. Hernandez Colon told the deliriously happy residents of this tiny island Thursday.

The Governor landed at the small, dusty airport with Mayor Ramon Feliciano shortly after announcing in San Juan the Defense Department commitment to terminate Navy target practice on the island.

The Governor alighted from the airplane flashing a victory sign and wearing a beaming smile.

Only a handful of residents had yet heard the news and waited at the airport but the group grew amebalike as the Governor toured the island in the mayor's jeep.

A celebration grew spontaneously around the Governor and the mayor as family feuds were forgotten and vows were honored.

Former public school principal John K. Vincent, who has long been involved in the fight against the Navy, for instance, had vowed to let his hair grow until the Navy finally capitulated.

Thursday he brought a pair of scissors and asked Hernandez Colon to cut off the first strands of hair. The Governor complied with an uneven cut.

Shortly after, a 60-year-old man introduced himself to Hernandez Colon saying he had "never had a drink in my life, but I promised myself that when this day came, I would. Forgive me, I'm drunk."

The man then turned and embraced a son to the glee of the surrounding crowd who knew the two had not spoken to each other for years.

The Governor's elation matched that of the Culebrenses.

"I have never seen him so happy," commented an aide who has long been close to Hernandez Colon.

The Governor had a reason:

"This was really difficult. It was really difficult," he said turning momentarily pensive.

But the hardships of obtaining the Defense Department commitment were soon forgotten.

Arriving at Dewey, the island's only town, the Governor jumped off the jeep and continued on foot. Drinks were brought out. Culebrenses embraced each other and the celebration began.

"I was shaving myself when I heard it and nearly cut my throat," said a young man rubbing his cut chin.

"I can't believe it," was heard repeatedly from broadly smiling and occasionally dazed faces.

"We want assurances," shouted a skeptic.

A microphone was produced and the Governor gave assurances to the skeptics in the crowd. He gave details on his conversation with outgoing Secretary of Defense Elliot Richardson that this case shows that problems between the U.S. and Puerto Rico can be solved "with reasonable arguments."

"This victory," he added, "also shows that whenever we are right, the people of Puerto Rico will prevail because reason and justice always prevail."

He assured the townspeople that the Commonwealth will take measures to guarantee that all the people employed by the Navy will find employment for equal pay.

"No Culebrense," he promised, "will be adversely affected by the Navy's pullout from Culebra."

Feliciano was as elated as the Governor. He had been in San Juan on business when the Governor's office located him. When informed of the decision he at first thought it was a joke.

"I'm speechless," he repeated over and over.

He was speechless, but not the Culebrenses—they were boisterous.

Cheering the Governor, the mayor and the people in the Governor's party, they demanded that today be declared a holiday. The mayor readily agreed and gave everyone the day off.

BACKGROUND

WASHINGTON.—House and Senate sources predicted Thursday that Congress will appropriate the funds the Navy will need to transfer target practice from Culebra to Desecheo and Monito islands.

At the same time Resident Commissioner Jaime Benitez said the Commonwealth is willing to pay half the cost of relocation, which could total between $10 million and $12 million.

As his last act as secretary of defense, Elliot Richardson decided Thursday that the Navy should move from Culebra to the other two islands by July 1, 1975, providing Congress appropriates the money for the transfer and the Commonwealth guarantees the permanence of the new weapons range.

"It's going to be awfully difficult for the Navy to fight it," said an aide to Sen. Howard Baker, R-Tenn., author of a bill that would have forced the Navy to end target practice on Culebra by mid-1975. Thirty-nine other

senators had added their names to that bill as cosponsors in an effort to force an administrative decision on the old controversy.

"Right now," he added, "the appropriation is the only problem, but it doesn't seem like much of one."

He and others said the money would probably be appropriated in this year's Military Construction Authorization Bill. It's also possible the Navy might refuse to request an appropriation for the transfer.

"But if they don't ask for it in that bill, you can be sure an amendment providing the money would be offered on the Senate floor," Baker's aide said.

The "important thing now," he added, is for leading senators to get together immediately after the Memorial Day holiday congressional recess to smooth the way for the appropriation. "But I don't think anyone is going to fight a $10 million appropriation out of an overall $65 billion appropriation," he added.

"There should be no problem in obtaining congressional consent for the use of the two other uninhabited islands," said Sen. Jacob Javits, R-N.Y.

Javits said he was "gratified" by the Richardson decision and noted he had "joined with others in protesting the continued use" of Culebra for Navy target practice.

"We all welcome the decision," said Sen. Edward Kennedy, D-Mass. "For all too long, the Department of Defense has treated the Culebrans as second-class citizens."

Culebra Atty. Richard Copaken had expected Richardson's announcement. Some congressional sources praised Copaken as the "moving force" in obtaining the decision.

There was also comment from the other side of congress, all favorable.

Richardson made his decision—which was not a formal order to the Navy—in a letter to the chairmen of the House and Senate Armed Services Committees.

"Of course," the House committee aide added, "all appropriations bills are badly lagging in Congress at this point."

Normally, the Military Construction Authorization Bill is submitted to Congress at the end of summer and action follows in the fall. But even if there is a legislative lag on money measures, action on the annual Military Construction Funding Bill should certainly occur before the end of 1975.

The secretary made the decision to keep a commitment he had made to members of Congress dating back to his pledge to review the controversy early this year in testimony before the Senate Armed Services Committee.

Presumably, as successor-to-be, James Schlesinger, will be asked to adhere to Richardson's commitment when it becomes his turn to testify before that committee at confirmation hearings.

"That's great," said House Military Installations and Facilities subcommittee chairman Otis Pike, D-N.Y., when he learned of the decision.

Like Baker, Pike spent considerable time pressing the Pentagon in recent months "to do the right thing."

Benitez said he was "profoundly moved" by Richardson's decision to "fulfill the responsibilities of his office.

"From my first statement in Congress and through communications at all levels in the federal government, I have always reaffirmed my conviction that the word given by Secretary of Defense Laird publicly and repeatedly would be honored in spite of several signs to the contrary."

The resident commissioner's maiden speech in the House in February criticized a decision made last Dec. 27 by former Pentagon chief Laird to allow the Navy to continue using Culebra as a target range at least until 1985. Laird had publicly pledged as early as mid-1971 that a new study of the Culebra issue would lead to a Navy withdrawal by mid-1975.

Desecheo was fourth on the list of alternatives the Navy produced in its study report of last December. It was also known to be Hernandez Colon's personal choice.

DECISION

The Navy will pull out of Culebra by July 1, 1975, if Congress follows the recommendation made Thursday by departing Secretary of Defense Elliot Richardson. It was Richardson's last official act as defense secretary before assuming his new duties as U.S. attorney general. Congressional acceptance is taken for granted in most quarters.

The announcement was made by Gov. Hernandez Colon at an emergency press conference called minutes after talking to Richardson.

Navy shelling practices are to move to the uninhabited islands of Monito and Desecheo off the west coast of Puerto Rico, the Governor said.

Richardson's action met the governor's expectations that the secretary of defense would make a favorable decision on the matter before leaving for his new post.

Richardson, the Governor said, is informing the congressional armed forces committees that the Defense Department is willing to transfer all target operations from Culebra to Monito and Desecheo.

The alternatives were suggested by the Governor himself "because they are uninhabited islands."

Desecheo is now under federal jurisdiction, but Monito is not, which implies that an agreement will have to be made with the Commonwealth for its use as a target range.

However, the Governor said he anticipates no problems on such an agreement.

Desecheo Island is 11.5 miles west of Punta Higuero, which is the westernmost tip of mainland Puerto Rico. Punta Higuero is just north of Rincon. Monito is 40.5 miles southwest of Punta Higuero and just several miles from Mona Island.

Also pending to make the transfer feasible are congressional appropriations for this purpose. Again, the Governor anticipates no problems "because not much funds are needed for this transfer."

An obviously elated Governor termed Richardson's decision "brave" and added that "as Governor I am deeply happy because a problem affecting the life of our fellow citizens of Culebra and, in a more ample sense the relations between Puerto Rico and the U.S., has been solved."

The Governor, bursting with satisfaction, had the press called into his office immediately after talking to Richardson.

In the meantime, he located Culebra's Washington Atty. Richard Copaken who was at the airport about to board a plane.

"Copaken is jumping up and down," the Governor reported after talking to the young lawyer who has conducted the fight to move the Navy out of Culebra for several years.

"This calls for champagne," the Governor said and drank a toast with the press to "peace for Culebrans and all Puerto Rico."

Reactions were varied. They ranged from full endorsement by former Gov. Ferre, Mayor Carlos Romero Barcelo, and Rep. Manuel Rivera Robledo, PDP-Culebra, to reservations by Sen. Severo Colberg, PDP, qualified approval by former Gov. Sanchez and outright opposition by Sen. Ruben Berrios, PIP-at-large.

Former Gov. Munoz said special congratulations were due to Hernandez Colon, Resident Commissioner Jaime Benitez, the people of Culebra, Culebra Mayor Ramon Feliciano and Secretary Richardson.

Richardson communicated directly Thursday with Ferre and Romero Barcelo to tell them of his decision. Ferre said the Richardson decision honored the promise made by former Defense Secretary Melvin Laird to the Ferre administration. He said it showed President Nixon's "great interest" in giving consideration to the welfare and tranquility of the Puerto Rican people.

Romero said the announcement "does justice to the fight that has been one of all Puerto Ricans."

Berrios said the announcement entailed nothing more than a recommendation to Congress. "No mention of Veques was made," he said, reminding the Senate of an earlier resolution approved asking the Navy to also abandon Vieques.

Colberg and Rep. Roberto Rexach Benitez, PDP-at large, said the announcement added a new dimension to a proposal to create a superport-refinery complex in the area.

"The Defense Department has just destroyed the superport," Colberg said. "This is one more in a lengthy list of negative factors against establishing a superport either on Mona Island or in Aguadilla."

The Senate passed a motion with a vote of 13 to 4, over the objections of minority members to congratulate the Governor, Richardson and the mayor of Culebra. Two PDP members Sens. Juan Rivera Ortiz and Edwin abstained from voting.

Bello raised the question of U.S. credibility in commenting on the announcement.

Former Gov. Sanchez Villella said the choice of Desecheo and Monito was a good one, "since no people live there," adding, "It seems we have come out on the winning side."

Sanchez questioned, however, whether the Commonwealth can "guarantee in perpetuity" that the Navy use the two islands. "I would be in favor of guaranteeing their operations for a reasonable time. But I hope we don't get ourselves into a situation like the Panama Canal," he said.

Secretary of Natural Resources Cruz Matos noted that a bird sanctuary exists on Monito. However, he said, "People are always more important than birds. We would probably create another area with a similar habitat. We will not oppose such a move on ecological grounds because we think the people of Culebra have priority."

A Navy spokesman on the island, reached last night by telephone, said naval authorities here had not heard anything from Richardson, and were not informed of the details of his announcement.

"We will do whatever Congress tells us to do," the spokesman said.

[From the New York Times, May 25, 1973]

RICHARDSON TELLS NAVY TO CLOSE CULEBRA GUNNERY RANGE IN 1975

WASHINGTON, May 24.—Elliot L. Richardson, as one of his final acts as Secretary of Defense, ordered today that the Navy end its controversial use of the small Puerto Rican island of Culebra as a practice gunnery range.

Starting in mid-1975, under the Richardson order, the Navy will shift its gunnery and air bombardment training to ranges on two small, uninhabited islands off the west coast of Puerto Rico—Desecheo and Monito.

In ordering a termination of practice firings on targets in Culebra, Mr. Richardson, in effect, reversed a decision made by his predecessor, Melvin R. Laird. In the process, Mr. Richardson, according to associates, was attempting to remove one of the principal irritants in relations between the Puerto Rican and United States Governments.

Since 1936 the Navy has been using a section of Culebra—a 7,000-acre island just off the east coast of Puerto Rico—for target practice by ships and naval aircraft. In recent years the Navy's operation has brought mounting protests by the 850 inhabitants of Culebra that in turn have made the Navy's use of the island a major political issue in Puerto Rico.

The protests have been met by a vacillating policy on the part of the United States, with the Navy reluctant to give up its use of the gunnery range.

In April, 1971, as the Puerto Rican protests increased, Secretary Laird announced that the Navy activities would be moved from Culebra by mid-1975—a policy that he reaffirmed in November, 1972, just before the Puerto Rican gubernatorial-election. But a month later Mr. Laird reversed himself and announced that shelling and bombing operations at Culebra would continue until at least 1985.

In reversing himself, Mr. Laird said that Navy-sponsored studies had shown that "the present Culebra complex is clearly superior in every regard to the alternatives considered—including the use of Desecheo and Monito."

In a letter to Senator John C. Stennis, Democrat of Mississippi, who is chairman of the Senate Armed Services Committee, Mr. Richardson said that while there were "some operational and cost advantages" in remaining on Culebra, the two islands off the west coast of Puerto Rico "were also suitable from an operational viewpoint and would meet military requirements."

Defense officials said that it was not possible to terminate use of Culebra until mid-1975 because of the time required to prepare new gunnery ranges on Desecheo and Monito. The cost of moving the range was estimated at $10 million.

[From the Boston Globe, May 25, 1973]

RICHARDSON TO SHIFT FIRING RANGE FROM CULEBRA

(By Jack Thomas)

Defense Secretary Elliot L. Richardson acted yesterday to end the long and rancorous dispute between the Navy and the 900 inhabitants of the tiny Caribbean island of Culebra, which has been used for military target practice for nearly 40 years.

Richardson's decision reversed a ruling last December by former Defense Secretary Melvin Laird, who said that Navy studies showed Culebra was the best place for the gunnery range and that the Navy would continue operations there at least through 1985.

Richardson's move, which climaxes two years of Pentagon vacillation, calls for the firing range to be moved by July, 1975 to the uninhabitated islands of Desecheo and Monito off the west coast of Puerto Rico.

Culebra, a three- by seven-mile volcanic outcropping halfway between Puerto Rico and the Virgin Islands, is part of the Atlantic Fleet Weapons Range. The Navy has used a 328-acre target area there for bombing, strafing and shelling, both air to ground and ship to shore. Each year the United States invites 20 foreign nations to fire on Culebra.

Richardson said his action was contingent upon two factors, congressional approval of the $10 million necessary to build the new facilities, and an agreement with the government of Puerto Rico to ensure long term use of both islands.

For many Spanish-Americans, both in Puerto Rico and in the United States, the Culebra issue has involved not only the irritating presence of the Navy and the shooting, but also the credibility of the United States.

Forty senators, including Edward M. Kennedy and Edward W. Brooke, have endorsed legislation that would have required the Navy to evacuate the island by July 1, 1975.

The departure of the Navy will have an astonishing impact on the social and economic fabric of the 900 people who live there.

More than 50 civilians are employed by the Navy, and of the Navy's $430,000 annual budget, $270,000 of it is for salaries.

In April 1971, Laird promised the firing range would be moved by July, 1975. Last November, a few days before the gubernatorial election in Puerto Rico, he said again that by December 1972 he would announce where the new facilities would be located.

But on Dec. 27, 1972, Laird reversed himself, saying studies showed that Culebra was indispensable to the Navy and not only would it remain there through 1985, but that air-to-ground activity would be increased by 50 percent and civilian employment cut by half.

The announcement set off a wave of protest in San Juan, and in Washington, Sen. Howard Baker (R-Tenn.) accused the Navy of a breach of faith and introduced legislation to force the Navy off Culebra.

Richardson said yesterday that "the most recent study . . . concludes that although there were some operational and cost advantages to remaining on Culebra, several optional sites using other islands were also suitable from an operational viewpoint and would meet all military requirements."

One Pentagon source said last night that the move represented an attempt to repair the explosive political differences between Washington and the Commonwealth of Puerto Rico, and to reduce the influence of the Independence Party in Puerto Rico.

[From the San Juan Star, Puerto Rico, May 27, 1973]

BILL TO SEEK FUNDS FOR NAVY TRANSFER

(By Doug Richards)

WASHINGTON.—Sen. Howard Baker will introduce legislation this week to finance the transfer of the Navy target range from Culebra to Desecheo and Monito islands, an aide said Saturday.

The bill will authorize expenditures of up to $10 million, which Baker believes will enable the Navy to meet the July 1, 1975, deadline set Thursday by outgoing Defense Secretary Elliot Richardson.

Baker will be joined by Sen. Hubert Humphrey in introducing the Culebra bill as soon as the Senate returns Tuesday from the holiday weekend.

Baker, a Republican from Tennessee, also is expected to introduce a second bill sometime this week authorizing the Interior Department to take over the Navy's holding on Culebra to ensure that the island will not become "commercially exploited."

The bill also would provide the inhabitants with assurances of future employment with the establishment of a small park and resort area.

Baker praised the efforts of Richardson and Gov. Hernandez Colon which resulted in a reversal of the decision of former Defense Secretary Melvin R. Laird to allow the Navy to continue operations on Culebra indefinitely.

He said credit also was due former Govs. Luis A. Ferre, Roberto Sanchez Vilella and Luis Munoz Marin.

He said, however, that Atty. Richard Copaken of the Covington and Burling law firm was responsible more than anyone else for the decision. Copaken has represented Culebra since 1969 and more recently assumed additional duties as the Commonwealth's attorney in Washington.

[From the New York Times, May 28, 1973]

CULEBRA OVER GOLIATH

Before ending his brief stint as Secretary of Defense to become Attorney General, Elliot Richardson came down decisively on the side of Culebra, the Caribbean mouse that roared at the United States Navy. Mr. Richardson ordered the Navy to terminate by mid-1975 the gunnery and air bombardment practice that for years has annoyed and harassed the 726 residents of the 7,000-acre island off Puerto Rico's east coast.

Former Defense Secretary Melvin Laird, who had promised in 1971 that the firing and bombing ranges would be removed from Culebra, reversed himself last December. He announced then that the Navy would remain at least until 1985—a reversal that may have owed more to Puerto Rico's election results than to the lack of alternative facilities. Forces aligned with the Nixon Administration were turned out by Rafael Hernandez Colon's Popular Democratic party, traditionally linked to the mainland Democrats.

Mr. Richardson's decision should settle the matter, once Congress provides $10 million to prepare new Navy ranges on the uninhabited islands of Desecheo and Monito on the other side of Puerto Rico. It will be a rare victory for human needs over military convenience.

[From the Washington Post, May 29, 1973]

ON CULEBRA, A PROMISE REDEEMED

In acting to halt the use of Culebra—a little island off Puerto Rico—as a Navy firing range, outgoing Defense Secretary Elliot Richardson has done one of those small and decent but difficult and important things which governments all too often fail to do. In brief, he perceived the wrong in bombing an inhabited island, a part of the American dependency of Puerto Rico, and he perceived the risk that continued bombing and shooting would further exacerbate Puerto Rico-U.S. relations, undercut Puerto Rico moderates and thereby jeopardize Navy access to *any* Puerto Rican firing range. Mr. Richardson then got a considerable number of bobbing ducks in a row and made his move.

Recall that his Pentagon predecessor, Melvin Laird, had defaulted under Navy pressure last December on an earlier pledge to close the Culebra range by 1975. Instead, said Mr Laird, the firing would go on until 1985. Understandably enough, the Puerto Ricans went up in smoke. The political atmosphere there had to be calmed before San Juan could take the necessary step of finding a satisfactory alternative range and offering assurances of its permanent use. This has evidently been done. The new range, to be opened in 1975, will be on the *uninhabited* islands of Desecheo and Monito at the opposite (western) end of Puerto Rico.

On its part, the Navy had to reach a better understanding that while custom and convenience dictated continued use of Culebra, the Navy's own interest in maintaining a Puerto Rican bombing range and the larger American interest in solidifying ties with San Juan made it necessary to stop pounding the island. To its credit, the Navy now does seem prepared to shift to Desecheo and Monito, where, its own studies show, its important operational requirements can adequately be met.

Some members of the House may not yet have seen the advantages of bending to the storm over Culebra. Sen. Howard Baker (R-Tenn.) set a powerful and useful example last January, however, by introducing a bill to compel the Navy to quit the island by 1975; a similar bill was entered in the House. Presumably, those legislators who wanted the Navy to stop bombing Culebra will support the modest appropriation needed to prepare Desecheo and Monito as replacements. We hope that Defense Secretary-designate James Schlesinger will want to start his Pentagon term right by speaking out clearly and promptly for the move.

The Baker bill charged the country with "a breach of faith with the people of Puerto Rico." For all that the Navy has done to make its bombing safer for the people of Culebra and to assist them with jobs, water and so on, this is the essence of the matter. The United States promised to stop bombing the island, and it broke its promise. One cannot help thinking that the United States would not so easily have ignored a similar promise to a group or nation considered to have more clout than Puerto Rico, of which Culebra is part. "The decision of Secretary Richardson is warmly welcomed by all Puerto Ricans," the commonwealth's resident commissioner, Jaime Benitez said. "It reinforces our faith in the basic integrity of the American system with its profound commitment to the fulfillment of understandings reached in good faith and in the pursuit of human values."

[From the San Juan Star, May 30, 1973]

HHH ASKS FUNDS TO SHIFT CULEBRA TRAINING FACILITY

WASHINGTON.—Sen. Hubert Humphrey Tuesday introduced legislation authorizing funds for the transfer of the Culebra training facility to the uninhabited Puerto Rican islands of Desecheo and Monito.

He was joined by Sen. Howard H. Baker, Jr., Henry M. Jackson and Edward Kennedy.

In a statement announcing the bill, Humphrey said, "I commend former Secretary of Defense Elliot Richardson's decision to cease using Culebra as a target for Navy bombs and shells, but it remains for the Congress to appropriate the funds necessary to shift training to an uninhabited island."

Humphrey noted that Department of Defense estimates indicate the cost of transferring at approximately $12 million. However, he said this estimate will be carefully reviewed by the Senate armed services and appropriations committees and that it is likely "much, if not all of the cost, will be offset over time by gains to the U.S. economy.

"Remaining at Culebra and providing the necessary protection for the residents of the island is the most costly alternative," he said.

[From the Chicago Sun-Times, May 30, 1973]

DEFERRING TO PUERTO RICO

We would like to believe that the change of Navy policy over Culebra is symptomatic of a new attitude in the executive branch as a result of the Watergate White House cleaning. If it isn't it should be.

Puerto Ricans have long been angered over the Navy's use of the inhabited island of Culebra for Navy gunnery practice. A Navy promise to move was rescinded last year by Defense Sec. Melvin Laird after Puerto Ricans voted against the administration-favored candidate for governor. The order smacked of spite and hurt Puerto Rican-mainland relations.

At the time, we said this was a matter involving not only the rights of Culebra's residents but the right of all Puerto Ricans to respect for their views in Washington. Last week, Defense Sec. Elliot L. Richardson ordered the Navy off Culebra to uninhabited islands long offered by Puerto Rico.

The order showed concern for human rights over politics and should help promote better relations between San Juan and Washington.

[From the Cleveland Press, May 31, 1973]

CULEBRA: FREE AT LAST

The outgoing defense secretary, Elliot L. Richardson, took time from the hurly-burly of bouncing from one Cabinet post to another to settle one of the niggling little nasties that has plagued this country for many years.

He decided that the U.S. Navy shall cease using Puerto Rico's off-shore island of Culebra as target for a testing range for airborne bombs and surface guns.

The 900 inhabitants of Culebra and the government of Puerto Rico have been complaining about the noise of the explosions and the constant potential danger. At one time, the Navy agreed in principle to look elsewhere for a target, but then-defense secretary Melvin R. Laird changed signals. He said Culebra would be used until 1985. Naturally, Culebrans and Puerto Ricans in general exploded.

Now, Richardson's order has calmed them. The Navy will shift its installations to two uninhabitated islands on the other side of Puerto Rico.

And Puerto Rico can look forward to the day when Culebra will convert its white beaches rimmed by the summer seas to the uses of tourism. The 900 Culebrans, largely unemployed, can get jobs ministering to the needs of snorkelers, scuba divers and partakers of the delights of planter's punch beneath the golden tropical moon.

Well done, Mr. Richardson.

[From the Washington Star-News, June 1, 1973]

CULEBRAN CEASE-FIRE

In his brief stint as secretary of Defense, Elliot Richardson may have succeeded in settling a dispute that had festered under years of Pentagon vacillation. In one of his last acts before shifting over to the attorney generalship, Richardson ordered the end, by mid-1975, of the Navy's target practice on Culebra, a small island off the east coast of Puerto Rico.

The Richardson decision is dependent on the working out of arrangements with San Juan to establish firing ranges on the uninhabitated islands of Desecheo and Monito west of Puerto Rico, and the appropriation of $10 million or so to carry out the switch. The cost is modest when put against the benefit to the United States of removing an irritant in our sensitive relations with Puerto Rico, which with its ambiguous status as a self-governing commonwealth in our federal union is subject to recurrent outbursts of anti-American nationalism. The picture of 800 helpless Culebrans menaced by U.S. Navy bombardment of their beaches also has been an embarrassment to us around the world, and especially in Latin America where the charge of Caribbean colonialism can be hurtful.

The handling of the Culebran question by Richardson's longer-tenured predecessor, Melvin Laird, was puzzling to say the least, even given the Navy's desire to continue its gunnery practice routine of the last four decades. Laird announced more than two years ago that the target area would be moved from Culebra in 1975. He reaffirmed this policy just before the Puerto Rican gubernatorial election last November. Then, in December, there was a sudden reversal. The Navy, Laird said, would have to keep bombarding Culebra at least until 1985. The announcement touched off congressional efforts to abolish the controversial firing range.

Now Richardson, evidently citing the same studies available to Laird, finds there are indeed satisfactory alternates to the Culebra target site. The mystery may be explained by a difference of vantage point. As a former undersecretary of State, Richardson may have been more conscious than Laird of the diplomatic costs of callous military attitudes. And with his new emergency assignment to lead the Justice Department through a clean-up of the Watergate mess, Richardson is more than routinely concerned about the general credibility of the Nixon administration. It is gratifying that the nerves and the eardrums of the Culebrans, and possibly our standing in Caribbean eyes, will benefit in the process.

[From the San Juan Star, June 10, 1973]

RHC DENIES DEAL ON VIEQUES

(By Ed Konstant)

WASHINGTON.—Highly placed sources in the nation's capital reported Saturday that Gov. Hernandez Colon pledged to try to quell mounting pressure to end military training on Vieques in return for a Navy ceasefire on Culebra.

In San Juan, however, the Governor denied any such deal.

The commitment was reportedly made by the Governor to former Secretary of Defense Elliot Richardson during a meeting between the two March 1 at the Pentagon, the sources added.

Two weeks ago Richardson, in his last official act as secretary of defense, issued a decision that could lead to the transfer of the Navy's Atlantic fleet weapons range from Culebra to Desecheo and Monito Islands by mid-1975.

Richardson's decision was conditional. One of the conditions he cited in a letter to Senate Armed Services Committee chairman John Stennis, D-Miss., and in a memo to the Navy specifically provides:

"That a satisfactory overall arrangement can be worked out with the government of Puerto Rico for carrying out the proposed move and for ensuring the long-term continuation of the Atlantic fleet weapons range and the fleet Marine force training area."

Vieques was never mentioned in either Richardson's letter or memo. The fleet marine force training area, however, is located on Vieques.

Neither La Fortaleza nor the Pentagon ever made details of the Hernandez Colon-Richardson meeting public.

The day Hernandez Colon visited Richardson, former Gov. Ferre also spoke with the then Pentagon chief by telephone. Both the Governor and former Governor only said publicly that they reiterated to Richardson their feeling that Navy target practice should be moved off Culebra.

Although an official memo of the March 1 meeting could not be obtained, one reliable source said:

"The Governor told Richardson that as far as he was concerned, an artificial island probably would cost too much, the current situation on Culebra was intolerable and pressure on Vieques was building."

With all this considered, the source added, the Governor then said:

"If Richardson would order the Navy off Culebra, Hernandez Colon would do what he could to damper the Vieques ardor.

"It's entirely a different situation there (Vieques). Essentially, the Governor said, the problem is Culebra, not Vieques."

Hernandez Colon, he added, was also firm in maintaining that the Navy could not shift its Culebra target range to Vieques, which was cited by a 1972 study as the chief alternative to the current situation.

Hernandez Colon, in a written statement, said Saturday that "as was reported in the local press before and after the meeting. I did not meet March 1, 1973, with Secretary Elliot Richardson to discuss the Culebra issue. At the meeting I proposed moving the Navy's operations on Culebra to Desecheo and Monito, something the secretary finally accepted in his recent decision.

The Governor added that "I informed the Secretary at that meeting that my government's position on Vieques was as follows:

"Vieques is not an acceptable alternative for establishing the Navy's Culebra operations. Our position regarding the military operations now being carried on in Vieques are as follows: that all land being used by the Navy and not essential to national defense, should be returned to the Commonwealth. But we were not claiming a total stop to Navy operations on Vieques since those operations were of a different nature than the ones on Culebra.

"This position," the Governor added, "is not only the position of my government, but also of the Popular Democratic Party, as stated in the platform submitted to the people in the 1972 elections and which binds all candidates elected, and which we will sustain whenever and wherever it may be necessary."

Just six weeks before Hernandez Colon met with Richardson, Vieques Mayor Carlos Luis Castano launched a drive to bring an end to military training on his island. Castano said he had asked Hernandez Colon to include Vieques in all Commonwealth-Pentagon talks regarding Culebra.

Castano was later joined in his appeal by the Commonwealth Legislature, which passed resolutions calling on the U.S. military to end training activities on Vieques.

Some 26,000 of the 33,000 acres of land on Vieques are currently held by the military.

For several years, the Navy and the Commonwealth have been trying to arrange an exchange of land, including easement rights, on the island.

[From the Winston-Salem (N.C.) Twin City Sentinel, June 18, 1973]

BOMBS AWAY IN CULEBRA

Among President Nixon's recent attempts to shore up his administration, Melvin Laird's appointment as chief domestic advisor has been described as a conciliatory gesture toward Congress and the public. Laird, the former Pentagon boss, has a wealth of experience in both Congress and the executive branch. And most regard him as a distinct improvement over his secretive and deceptive predecessors on the White House staff.

But the 900 citizens of the island of Culebra, off the coast of Puerto Rico, probably wish that Mr. Nixon had let Laird stay for good in his home state of Wisconsin. For the Culebrans are not fond of Melvin Laird, and for that they can hardly be blamed.

Since 1936 the U.S. Navy has owned one-third of the island, and it uses it as a target for gunnery practice by the Atlantic Fleet. The shells rain down 9½ hours every weekday and 3½ hours on Sunday, exploding just a few miles from the town of Dewey.

Melvin Laird is the man who promised to bring a cease-fire to Culebra. But he left the Pentagon with the shells still coming down.

The Culebrans got scant attention until their cause was joined by the independence movement in Puerto Rico. The *Armed Forces Journal*, a military magazine, championed the issue, and the Culebrans won sympathy from many in Congress. But a House military affairs committee recommended that the Navy buy up the rest of the island and ship the Culebrans elsewhere.

That suggestion enraged the islanders, and they staged a protest march in Washington that finally got the Navy's attention. The Secretary of the Navy announced that the shelling would end within a "reasonable time." Later, Defense Secretary Laird set the date at 1972. That had the effect of defusing the Culebra issue during the gubernatorial election in Puerto Rico. But a month after the election Laird said the shelling would go on until 1985 or maybe longer.

Three weeks ago Elliot Richardson, Laird's successor, reversed the Pentagon's stand again and said the shelling would end by summer, 1975. Then the Navy will begin using two other islands, these uninhabited, said the Pentagon.

But the Culebrans may have cause to be skeptical, for Richardson is no longer at the Pentagon either, having been replaced by James Schlesinger. They may hope that he keeps Laird's original promise, and tells the Navy to find some other island to shell. The Culebrans' nerves have been at loose ends long enough.

[From the San Juan Star, July 4, 1973]

WEAPONS RANGE TRANSFER SET FOR DESECHEO, MONITO: NAVY CULEBRA PHASEOUT PLAN IS READY

(By Ed Konstant)

WASHINGTON.—The Navy has produced a formal plan for the transfer of the Atlantic Fleet weapons range from Culebra to Desecheo and Monito islands it was learned, Tuesday.

Details of the plan were not available. However it is believed to include a phaseout program culminating in a scheduled end to Navy target practice on Culebra by mid-1975.

The "time phased" plan was requested from the Navy more than a month ago by then Secretary of Defense Elliot Richardson shortly after he made his conditional decision to transfer target practice to the two tiny islands off western Puerto Rico.

Richardson had set July as a deadline for submission of the plan to the office of the new secretary of defense. It was not known Tuesday whether the plan has actually reached Richardson's successor, James Schlesinger.

Schlesinger has pledged to carry out Richardson's decision. He made this pledge in writing June 21 to the Senate Armed Services Committee in a letter that read. . . .

"Secretary Richardson informed me of his decision on Culebra before he announced it and I accepted it as a policy designed, in secretary Richardson's words . . . to facilitate the continued long-term operation of the Atlantic Fleet weapons range and the marine force training areas."

The department will work with the Congress and the Commonwealth of Puerto Rico to jointly meet the conditions upon which Secretary Richardson's decision was predicated."

Presumably copies of the Navy transfer plan are also scheduled to be submitted to the House and Senate Armed Services Committees . . . particularly if it includes a cost estimate of moving the weapons range to Desecheo and Monito.

Funds for the transfer, supported by leading members of both the House and Senate, would have to be appropriated by Congress. This would probably occur in the military construction authorization bill that will go before both chambers later this year. Some senators have estimated the transfer would cost $10 million to $13 million.

Meanwhile it was also learned that the Interior Department has formally surrendered its claim to Desecheo. The agency had sought Desecheo earlier this year for conversion into a bird sanctuary.

However, the Navy apparently has not yet formally asked that either Desecheo or part of Ramey AFB be set aside for it. Ramey is being closed as a military base and presumably the Navy might need part of it for support facilities for the proposed new weapons range complex.

Monito island is owned by the Commonwealth.

[From the San Juan Star, July 6, 1973]

INTERIOR AGENCY WOULD CARE FOR LAND: SENATORS SEEK TRUST FOR CULEBRA

(By Ed Konstant)

WASHINGTON.—Two influential senators have asked President Nixon to ensure the transfer of Navy land on Culebra to the Interior Department for protection until it can be turned over to the Commonwealth.

The request was made in a joint letter to the President from Sens. Henry Jackson, D-Wash., and Howard Baker, R-Tenn.

Both are among cosponsors of a bill authorizing funds for the transfer of Navy target practice from Culebra to Desecheo and Monito Islands. Jackson is chairman of the Senate Interior and Insular Affairs Committee and Baker is ranking minority member of the special Senate Watergate Committee.

The request of Jackson and Baker appears to assume that the Navy will indeed abandon its Culebra weapons range by mid-1975 as conditionally directed by former Secretary of Defense Elliot Richardson.

"The Culebra group is a unique national resource and every possible effort must be made to protect it from misuse and abuse now and after the Navy's departure," the senators wrote. "Although some development may be both necessary and desirable, it is essential that the beauty and ecological integrity of the Culebra group be preserved."

Noting that the Commonwealth and the Interior Department have nearly completed a joint land-use plan for Culebra, they urged any land freed by the Navy be immediately transferred to the federal agency.

Thet letter adds—

"Although it is essential that the Department of the Interior take title to all excessed federal lands, now and in the future, we would support, and we believe that Secretary Morton would support, transfer of title to part or all such lands to Puerto Rico as soon as the terms of such a transfer can be reasonably agreed to."

Richardson decided in late May to transfer Navy target practice to Desecheo and Monito Islands by mid-1975 providing Congress appropriated the funds for the move and an agreement could be reached with the Commonwealth to ensure "the continued long-term operation of the Atlantic Fleet Weapons Range and Marine Force Training Area."

The Marine force training area is located on Vieques.

[From the San Juan Star, July 22, 1973]

CULEBRA EXIT COSTS LISTED IN NAVY PLAN

(By Ed Konstant)

WASHINGTON.—The Navy estimates it will cost between $13 million and $16 million to transfer target practice from Culebra to Desecheo and Monito Islands.

This estimate is mapped out in a time phased plan for the transfer produced by the Navy on instructions of former Secretary of Defense Elliot Richardson.

The plan has been submitted to Secretary of Defense James Schlesinger, who has promised the Senate to stand by Richardson's conditional decision to end Navy weapons range training on Culebra by mid-1975.

However, the time-phased transfer plan has not been made public.

Though details of its contents were not available, it was learned that it includes two transfer proposals. One would cost $13 million, the other $16 million.

The estimates are slightly higher than had been calculated by members of the House and Senate who introduced measures last month to provide the Navy with the funds that would be needed for the transfer. Those call for authorization of the funds without setting specific amounts, but indicating the cost would be $10 million to $13 million.

Meanwhile, it was learned that House Military Installations and Facilities subcommittee chairman Otis Pike, D.-N.Y., has written Schlesinger offering to help expedite the transfer.

Richardson's decision to end Navy target practice on Culebra has two conditions. One is that Congress gives it the funds needed for the transfer. The other is that the Commonwealth provide some sort of guarantee for continued long-term Navy and Marine Corps training operations in Puerto Rico, including activities on Vieques.

Little difficulty is expected obtaining the necessary funds in the Senate. There is less certainty in the more conservative House.

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.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. SYMINGTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The bill having been

read the third time, the question is, Shall the bill pass?

So the bill (S. 2408) was passed, as follows:

S. 2408

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

TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES CONTINENTAL ARMY COMMAND

(First Army)

Fort Belvoir, Virginia, $2,525,000.
Fort Devens, Massachusetts, $2,749,000.
Camp Drum, New York, $1,099,000.
Fort Eustis, Virginia, $4,782,000.
Camp A. P. Hill, Virginia, $535,000.
Indiantown Gap Military Reservation, Pennsylvania, $1,657,000.
Fort Knox, Kentucky, $7,305,000.
Fort Lee, Virginia, $18,326,000.
Fort George G. Meade, Maryland, $5,924,000.
Camp Pickett, Virginia, $476,000.

(Third Army)

Fort Benning, Georgia, $12,404,000.
Fort Bragg, North Carolina, $33,471,000.
Fort Campbell, Kentucky, $51,881,000.
Eglin Air Force Base, Valparaiso, Florida, $2,950,000.
Fort Gordon, Georgia, $23,780,000.
Fort Jackson, South Carolina, $2,902,000.
Fort McClellan, Alabama, $14,063,000.
Fort Rucker, Alabama, $3,987,000.
Fort Stewart, Georgia, $264,000.

(Fifth Army)

Fort Bliss, Texas, $6,087,000.
Fort Benjamin Harrison, Indiana, $3,893,000.
Fort Hood, Texas, $15,094,000.
Fort Sam Houston, Texas, $11,738,000.
Fort Polk, Louisiana, $29,276,000.
Fort Riley, Kansas, $33,578,000.
Fort Sheridan, Illinois, $762,000.
Fort Sill, Oklahoma, $9,447,000.
Fort Leonard Wood, Missouri, $44,482,000.

(Sixth Army)

Fort Carson, Colorado, $5,651,000.
Hunter-Liggett Military Reservation, California, $7,776,000.
Fort Lewis, Washington, $8,327,000.
Fort Ord, California, $9,812,000.
Presidio of San Francisco, California, $3,074,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $8,972,000.
Aeronautical Maintenance Center, Texas, $6,284,000.
Anniston Army Depot, Alabama, $3,745,000.
Army Materials and Mechanics Research Center, Massachusetts, $325,000.
Atlanta Army Depot, Georgia, $119,000.
Frankford Arsenal, Pennsylvania, $73,000.
Fort Monmouth, New Jersey, $9,599,000.
Defense Depot, Memphis, Tennessee, $456,000.
Natick Laboratories, Massachusetts, $466,000.
Picatinny Arsenal, New Jersey, $2,915,000.
Pine Bluff Arsenal, Arkansas, $294,000.
Redstone Arsenal, Alabama, $4,971,000.
Sacramento Army Depot, California, $412,000.
Savanna Army Depot, Illinois, $1,887,000.
Sierra Army Depot, California, $380,000.
White Sands Missile Range, New Mexico, $4,432,000.
Yuma Proving Ground, Arizona, $6,472,000.

UNITED STATES ARMY SECURITY AGENCY

Vint Hill Farms Station, Virginia, $287,000.

UNITED STATES ARMY STRATEGIC COMMUNICATION COMMAND

Fort Huachuca, Arizona, $6,832,000.
Fort Ritchie, Maryland, $1,394,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $30,145,000.

ARMY MEDICAL DEPARTMENT

Walter Reed Army Medical Center, District of Columbia, $1,997,000.

CORPS OF ENGINEERS

Cold Regions Laboratories, New Hampshire, $597,000.

MILITARY TRAFFIC MANAGEMENT AND TERMINAL SERVICE

Oakland Army Terminal, California, $485,000.
Sunny Point Army Terminal, North Carolina, $1,628,000.

UNITED STATES ARMY, ALASKA

Fort Greely, Alaska, $3,489,000.
Fort Richardson, Alaska, $2,140,000.
Fort Wainwright, Alaska, $2,715,000.

UNITED STATES ARMY, HAWAII

Schofield Barracks, Hawaii, $9,592,000.
Fort Shafter, Hawaii, $1,233,000.

POLLUTION ABATEMENT

Various locations, Air Pollution Abatement, $7,295,000.
Various locations, Water Pollution Abatement, $6,799,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY FORCES, SOUTHERN COMMAND

Canal Zone, various locations, $8,095,000.

UNITED STATES ARMY, PACIFIC

Korea, various locations, $1,568,000.

PUERTO RICO

Fort Buchanan, Puerto Rico, $517,000.

KWAJALEIN MISSILE RANGE

National Missile Range, $2,353,000.

UNITED STATES ARMY SECURITY AGENCY

Various locations, $1,434,000.

UNITED STATES ARMY STRATEGIC COMMUNICATION COMMAND

Various locations, $2,097,000.

UNITED STATES ARMY, EUROPE

Germany, various locations, $12,517,000.

Various locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $80,000,000: *Provided*, That, within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

SEC. 102. The Secretary of the Army may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $3,000,000.

SEC. 103. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment; in the total amount of $10,000,000: *Provided*, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1974, except for those public works projects concerning which the Committee on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 104. (a) Public Law 92-545, is amended under the heading "INSIDE THE UNITED STATES," in section 101 as follows:

With respect to "Military Ocean Terminal, Bayonne, New Jersey," strike out "$3,245,000" and insert in place thereof "$3,603,000."

With respect to "Walter Reed Army Medical Center, District of Columbia," strike out "$13,161,000" and insert in place thereof "$15,866,000."

(b) Public Law 92-545 is amended by striking out in clause (1) of section 702 "$441,704,000" and "$558,778,000" and inserting in place thereof "$444,767,000" and $561,841,000," respectively.

SEC. 105. (a) Public Law 91-511, as amended under the heading "INSIDE THE UNITED STATES", in section 101 as follows: With respect to "Fort Benning, Georgia", strike out "$2,855,000" and insert in place thereof "$3,383,000".

(b) Public Law 91-511, as amended, is amended by striking out in clause (1) of section 602 "$181,306,000" and "$266,503,000" and inserting in place thereof "$181,834,000" and "$267,031,000", respectively.

SEC. 106. (a) Public Law 90-110, as amended under the heading "UNITED STATES ARMY, ALASKA" in section 101 as follows: With respect to "Fort Richardson, Alaska," strike out "$1,8000,000" and insert in place thereof "$2,100,000".

(b) Public Law 90-110, as amended, is amended by striking out in clause (1) of section 802 "$288,055,000" and "$391,448,000" and inserting in place thereof "$288,355,000" and "$391,748,000", respectively.

TITLE III

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

FIRST NAVAL DISTRICT

Naval Air Station, Brunswick, Maine, $135,000.

Naval Security Group Activity, Winter Harbor, Maine, $232,000.

Portsmouth Naval Shipyard, Portsmouth, Kittery, Maine, $3,552,000.

THIRD NAVAL DISTRICT

Naval Submarine Base, New London, Connecticut, $6,158,000.

Naval Underwater Systems Center, New London Laboratory, New London, Connecticut, $3,600,000.

Military Ocean Terminal, Bayonne, New Jersey, $1,806,000.

FOURTH NAVAL DISTRICT

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $180,000.

Naval Air Development Center, Warminster, Pennsylvania, $215,000.

NAVAL DISTRICT, WASHINGTON

Naval Research Laboratory, Washington, District of Columbia, $5,395,000.

Naval Academy, Annapolis, Maryland, $4,334,000.

Naval Medical Research Institute, Bethesda, Maryland, $6,372,000.

Naval Communication Station, Cheltenham, Maryland, $1,300,000.

Naval Ordnance Station, Indian Head, Maryland, $1,528,000.

Naval Air Test Center, Patuxent River, Maryland, $1,240,000.

Naval Hospital, Quantico, Virginia, $484,000.

FIFTH NAVAL DISTRICT

Fleet Combat Direction Systems Training Center, Atlantic, Dam Neck, Virginia, $6,531,000.

Naval Amphibious Base, Little Creek, Virginia, $3,350,000.

Naval Air Station, Norfolk, Virginia, $2,525,000.

Naval Station, Norfolk, Virginia, $18,183,000.

Navy Public Works Center, Norfolk, Virginia, $567,000.

Nuclear Weapons Training Group, Atlantic Norfolk, Virginia, $2,470,000.

Naval Air Station, Oceana, Virginia, $3,962,000.

Norfolk Naval Shipyard, Portsmouth, Virgina, $11,133,000.

Naval Weapon Station, Yorktown, Virginia, $1,327,000.

SIXTH NAVAL DISTRICT

Naval Air Station, Cecil Field, Florida, $3,743,000.

Naval Air Station, Ellyson Field, Florida, $75,000.

Naval Air Station, Jacksonville, Florida, $13,766,000.

Naval Hospital, Orlando, Florida, $20,981,000.

Naval Training Center, Orlando, Florida, $5,902,000.

Naval Coastal Systems Laboratory, Panama City, Florida, $3,463,000.

Naval Air Station, Pensacola, Florida, $2,400,000.

Naval Communications Training Center, Pensacola, Florida, $9,859,000.

Naval Air Station, Whiting Field, Florida, $3,586,000.

Naval Aerospace Regional Medical Center, Pensacola, Florida, $1,084,000.

Naval Home, Gulfport, Mississippi, $9,444,000.

Naval Air Station, Meridian, Mississippi, $4,532,000.

Charleston Naval Shipyard, Charleston, South Carolina, $252,000.

Naval Station, Charleston, South Carolina, $1,498,000.

Naval Air Station, Memphis, Tennessee, $4,478,000.

EIGHTH NAVAL DISTRICT

Naval Hospital, New Orleans, Louisiana, $3,386,000.

Naval Support Activity, New Orleans, Louisiana, $11,557,000.

Naval Air Station, Chase Field, Texas, $2,875,000.

Naval Air Station, Kingsville, Texas $3,040,000.

NINTH NAVAL DISTRICT

Naval Complex, Great Lakes, Illinois, $15,148,000.

ELEVENTH NAVAL DISTRICT

Naval Weapons Center, China Lake, California, $3,163,000.

Long Beach Naval Shipyard, Long Beach, California, $6,808,000.

Naval Hospital, Long Beach, California, $878,000.

Naval Air Station, Miramar, California, $1,454,000.

Naval Air Station, North Island, California, $2,415,000.

Fleet Combat Direction Systems Training Center, Pacific, San Diego, California, $1,118,000.

Naval Electronics Laboratory Center, San Diego, California, $3,518,000.

Naval Station, San Diego, California, $11,996,000.

Naval Training Center, San Diego, California, $2,944,000.

Navy Public Works Center, San Diego, California, $2,471,000.

Navy Submarine Support Facility, San Diego, California, $3,920,000.

Naval Weapons Station, Seal Beach, California, $1,528,000.

TWELFTH NAVAL DISTRICT

Naval Air Station, Alameda, California, $5,236,000.

Naval Air Station, Lemoore, California, $3,266,000.

Naval Air Station, Moffett Field, California, $3,150,000.

Naval Hospital, Oakland, California, $5,839,000.

Mare Island Naval Shipyard, Vallejo, California, $1,874,000.

THIRTEENTH NAVAL DISTRICT

Naval complex, Adak, Alaska, $8,773,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $2,300,000.

FOURTEENTH NAVAL DISTRICT

Naval Air Station, Barbers Point, Hawaii, $4,306,000.

Naval Ammunition Depot, Oahu, Hawaii, $457,000.

Naval Station, Pearl Harbor, Hawaii, $4,060,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $2,562,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $1,985,000.

Naval Communication Station, Honolulu, Wahiawa, Hawaii, $2,324,000.

MARINE CORPS

Marine Corps Air Station, Quantico, Virginia, $831,000.

Marine Corps Development and Education Command, Quantico, Virginia, $1,541,000.

Marine Corps Base, Camp Lejeune, North Carolina, $8,902,000.

Marine Corps Air Station, Cherry Point, North Carolina, $1,821,000.

Marine Corps Air Station, New River, North Carolina, $3,245,000.

Fleet Marine Force Atlantic, Norfolk, Virginia, $686,000.

Marine Corps Supply Center, Albany, Georgia, $5,204,000.

Marine Corps Air Station, Beaufort, South Carolina, $126,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $2,580,000.

Marine Corps Air Station, Yuma, Arizona, $1,634,000.

Marine Corps Supply Center, Barstow, California, $3,802,000.

Marine Corps Base, Camp Pendleton, California, $10,920,000.

Marine Corps Air Station, El Toro, California, $747,000.

Marine Corps Base, Twentynine Palms, California, $2,992,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $5,988,000.

TRIDENT FACILITIES

Various locations, Trident facilities United States, $118,320,000.

POLLUTION ABATEMENT

Various locations, air pollution abatement, $27,636,000.

Various locations, water pollution abatement, $54,812,000.

OUTSIDE THE UNITED STATES

TENTH NAVAL DISTRICT

Naval Complex, Puerto Rico, $1,707,000.

Naval Facility, Grand Turk, the West Indies, $1,145,000.

ATLANTIC OCEAN AREA

Naval Air Station, Bermuda, $3,010,000.

Naval Complex, Guantanamo Bay, Cuba, $8,376,000.

EUROPEAN AREA

Naval Support Office, Athens, Greece, $1,948,000.

Naval Detachment, Souda Bay, Crete, Greece, $4,153,000.

Naval Air Facility, Signsoella, Sicily, Italy, $3,086,000.

Naval Security Group Activity, Edzell, Scotland, $868,000.

Naval Station, Rota, Spain, $85,000.

PACIFIC OCEAN AREA

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $1,192,000.

Naval Complex, Guam, Mariana Islands, $10,988,000.

Naval Complex, Subic Bay, Republic of the Philippines, $1,689,000.

POLLUTION ABATEMENT

Various locations, water pollution abatement, $3,995,000.

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000: *Provided*, That the Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1974, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 203. The Secretary of the Navy is authorized to acquire, under such terms as he deems appropriate, lands or interests in land (including easements) in approximately fourteen thousand acres of privately owned property contiguous to the airfield and approach corridors of the Marine Corps Station at Yuma, Arizona, as he considers necessary for the safe and efficient operations at such station. Acquisition of such land or interests in land shall be effected by the exchange of such excess land or interests in land of approximately equal value, as the Secretary of Defense may determine to be available for the purpose. If the fair market value of the land or interests in land to be acquired is less than the fair market value of the Government property to be exchanged, the amount of such deficiency shall be paid to the Government.

SEC. 204. In order to permit the execution of an order of the Secretary of Defense, dated May 24, 1973, that the Department of the Navy transfer all Atlantic Fleet weapons range activities now conducted on or near the island of Culebra to the islands of De-

secheo and Monito, not later than July 1, 1975, there is hereby authorized to be appropriated the sum of $12,000,000 for construction of and equipment for substitute facilities, such sum to remain available until expended.

SEC. 205. (a) Public Law 90–408, as amended, is amended under the heading "INSIDE THE UNITED STATES", in section 201 as follows: With respect to Navy Mine Defense Laboratory, Panama City, Florida, strike out "$7,411,000" and insert in place thereof "$9,397,000".

(b) Public Law 90–408, as amended, is amended by striking out in clause (2) of section 802, "$239,682,000" and "$246,547,000" and inserting in place thereof "$241,668,000" and "$248,533,000", respectively.

SEC. 206. (a) Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES", in section 201 as follows: With respect to Naval Weapons Laboratory, Dahlgren, Virginia, strike out "$530,000" and insert in place thereof "$779,000".

(b) Public Law 91–511, as amended, is amended by striking out in clause (2) of section 602 "$246,955,000" and "$274,093,000" and inserting in place thereof "$247,204,000" and "$274,342,000", respectively.

SEC. 207. (a) Public Law 92–145 is amended under the heading "INSIDE THE UNITED STATES", in section 201 as follows: With respect to Naval Air Station, Meridian, Mississippi, strike out "$3,266,000" and insert in place thereof "$3,859,000".

(b) Public Law 92–145 is amended by striking out in clause (2) of section 702 "$266,068,000" and "$321,843,000" and inserting in place thereof "$266,661,000" and "$322,436,000", respectively.

SEC. 208. (a) Public Law 92–545 is amended under the heading "INSIDE THE UNITED STATES" in section 201 as follows: With respect to Naval Ammunition Depot, McAlester, Oklahoma, strike out "$6,336,000" and insert in place thereof "$8,778,000".

(b) Public Law 92–545 is amended by striking out in clause (2) of section 702 "$474,450,000" and "$515,667,000" and inserting in place thereof "$476,892,000" and "$518,109,000", respectively.

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Peterson Field, Colorado Springs, Colorado, $7,843,000.

Tyndall Air Force Base, Panama City, Florida, $1,771,000.

AIR FORCE COMMUNICATIONS SERVICE

Richards-Gebaur Air Force Base, Grandview, Missouri $3,963,000.

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Ogden, Utah, $8,968,000.

Kelly Air Force Base, San Antonio, Texas, $6,101,000.

McClellan Air Force Base, Sacramento, California, $3,171,000.

Robins Air Force Base, Warner Robins, Georgia, $4,868,000.

Tinker Air Force Base, Oklahoma City, Oklahoma, $13,605,000.

Wright-Patterson Air Force Base, Dayton, Ohio, $18,434,000.

AIR FORCE SYSTEMS COMMAND

Edwards Air Force Base, Muroc, California, $889,000.

Eglin Air Force Base, Valparaiso, Florida, $7,039,000.

Satellite Control Facilities, $654,000.

AIR TRAINING COMMAND

Keesler Air Force Base, Biloxi, Mississippi, $8,786,000.

Lackland Air Force Base, San Antonio, Texas, $6,509,000.

Laughlin Air Force Base, Del Rio, Texas, $4,635,000.

Lowry Air Force Base, Denver, Colorado, $21,610,000.

Mather Air Force Base, Sacramento, California, $310,000.

Randolph Air Force Base, San Antonio, Texas, $1,463,000.

Reese Air Force Base, Lubbock, Texas, $1,368,000.

Sheppard Air Force Base, Wichita Falls, Texas, $2,753,000.

Vance Air Force Base, Enid, Oklahoma, $371,000.

Webb Air Force Base, Big Spring, Texas, $3,154,000.

Williams Air Force Base, Chandler, Arizona, $797,000.

AIR UNIVERSITY

Maxwell Air Force Base, Montgomery, Alabama, $4,900,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Fairbanks, Alaska, $1,557,000.

Various locations, $7,101,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Camp Springs, Maryland, $16,935,000.

Bolling Air Force Base, Washington, District of Columbia, $1,500,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Altus, Oklahoma, $1,770,000.

Dover Air Force Base, Dover, Delaware, $3,387,000.

McGuire Air Force Base, Wrightstown, New Jersey, $1,860,000.

Norton Air Force Base, San Bernardino, California, $1,283,000.

Scott Air Force Base, Belleville, Illinois, $3,092,000.

Travis Air Force Base, Fairfield, California, $1,024,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Honolulu, Hawaii, $7,331,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Shreveport, Louisiana, $1,743,000.

Blytheville Air Force Base, Blytheville, Arkansas, $140,000.

Davis-Monthan Air Force Base, Tucson, Arizona, $232,000.

Dyes Air Force Base, Abilene, Texas, $730,000.

Ellsworth Air Force Base, Rapid City, South Dakota, $514,000.

Francis E. Warren Air Force Base, Cheyenne, Wyoming, $5,834,000.

Grissom Air Force Base, Peru, Indiana, $3,100,000.

Kincheloe Air Force Base, Kinross, Michigan, $2,430,000.

Malmstrom Air Force Base, Great Falls, Montana, $1,507,000.

McConnell Air Force Base, Wichita, Kansas, $1,042,000.

Offutt Air Force Base, Omaha, Nebraska, $617,000.

Pease Air Force Base, Portsmouth, New Hampshire, $526,000.

Plattsburgh Air Force Base, Plattsburgh, New York, $286,000.

Vandenberg Air Force Base, Lompoc, California, $220,000.

Whiteman Air Force Base, Knob Noster, Missouri, $3,892,000.

Wurtsmith Air Force Base, Oscoda, Michigan, $616,000.

Various locations, $2,309,000.

TACTICAL AIR COMMAND

Cannon Air Force Base, Clovis, New Mexico, $162,000.

England Air Force Base, Alexandria, Louisiana, $183,000.

Holloman Air Force Base, Alamogordo, New Mexico, $2,432,000.

Langley Air Force Base, Hampton, Virginia, $503,000.

Little Rock Air Force Base, Little Rock, Arkansas, $1,165,000.

Luke Air Force Base, Glendale, Arizona, $2,986,000.

MacDill Air Force Base, Tampa, Florida, $2,657,000.

Mountain Home Air Force Base, Mountain Home, Idaho, $253,000.

Nellis Air Force Base, Las Vegas, Nevada, $2,588,000.

Shaw Air Force Base, Sumter, South Carolina, $2,501,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado Springs, Colorado, $645,000.

POLLUTION ABATEMENT

Various locations, air pollution abatement, $3,689,000.

Various locations, water pollution abatement, $5,381,000.

AIR INSTALLATION COMPATIBLE USE ZONES

Various locations, $18,000,000.

OUTSIDE THE UNITED STATES

PACIFIC AIR FORCES

Various locations, $11,788,000.

UNITED STATES AIR FORCES IN EUROPE

Germany, $5,181,000.

United Kingdom, $3,954,000.

Various locations, $800,000.

UNITED STATES AIR FORCE SOUTHERN COMMAND

Howard Air Force Base, Canal Zone, $1,038,000.

UNITED STATES AIR FORCE SECURITY SERVICE

Various locations, $221,000.

POLLUTION ABATEMENT

Various locations, water pollution abatement, $750,000.

WORLDWIDE COMMUNICATIONS

Various locations, $330,000.

SEC. 302. The Secretary of the Air Force may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $1,000,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the amount of $10,000,000: *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reach-

ing a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1974, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 304. (a) Section 301 of Public Law 92-145 is amended under the heading "INSIDE THE UNITED STATES" as follows: Under the subheading "STRATEGIC AIR COMMAND" with respect to Malmstrom Air Force Base, Great Falls, Montana, strike out $522,000" and insert in place thereof "$735,000".

(b) Public Law 92-145 is further amended by striking out in clause (3) of section 702 "$226,484,000" and "247,347,000" and inserting in place thereof "$226,697,000" and "$247,560,000", respectively.

SEC. 305. (a) Public Law 92-545, is amended under the heading "INSIDE THE UNITED STATES" in section 301 as follows:

With respect to Keesler Air Force Base, Biloxi, Mississippi, strike out "$4,454,000" and insert in place thereof "$5,654,000".

(b) Public Law 92-545, is amended by striking out in clause 3 of section 702 "$232,925,000" and "$284,150,000" and inserting in place thereof "$234,125,000" and "$285,350,000", respectively.

TITLE IV

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment, for defense agencies for the following acquisition and construction:

DEFENSE NUCLEAR AGENCY

Kirtland Air Force Base, Albuquerque, New Mexico, $374,000.

Atomic Energy Commission Nevada Test Site, Las Vegas, Nevada, $200,000.

DEFENSE SUPPLY AGENCY

Defense Construction Supply Center, Columbus, Ohio, $1,188,000.

Defense Depot, Mechanicsburg, Pennsylvania, $2,048,000.

Defense Depot, Memphis, Tennessee, $360,000.

Defense Depot, Ogden, Utah, $250,000.

Defense Depot, Tracy, California, $747,000.

Defense General Supply Center, Richmond, Virginia, $2,653,000.

Defense Logistics Services Center, Battle Creek, Michigan, $160,000.

Defense Personnel Support Center, Philadelphia, Pennsylvania, $560,000.

Regional Office, Defense Contract Administration Services, Chicago, Illinois, $404,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $8,156,000.

TITLE V—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

SEC. 501. The Secretary of Defense, or his designee, is authorized to construct, at the locations hereinafter named, family housing units and mobile home facilities in the numbers hereinafter listed, but no family housing construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Secretary of the Department of Housing and Urban Development, as to the availability of adequate private housing at such locations. If agreement cannot be reached with respect to the availability of adequate private housing at any location, the Secretary of Defense shall immediately notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(a) Family housing units:

(1) The Department of the Army, five thousand nine hundred thirty-five units, $170,240,000.

Fort Carson, Colorado, two hundred units.

Eglin Air Force Base, Florida, twenty-five units.

United States Army Installations, Oahu, Hawaii, one thousand units.

Fort Riley, Kansas, nine hundred one units.

Fort Campbell, Kentucky, one thousand units.

Fort Polk, Louisiana, five hundred units.

Aberdeen Proving Ground, Maryland, one hundred sixty-six units.

Fort Bragg/Pope Air Force Base, North Carolina, one hundred thirty-six units.

Tobyhanna Army Depot, Pennsylvania, eighty-six units.

Fort Hood, Texas, nine hundred units.

Red River Army Depot, Texas, twenty-one units.

Fort Belvoir, Virginia, seven hundred units.

Fort Eustis, Virginia, three hundred units.

(2) The Department of the Navy, three thousand two hundred eighty-five units, $102,351,000.

Marine Corps Base, Camp Pendleton, California, eight hundred units.

Naval Facility, Centerville Beach, California, sixty units.

Marine Corps Base, Twentynine Palms, California, two hundred units.

Naval Complex, Oahu, Hawaii, six hundred units.

Naval Complex, New Orleans, Louisiana, one hundred units.

Construction Battalion Center, Gulfport, Mississippi, one hundred units.

Naval Home, Gulfport, Mississippi, five units.

Naval Complex, South Philadelphia, Pennsylvania, three hundred fifty units.

Naval Complex, Charleston, South Carolina, two hundred seventy units.

Naval Complex, Guam, Marianas Islands, eight hundred units.

(3) The Department of the Air Force, one thousand eight hundred units, $54,951,000.

Blytheville Air Force Base, Arkansas, one hundred units.

Avon Park Weapons Range, Florida, fifty units.

Eglin Air Force Base, Florida, two hundred fifty units.

United States Air Force Installations, Oahu, Hawaii, four hundred units.

Andrews Air Force Base, Maryland, three hundred units.

Grand Forks Air Force Base, North Dakota, two hundred units.

Sheppard Air Force Base, Texas, two hundred units.

Andersen Air Force Base, Guam, Marianas Islands, three hundred units.

(b) Mobil home facilities:

(1) The Department of the Army, eight hundred twenty-five spaces, $3,300,000.

(2) The Department of the Navy, one hundred spaces, $400,000.

(3) The Department of the Air Force, four hundred fifteen spaces, $2,000,000.

SEC. 502. Authorization for the construction of family housing provided in this Act shall be subject, under such regulations as the Secretary of Defense may prescribe, to the following limitations on cost, which shall include shades, screens, ranges, refrigerators, and all other installed equipment and fixtures.

(a) The average unit cost for each military department for all units of family housing constructed in the United States (other than Hawaii and Alaska) shall not exceed $27,000 including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

(b) No family housing unit in the area specified in subsection (a) shall be constructed at a total cost exceeding $44,000 including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

(c) When family housing units are constructed in areas other than that specified in subsection (a) the average cost of all such units shall not exceed $37,000 and in no event shall the cost of any unit exceed $44,000. The cost limitations of this subsection shall include the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

SEC. 503. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions or extensions not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $28,160,000.

(2) for the Department of the Navy, $10,600,000.

(3) for the Department of the Air Force, $23,750,000.

SEC. 504. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on cost of construction of family housing, the limitation on such cost contained in section 502 of this Act shall apply to all prior authorizations for construction of family housing not heretofore repealed and for which construction contracts have not been executed by the date of enactment of this Act.

SEC. 505. The Secretary of Defense, or his designee, is authorized to construct, or otherwise acquire, in foreign countries, twelve family housing units. This authority shall include the authority to acquire land and interests in land. The authorization contained in this section shall not be subject to the cost limitations set forth in section 502 of this Act: *Provided*, That the cost shall not exceed a total of $520,000 for all units nor $44,000 for any one unit, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

SEC. 506. (a) Subsection 610(a) of Public Law 90-110 (81 Stat. 279, 305), as amended, is amended to read as follows:

"SEC. 610(a). None of the funds authorized by this or any other Act may be expended for the improvement of any single family housing unit, or for the improvement of two or more housing units when such units are to be converted into or used as a single family housing unit, the costs of which exceed $15,000 per unit including costs of repairs undertaken in connection therewith, and including any costs in connection with (1) the furnishing of electricity, gas, water and sewage disposal; (2) roads and walks; and (3) grading and drainage, unless such improvement in connection with such unit or units is specifically authorized by law. As used in this section the term 'improvement' includes alteration, expansion, extension, or rehabilitation of any housing unit or units, including that maintenance and repair which is to be accomplished concurrently with an improvement project. The provisions of this section shall not apply to projects authorized for restoration or replacement of housing units damaged or destroyed."

(b) The Secretary of Defense, or his designee, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $15,000

limitation prescribed in subsection (a) of this section as follows:

Elmendorf Air Force Base, Alaska, one unit, $35,800.

Marine Corps Base, Twentynine Palms, California, one unit, $17,000.

Fort McNair, Washington, District of Columbia, five units, $165,000.

Naval Complex, New Orleans, Louisiana, four units, $119,600.

Ramstein Air Base, Federal Republic of Germany, one unit, $26,500.

SEC. 507. (a) Section 515 of Public Law 84–161 (69 Stat. 324, 352), as amended, is further amended to read as follows:

"SEC. 515. During fiscal years 1974 and 1975, the Secretaries of the Army, Navy, and Air Force, respectively, are authorized to lease housing facilities for assignment as public quarters to military personnel and their dependents, without rental charge, at or near any military installation in the United States, Puerto Rico, or Guam if the Secretary of Defense, or his designee, finds that there is a lack of adequate housing at or near such military installation and that (1) there has been a recent substantial increase in military strength and such increase is temporary, or (2) the permanent military strength is to be substantially reduced in the near future, or (3) the number of military personnel assigned is so small as to make the construction of family housing uneconomical, or (4) family housing is required for personnel attending service school academic courses on permanent change of station orders, or (5) family housing has been authorized but is not yet completed or a family housing authorization request is in a pending military construction authorization bill. Such housing facilities may be leased on an individual unit basis and not more than ten thousand such units may be so leased at any one time. Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: For the United States (other than Hawaii), Puerto Rico, and Guam an average of $210 per month for each military department, or the amount of $290 per month for any one unit; and for Hawaii, an average of $255 per month for each military department, or the amount of $300 per month for any one unit."

(b) The average unit rental for Department of Defense family housing acquired by lease in foreign countries may not exceed $325 per month for the Department and in no event shall the rental for any one unit exceed $625 per month, including the costs of operation, maintenance, and utilities; and not more than seven thousand five hundred family housing units may be so leased at any one time. The Secretary of Defense, or his designee, may waive these cost limitations for not more than three hundred units leased for: incumbents of special positions, personnel assigned to Defense Attache Offices, or in countries where excessive costs of housing would cause undue hardship on Department of Defense personnel.

SEC. 508. Section 507 of Public Law 88–174 (77 Stat. 307, 326), as amended, is further amended to read as follows:

"SEC. 507. For the purpose of providing military family housing in foreign countries, the Secretary of Defense is authorized to enter into agreements guaranteeing the builders or other sponsors of such housing a rental return equivalent to a specified portion of the annual rental income which the builders or other sponsors would receive from the tenants if the housing were fully occupied: *Provided*, That the aggregate amount guaranteed under such agreements entered into during the fiscal years 1974 and 1975 shall not exceed such amount as may be applicable to five thousand units: *Provided further*, That no such agreement shall guarantee the payment of more than 97 per centum of the anticipated rentals, nor shall any guarantee extend for a period of more than ten years, nor shall the average guaranteed rental on any project exceed $275 per unit per month, including the cost of maintenance and operation."

SEC. 509. (a) Chapter 159 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2684. Construction of family quarters; limitations on space

"(a) In the construction of family quarters for members of the Armed Forces, the following are the maximum space limitations:

"Pay grade	Number of bedrooms	Net floor area (square feet)
O-7 and above	4	2,100
O-6	4	1,700
O-4 and O-5	4	1,559
	3	1,400
O-1 through O-3; W-1 through W-4; and E-7 through E-9	5	1,550
	4	1,450
	3	1,350
	2	950
E-1 through E-6	5	1,550
	4	1,350
	3	1,200
	2	950

As used in this section 'net floor area' means the space inside the exterior walls, excluding: basement; service space instead of basement; attic; garage; carport; porches; and stairwells.

"(b) The maximum limitations prescribed by subsection (a) are increased by 10 per centum for quarters of the commanding officer of any station, air base, or other installation based on the grade authorized for that position.

"(c) The maximum limitations for family quarters constructed for key and essential civilian personnel are the same as those for military personnel of comparable grade, as determined by the Secretary of Defense.

"(d) The maximum net floor area prescribed by subsection (a) may be increased up to 5 per centum if the Secretary of Defense, or his designee, determines that such increase is in the best interest of the Government to permit award of a turnkey construction project to the contractor offering the most satisfactory proposal. Any increase made under subsection (b) when combined with an increase under this subsection may not exceed an aggregate of 10 per centum."

(b) The analysis of such chapter 159 is amended by adding at the end thereof the following:

"2684. Construction of family quarters, limitations on space."

(c) Chapter 449 of title 10, United States Code, is amended by repealing section 4774, except for subsection (d) thereof, which subsection remains with the "(d)" deleted; and by revising the corresponding item in the catchline and analysis to read: "Construction: limitations".

(d) Chapter 649 of title 10, United States Code, is amended by repealing sections 7574 and 7575 and by stiking out the corresponding items in the analysis.

(e) Chapter 949 of title 10, United States Code, is amended by repealing section 9774, except subsection (d) thereof, which subsection remains with the "(d)" deleted; and by revising the corresponding item in the catchline and analysis to read: "Construction: limitations".

SEC. 510. Notwithstanding the provisions of any other law, the Secretary of the Air Force is authorized to settle claims regarding repairs and improvements to public quarters at F. E. Warren Air Force Base, Wyoming, in the amount of $41,22[illegible].92.

SEC. 511. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) for construction and acquisition of family housing, including improvements to adequate quarters, improvements to inadequate quarters, minor construction, relocation of family housing, rental guarantee payments, construction and acquisition of mobile home facilities, and planning, an amount not to exceed $367,675,000; and

(2) for support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m), an amount not to exceed $826,793,000.

SEC. 512. (a) Notwithstanding any other provision of law, the Secretary of the Army, or his designee, is hereby authorized to convey to the State of Hawaii, subject to the terms and conditions hereafter stated, and to such other terms and conditions as the Secretary of the Army, or his designee, shall deem to be in the public interest, all right, title, and interest of the United States in and to certain land, with improvements thereon, within the Fort Ruger Military Reservation, Hawaii, as described in subsection (c).

(b) In consideration for the conveyance by the United States of the aforesaid property, the State of Hawaii shall provide for, convey, or pay to the United States, either in facilities and services or money or a combination thereof, as determined by the Secretary of the Army, a sum equal to the appraised fair market value of the property to be conveyed. The facilities and services so provided shall be utilized, and money so paid shall be credited to applicable accounts which shall then be available, for site preparation and improvement of the Aliamanu Military Reservation, Oahu, Hawaii, including roads and streets, utilities, and other community facilities suitable for the support of a military family housing development. The site preparation and improvements shall be in accordance with plans and specifications to be approved by the Secretary of the Army or his designee.

(c) The lands authorized to be conveyed to the State of Hawaii as provided in subsection (a) comprise approximately fifty-seven acres with improvements thereon as generally depicted on maps on file in the Office of the United States Army Engineer, Pacific Ocean Division, Honolulu, Hawaii. The exact description and acreage of the land to be conveyed shall be determined by an accurate survey as mutually agreed upon between the State of Hawaii and the Secretary of the Army, or his designee.

(d) Notwithstanding any other provision of law, the cost of the site preparation, roads and streets, utilities, and other support facilities borne by the State of Hawaii, as provided herein shall not be considered in arriving at the average cost of any family housing units or the cost of any single family housing unit to be constructed on the property.

(e) Public Law 91–564, approved December 19, 1970, is hereby repealed.

SEC. 513. In accordance with subsection 1013(i) of Public Law 89–754 (80 Stat. 1255, 1290) there is authorized to be appropriated for use by the Secretary of Defense for the purposes of section 1013 of Public Law 89–754, including acquisition of properties, an amount not to exceed $7,000,000.

SEC. 514. Section 1013 of Public Law 89–754 (80 Stat. 1255, 1290), as amended, is further amended by adding the following new subsection:

"(m) In addition to the coverage provided above, the benefits of this section shall apply, as to closure actions in the several States and

the District of Columbia announced after April 1, 1973, to otherwise eligible employees or personnel who are (1) employed or assigned either at or near the base or installation affected by the closure action, and (2) are required to relocate, due to transfer, reassignment or involuntary termination of employment, for reasons other than the closure action."

TITLE VI

GENERAL PROVISIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installation and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V shall not exceed—

(1) for title I: Inside the United States, $508,507,000; outside the United States, $108,581,000; section 102, $3,000,000; or a total of $620,088,000,

(2) for title II: Inside the United States, $547,780,000; outside the United States, $54,242,000; or a total of $602,022,000.

(3) for title III: Inside the United States, $249,685,000; outside the United States, $24,062,000; section 302, $1,000,000; or a total of $274,747,000.

(4) for title IV: A total of $17,100,000.

(5) for title V: Military family housing and homeowners assistance, $1,201,468,000.

SEC. 603. (a) Except as provided in subsection (b), any of the amounts specified in titles I, II, III, and IV of this Act, may, in the discretion of the Secretary concerned, be increased by 5 per centum when inside the United States (other than Hawaii and Alaska), and by 10 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. However, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(b) When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of Defense, or his designee, determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (a), the Secretary concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(c) Subject to the limitations contained in subsection (a), no individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation may be placed under contract if—

(1) the estimated cost of such project is $250,000 or more, and

(2) the current working estimate of the Department of Defense, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress, until after expiration of thirty days from the date on which a written report of the facts relating to the increased cost of such project, including a statement of the reasons for such increase has been submitted to the Committees on Armed Services of the House of Representatives and the Senate.

(d) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected, together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress, shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code: *Provided*, That such contracts under regulations established by the Secretary of Defense may be awarded on a competitive basis by turnkey one-step procedures. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

SEC. 605. As of October 1, 1974, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of military installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Act of October 25, 1972, Public Law 92-545 (86 Stat. 1135), and such authorizations contained in Acts approved before October 26, 1972, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part before October 1, 1974, and authorizations for appropriations therefor;

(3) notwithstanding the repeal provisions of section 705(b) of the Act of October 25, 1972, Public Law 92-545 (86 Stat. 1135, 1153), all authorizations for construction of family housing, including mobile home facilities, all authorizations to accomplish alterations, additions, expansion, or extensions to existing family housing, and all authorizations for related facilities projects under said act are hereby continued and shall remain in effect until October 1, 1974; and

(4) notwithstanding the repeal provisions of section 705(a), of the Act of October 25, 1972, Public Law 92-545 (86 Stat. 1135, 1153), authorizations for the following items which shall remain in effect until October 1, 1975:

(a) Airfield expansion in the amount of $882,000 for the United States Army Security Agency, that is contained in title I, section 101, under the heading "OUTSIDE THE UNITED STATES" of the Act of October 27, 1971 (85 Stat. 394, 395), as amended.

(b) Environmental Health Effects Laboratory in the amount of $4,500,000 for the Naval Medical Research Institute, Bethesda, Maryland, that is contained in title II, section 201, under the heading "INSIDE THE UNITED STATES" of the Act of October 27, 1971 (85 Stat. 394, 397).

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index 1.0:

(1) $28.50 per square foot per permanent barracks;

(2) $30.50 per square foot for bachelor officer quarters;

unless the Secretary of Defense or his designee determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable: *Provided*, That notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

SEC. 607. Section 709 of Public Law 92-145 (85 Stat. 394, 414), as amended, is amended to read as follows: "Notwithstanding any other provision of law, none of the lands constituting Camp Pendleton, California, may be sold, transferred, or otherwise disposed of by the Department of Defense unless hereafter authorized by law: *Provided, however*, That with respect to said lands the Secretary of the Navy, or his designee, may grant leases, licenses, or easements pursuant to his existing authority."

SEC. 608. Chapter 159 of title 10, United States Code, is amended as follows:

(1) Section 2674(f) is amended by striking out the phrase "every six months" in the second line and inserting "annually" in place thereof.

(2) Section 2676 is amended by changing the period at the end thereof to a semicolon and adding the following: "*Provided*, That this limitation shall not apply to the acceptance by a military department of real property acquired under the authority of the Administrator of General Services to acquire property by the exchange of Government property pursuant to the Federal

Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.)."

SEC. 609. The Secretary of Defense is authorized to use any unobligated funds, not in excess of $1,500,000, heretofore appropriated to carry out the provisions of section 610 of the Military Construction Authorization Act, 1971 (84 Stat. 1224) for the purpose of assisting communities near Malmstrom Air Force Base, Great Falls, Montana, to pay their respective shares of the cost under any Federal program providing assistance for the adoption, to the needs and uses of such communities, of the water system, and appurtenances thereto, installed to support the Safeguard Antiballistic Missile site near such air force base.

SEC. 610. Title I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1974".

TITLE VII

RESERVE FORCES FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) For the Department of the Army:

(a) Army National Guard of the United States, $29,900,000.

(b) Army Reserve, $35,900,000.

(2) For the Development of the Navy: Naval and Marine Corps Reserves, $18,858,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $16,000,000.

(b) Air Force Reserve, $9,000,000.

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. This title may be cited as the "Reserve Forces Facilities Authorization Act, 1974".

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

RECESS UNTIL 3 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3 p.m.

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

Thereupon, at 1:29 p.m. the Senate took a recess until 3 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. McCLURE).

MESSAGES FROM THE PRESIDENT

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

REPORT ON ADMINISTRATION OF THE NATIONAL COOLEY'S ANEMIA CONTROL ACT—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. McCLURE) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I am pleased to send to the Congress the First Annual Report on the Administration of the National Cooley's Anemia Control Act in accordance with the requirements of section 1115 of the Public Health Service Act, as amended.

RICHARD NIXON.

THE WHITE HOUSE, *September 13, 1973.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. McCLURE) 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.)

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. 14) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8619) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHITTEN, Mr. SHIPLEY, Mr. EVANS of Colorado, Mr. BURLISON of Missouri, Mr. NATCHER, Mr. SMITH of Iowa, Mr. CASEY of Texas, Mr. MAHON, Mr. ANDREWS of North Dakota, Mr. MICHEL, Mr. SCHERLE, Mr. ROBINSON of Virginia, and Mr. CEDERBERG were appointed managers on the part of the House at the conference.

RECESS TO 3:30 P.M.

Mr. MOSS. Mr. President, at the direction of the leadership, I move that the Senate stand in recess until the hour of 3:30 p.m. today.

The motion was agreed to, and at 3:01 p.m., the Senate took a recess until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HASKELL).

NOMINATION OF DR. HENRY KISSINGER

Mr. HASKELL. Mr. President, for his intellect and competence, Dr Henry Kissinger, whose name is before the Senate for confirmation as Secretary of State, stands at or near the top of his chosen profession.

Two major advances in American diplomacy can be in large part credited to him—the beginning of a détente with Russia embodied in the SALT I treaty and the opening of relations with China. These achievements seem to be the basis for much of Dr. Kissinger's support.

Whether he should share equally in the administration's foreign policy reverses is hard to say. But we must not overlook them. Concern for our allies and strengthening these ties should be a major concern of foreign policy. But this concern has been conspicuously absent in this administration.

There was no such concern when China was recognized without informing our Asian ally, Japan. We thus broke a solemn pledge.

There was no concern for India, the most populous democracy in the world, when our Government "tilted" toward Pakistan. India was driven toward the waiting Soviet arms.

That concern was conspicuously lacking in the precipitate decision to impose an import surtax with no warning. Suffering most from this action were Japan, our ally, and Canada, our best friend and ally.

Probably the blame falls upon the President. Certainly the shock effect of the China recognition without a hint to our allies bears the imprint of the Nixon style. So does the sudden imposition of the import surtax without consideration for or consultation with those whom it would harm most. I doubt American credibility among her allies can stand another of these "successes."

However, I raise the question, Mr. President, whether Dr. Kissinger does not fail in other and perhaps more important ways.

The revelations of the last few months have surely rubbed off on everyone connected with Government. In my opinion, the people of our country have never been as cynical about their officials. And they have good reason.

At every level of Government—and certainly at the highest levels—this country desperately needs men dedicated to openness and truth. We must find men untouched by the deceit which has characterized Mr. Nixon and his close associates. Dr. Kissinger certainly appears free of this deceit in the domestic arena. But I am forced to recall that it was he who, just days before last November's election, said "Peace is at hand" in Indochina. Now we know that this was not so, that any intelligent man with the information Dr. Kissinger possessed obviously knew it was not so.

Further, it was Dr. Kissinger who participated in keeping the bombing of Cambodia from the American people. He was silent while Mr. Nixon untruthfully assured the American people that Cambodian soil had not been violated.

Dr. Kissinger's apologists are sure to say that the orders came from the Presi-

dent. It has not been so very long ago that, as a nation, we rejected that defense as no defense at all. It is still inadequate.

I sincerely wish I could take a positive stand on Dr. Kissinger's nomination. That would be far and away my preference. However, the times cry out for a return to absolute integrity as the first requisite for all who hold high office. I wish I could point to the nominee for Secretary of State and say we have found a man who personifies that return.

But I cannot. It is because of his participation in the deception of the American people that I intend to vote against the nomination of Dr. Kissinger.

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

Mr. HASKELL. I yield.

Mr. ABOUREZK. I want to add my compliments and congratulations to the Senator from Colorado for a very courageous and forthright statement. He has demonstrated once again, in my opinion, the wisdom of the people of Colorado in sending him here to speak out in what he considers to be his best judgment, not the judgment of those few people who have attempted to run our foreign policy in an elitest fashion, who have tried to do it in secret, and as would Dr. Kissinger, who I suppose will eventually have his nomination confirmed, and who will certainly continue to conduct that foreign policy in secret. Senator HASKELL and his constituents understand that, I am sure, as do the people of South Dakota.

I want to commend the Senator once again.

Mr. HASKELL. I thank the Senator. Mr. President, I yield the floor.

INFLATION RATE IN UNITED STATES SECOND LOWEST IN THE FREE WORLD

Mr. CURTIS. Mr. President, a few days ago an article appeared in a number of papers which showed that the inflation rate in the United States was the second lowest in the free world. This was a United Press International article and it bore a Paris dateline. This is important information for the Congress and for the American people generally. I ask unanimous consent to include that article in the RECORD.

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

STUDY: INFLATION RATE OF UNITED STATES SECOND LOWEST IN FREE WORLD

PARIS.—You think you have it rough?

Maybe so, but the Organization of Economic Cooperation and Development reported that things could be worse.

OECD experts reported that in the year ending in June, the United States had nearly the lowest rate of inflation in the non-Communist world.

The United States was second from the bottom on a list of 23 countries. Only Australia had a lower inflation, but spokesmen said that was based on the year ending in May. Australia did not submit statistics for June.

The group reports inflation on an annual basis, so the percentages apply to a whole year rather than a month.

The list was topped by Iceland which showed 18.2 per cent inflation rate, and Greece, which posted 13.2 per cent in June.

Austria, Belgium, Luxembourg and Finland were among the industrialized non-Communist nations that lowered their annual inflation rates during June, the OECD report said.

OECD gave the following annual rates of inflation for June, compared with May (figures are annual percentage rates):

Country:	*June*	*May*
Iceland	18.2	18.2
Greece	13.2	10
Ireland	11.7	11.7
Portugal	11.7	9.2
Turkey	11.3	11.3
Italy	11	5.1
Japan	11.1	10.9
Spain	10.8	10.8
Finland	9.9	10
Britain	9.5	9.5
Denmark	8.8	8.4
Netherlands	8.3	8.3
Canada	8.1	7.3
Switzerland	8.0	8.0
Germany	7.9	7.8
Norway	7.8	7.8
France	7.2	7.2
Austria	7.2	8.1
Belgium	6.9	7.5
Sweden	6.9	6.5
Luxembourg	6.7	7.8
United States	5.9	5.5
Australia	5.7	5.7

WIRETAPPING

Mr. CURTIS. Mr. President, one of Nebraska's most outstanding lawyers is the Honorable Clarence A. Davis. Early in his career, he served as attorney general of Nebraska. He was the youngest man ever to so serve. During the Eisenhower administration, he served as Solicitor of the Department of Interior and later as Undersecretary.

Mr. Davis has written a true account of his experiences entitled, "I'm an Ex-Wire Tappee." I ask unanimous consent to have his account printed in the RECORD.

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

I'M AN EX-WIRE TAPPEE

Wiretapping may be "dirty business" but it is far from new. It bloomed luxuriously 40 years ago in the early administration of Franklin D. Roosevelt and especially in the policy of his Secretary of the Interior, Harold L. Ickes. I ought to know. I was a tappee.

Wiretapping, mail opening and surveillance by Government detectives was an accepted policy of the early Roosevelt administration. Here's the story:

The time is the winter of 1935–36. President Roosevelt had been given some six or seven billion dollars by Congress to start a public works program all over the United States—highways, buildings, bridges, roads, water storage projects—anything that would employ a lot of labor and whether the project was sound or feasible, nobody really cared. Jobs had to be created.

Immediately there came to life in Nebraska two projects which had been condemned by private engineers for several years as not feasible but in the depression and with the "make work" conception, it was not hard to get other engineers to certify feasibility. I was counsel to a small private power company, a Stone and Webster subsidiary. Both projects depended upon a diversion of water from the Platte and Loup Rivers through canals and power plants and were widely hailed as "cheap hydro power." Naturally, the private companies were disturbed, particularly as Ickes as Secretary of the Interior had written a book entitled "Back to Work" in which he indicated he would use this money particularly for power plants and would destroy the "power trust." (He later testified under oath in a case in Georgia that he had not written the book; that it was entirely staff written; and he had not even read it and the footnotes were staff added).

In self-defense the power companies united in an attempt to stop Ickes from making these loans. All of the Nebraska companies joined in a suit in the District of Columbia (*Iowa-Nebraska* vs *Ickes*). Some Wendell Wilkies Southern Companies, the Alabama Power Company, Tennessee Power Company and others had similar litigation pending against similar prospective loans. Of course, sustaining the Government's position was really an important administration issue.

The attorneys for all of the Nebraska companies met in Washington to discuss who should argue the case and to my trepidation, the burden was put on me because I lived close to the proposed projects and knew the detailed facts. We had as co-counsel the Washington firm of Covington and Burling (Dean Atchison). The case was finally set for hearing and I undertook the opening argument. Under the scrutiny of perhaps 25 or 30 distinguished counsel of other electric companies, I entered that Court room with a great deal of apprehension. I had never appeared in the Courts of the District of Columbia and had no idea with what I was to be confronted.

I soon found out. As opposing counsel at the other table were Alexander Holtzoff representing the Justice Department, later to have a long and distinguished career as a Federal Judge, author and authority on the Federal Rules of Procedure and Jerome Frank of Chicago, Yale and New York, one of the brilliant young radicals of the day, author of "Law and the Modern Mind," a treatise which gave him wide acclaim as a forward-looking jurist and who later was to serve for many years on the Second Circuit United States Court of Appeals. Frank had been brought in by Ickes as Ickes' private counsel on the public works program after Roosevelt had decided he was too radical to be counsel for the Agriculture Department.

Against these two I felt pretty much of a country boy despite the fact that I had served four years as Attorney General of my state. I began the argument, talked about double the normal allotment of time with Frank interrupting me with snide remarks of which he was a master. Finally after a few whispered words with Holtzoff, he stood up, and said, "Your Honor, if these gentlemen will consent to postpone this matter for a little while, I think I can confer with them and we can work out an injunction to which they will agree." The Court, glad to be rid of the problem and I, knowing I was way over my allotted time, agreed to postpone the matter to another day.

I saw a good deal of Jerome Frank in the ensuing days and weeks of conferences. We soon got ourselves to a first-name basis and despite my aversion to Ickes, I liked Jerome Frank and I am sure he grew to like me but during those conferences I received my first real initiation into Washington.

I was staying at the Carlton Hotel. I first noticed one morning that one of my letters had been opened and resealed with glue. I couldn't help but notice for it was a crude job. So I watched and found that all my mail was being intercepted, read by somebody, resealed and delivered. Then I discovered that my telephone wires were tapped (funny noises on the wire) and that everything I said and every call I made was being transcribed. I finally said to the "wire" one morning after I had opened some tampered

mail, "I would just like to tell you so and so's (language cleaned up) that if you think I am stupid enough to say anything over this telephone that will do you any good you are worse detectives than I thought you were. All I have to do is walk out of the room, walk down the street to another hotel, go into a booth and place my calls under "John Smith's" name and there is no way in the world you can check that unless you are spending enough money to have all the wires tapped in Nebraska to which you think I may be calling, and I don't think you will find that so simple. So why don't you just get off this wire and leave me alone. You are wasting your time and annoying me." Of course, no response.

It was probably early May when, sound asleep one night at 3:00 a.m., the phone rang. It was Jerome Frank. He said, "Clarence, I wonder if you could come up here to the Interior Department and tell me something about the actual proposed construction of these projects. I have a lot of people here and none of them actually know what they are talking about and I think you do." So I said, "Well, Jerry, if you think I am coming up to the Interior Department at three in the morning to sit in a conference with a bunch of bureaucrats, political high-binders and detectives, with microphones under the desk and concealed cameras, which there probably are, you are crazy. I am not going to do anything of the kind."

But he responded, "Clarence, if you will come up, I give you my personal word there will be no eavesdropping, no microphones, no transcripts. I just want to talk to you and get this thing straight in my head." I said, "Well, Jerry, your personal word is good. It's about all that is, but I will be up."

So I dressed, got a cab and still half asleep, stumbled into the old Interior Building and up to the secretary's office. Here was Jerome Frank, four or five officials of the Public Works Administration, two or three staff lawyers and a chap by the name of Clark Foreman, a Carolinian who was, I believe, deputy director of P.W.A. or at least in charge of these projects. They had a great big map of Nebraska on the side of the wall and I suppose I spent half an hour or more describing central Nebraska, the Loup and Platte Rivers, where these projects were to be located, what they were to do, where canals would be, what they were supposed to cost and many other things. I remember distinctly that Foreman several times interrupted me with what I thought were rather nasty questions and finally Frank said to him, "Foreman, I want you to go into the other office, shut the door and stay there until I call you. You don't know anything about this and you are simply delaying and breaking up the continuity." This to his theoretical boss! Foreman very meekly left the room and we went on and on with questions and explanations.

A perfectly frank and open discussion of the whole situation. The sun came up and finally all of us, more or less exhausted, broke up the meeting and Frank said, "Let's you and I go down and have some breakfast."

I am sure this long session marked by candor, frankness and fairness convinced both of us that neither was as bad as the other thought.

In the course of this long night of conference, I said to Frank and the others, "Now I have done you a favor by frankly telling you the facts of this lawsuit, my side and yours, and I want a courtesy in return. You are opening my mail, you have my telephone wires tapped, I detect that I am being followed about the city and you are probably as stupid people as I have ever met. In the first place, there is nothing wrong with what I am doing or propose to do, but I resent your thinking that I am so stupid as to receive any mail that would help you or that I would make or receive any incriminating phone calls or that I am going about the city leaving some kind of a trail behind me. I resent your treating me as though I were so dumb or some sort of a criminal and I want you to agree, all of you, to take off the wiretap of my hotel room, stop opening my mail and stop having me followed about town." Without any attempt to deny what was being done, Jerome Frank said, "I'll see that that is done." The others agreed and it was done.

A little later Joe Keig, another PWA lawyer from North Dakota whom I grew to admire and respect told me after a long friendly dinner at his invitation, "We have 30 or 40 detectives on the Interior payroll doing just what they have been doing to you. Now I don't mind hiring detectives but we get such poor detectives." Later when I became a little better acquainted, I had a talk with the room clerk at the Carlton Hotel and he told me that their switchboard was so arranged that they could instantly tap the wire of every room in the hotel by simply putting in a double plug, one side of which went to Ickes' detectives. He also told me that all of the big and better hotels downtown were similarly wired so that the Willard, the Mayflower, the Shoreham and other hotels where businessmen coming into Washington would be likely to stay could be tapped almost instantly:

And this was being done by liberals!
Their progeny still survives;
It simply makes a difference who's ox!

And we still get, as Joe Keig said, "such poor detectives."

QUORUM CALL

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

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

JOHNNY HORIZON '76 CLEAN UP AMERICA MONTH

Mr. HRUSKA. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 695.

The PRESIDING OFFICER. The clerk will report the joint resolution by title.

The legislative clerk read as follows:

H.J. Res. 695. Joint resolution designating the period of September 15, 1973, through October 15, 1973, as "Johnny Horizon '76 Clean Up America Month."

Mr. HRUSKA. Mr. President, I have cleared the matter with both sides of the aisle at the leadership level.

It has been passed by the other body and unanimously approved by the Judiciary Committee, which recommended its passage without amendment.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 695) was ordered to a third reading, was read the third time, and passed.

Mr. HRUSKA. Mr. President, the Senate in approving and agreeing to House Joint Resolution 695 participates in a very interesting and worthwhile program. Its objectives are to involve the Nation's citizenry in awareness and action for the "clean-up America for our 200th birthday program."

Johnny Horizon was initiated and created by the Department of the Interior. He appeals to all Americans to help prevent litter, minimize pollution, clean up air, water, and land, conserve energy, and utilize all natural resources wisely.

Secretary of the Interior Rogers C. B. Morton issued a statement of explanation and description. I ask unanimous consent that its text be printed at the conclusion of my remarks.

In his statement he makes reference to a long list of program supporters and participants, who have very active roles. It is a most fascinating and heartening recital.

In his concluding paragraph Secretary Morton observed:

> These "partners" with Johnny Horizon '76 have shown that every American can help improve and protect our environment. . . . If all citizens will begin a continuing effort to follow their examples and contribute to a better environment during Clean Up America Month, we will be a great deal closer to meeting one of our Nation's most pressing challenges.

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

SECRETARY OF THE INTERIOR MORTON ANNOUNCES CLEAN UP AMERICA MONTH

Secretary of the Interior Rogers C. B. Morton has announced that a nationwide Johnny Horizon '76 Clean Up America Month will be observed September 15–October 15, 1973.

All Americans can and should help meet the nation's environmental challenges, the Secretary said. During Clean Up America Month supporters of Johnny Horizon '76 will have an all-out drive to involve citizens in worthwhile environmental improvement and protection efforts.

Clean Up America Month will be an occasion to demonstrate that significant results can be realized when concerned citizens take on an "I'll help, too," spirit and contribute to a better environment, Secretary Morton said.

It will focus attention on and give momentum to the on-going Johnny Horizon '76 environmental awareness and action program to "Clean Up America For Our 200th Birthday."

Initiated by the Department of the Interior and recognized as an official national Bicentennial activity, Johnny Horizon '76 appeals to all Americans to help prevent litter, minimize pollution, clean up the air, water and land, conserve energy and utilize all natural resources wisely.

The program is supported by a growing list of Federal agencies and cosponsored by nearly 2,000 other organizations including major businesses, national associations, state groups, local chambers of commerce, clubs and schools.

Clean Up America Month will be kicked off at Constitution Hall in Washington, D.C., on September 18 with a Johnny Horizon '76 concert featuring "The New Seekers," the group that turned "I'd Like to Teach The World to Sing" into a million-copy seller.

Campaign supporters participating in the month-long drive include:

Department of the Interior bureaus and offices—to assist local groups with volunteer cleanups and beautifications.

U.S. Postal Service—to publicize the month with posters in 48,000 Post Offices throughout the nation.

My Weekly Reader—asking 12 million youngsters to clean up a measurable amount of America for a Johnny Horizon '76/Earth Patrol Clean Up Week, September 30–October 6.

A & P—to publicize the month with posters in 4,000 outlets.

U. S. Army Corps of Engineers—to sponsor cleanups in several of its districts.

Government of American Samoa—scheduled a Territorial-wide cleanup for the first week of October.

Actor/balladeer Burl Ives—to star in three Johnny Horizon '76 environmental concerts, including a benefit performance in Buffalo, N.Y.

Artists Cicely Tyson, Tennessee Ernie Ford, Ted Mack and Ferlin Huskey—featured in Clean Up America Month radio public service announcement series released to the nation's 4,600 leading stations.

Tennessee Valley Authority—coordinating a major cleanup of the Chattanooga area to be sponsored by the Chattanooga Council of Garden Clubs in cooperation with the Chattanooga Convention and Visitors Bureau and local organizations.

Civil Air Patrol, National Campers and Hikers Association, Bicentennial Commission of Florida and sponsors of National Hunting and Fishing Day (September 22)—Encouraging local groups to hold cleanups and other environmental projects.

Across the country local leaders and community-action groups are promoting the Johnny Horizon '76 "I'll help, too," spirit and stimulating citizen participation in environmental efforts for Clean Up America Month. In Portland, Oregon, a women's club and the Northwest Steelheaders Association are taking the lead. In the Ninth Congressional District of Texas Representative Jack Brooks has distributed 500 Johnny Horizon '76 environmental education kits to encourage schools to organize Clean Up America Month activities. In other areas Scout troops, 4-H clubs, youth and conservation groups will sponsor projects to get citizens involved in helping to improve and protect the environment.

The on-going activities of all Johnny Horizon '76 supporters will give momentum to and be recognized by Clean Up America Month. The 99s, for example, an international organization of licensed women pilots, delivered tree seedlings, to every state capital recently and has a continuing program to clean up and beautify airports throughout the nation as part of its Bicentennial observance. Ryder System, Inc., a new Johnny Horizon '76 sponsor, is encouraging employees to initiate cleanups. Burger King, also a new sponsor, has begun a major Johnny Horizon promotional campaign. The Exchange Clubs of America, which recently endorsed the objectives of Johnny Horizon '76, is encouraging its 1,600 local chapters to lead community environmental improvement projects.

Other organizations which have joined with Johnny Horizon '76 include: Welcome Wagon International, Sons of the American Revolution, Missouri River Basin Commission, Bicentennial Commission of Louisiana, American Association of Nurserymen, National Council of Senior Citizens, Society of American Florists, Tennessee Beautiful, Inc. and Ohio Nurserymen's Association.

Federal agencies cooperating in the Johnny Horizon '76 Program are: Army Corps of Engineers, Civil Service Commission, Department of Defense "Domestic Action Program," General Services Administration, Tennessee Valley Authority, The President's Council on Environmental Quality and U.S. Postal Service.

These "partners" with Johnny Horizon '76 have shown that every American can help improve and protect our environment, Secretary Morton said. If all citizens will begin a continuing effort to follow their examples and contribute to a better environment during Clean Up America Month, we will be a great deal closer to meeting one of our nation's most pressing challenges, he said.

NOMINATION OF MR. RUCKELSHAUS TO BE DEPUTY ATTORNEY GENERAL

Mr. ROBERT C. BYRD. Mr. President, the nomination of Mr. Ruckelshaus to be Deputy Attorney General has been reported unanimously from the Judiciary Committee of the Senate today. Some of the members of that committee, however, were not able to be present. I was not able to be present. I was involved in a party conference. I would like to have been present because I would like to have voted for the nomination.

I am not positive as to whether I understood correctly that the distinguished Senator from Kentucky (Mr. COOK) indicated that he also was not present at the time.

Mr. COOK. Mr. President, I was testifying before the National Academy of Sciences downtown. I was not able to attend. Under the circumstances, if we could establish a quorum for the purpose of a yea and nay vote, we could have a yea and nay vote on the nomination, if that is agreeable with the Senator from West Virginia.

Mr. GRIFFIN. Mr. President, if the Senator from West Virginia would yield, I wonder if we are going to have a yea-and-nay vote, if we might agree on a time and notice could be given to our membership on both sides of the aisle.

Mr. ROBERT C. BYRD. Mr. President, we could do that.

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

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

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly with the understanding that he not lose his right to the floor?

Mr. HUMPHREY. Mr. President, I yield to the Senator from West Virginia.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider the nomination of Mr. William D. Ruckelshaus to be Deputy Attorney General, which was reported favorably earlier today from the Judiciary Committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of William D. Ruckelshaus, of Indiana, to be Deputy Attorney General.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation of 2 minutes on this matter.

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

Mr. ROBERT C. BYRD. Mr. President, I want to state my support for the nominee. I was not present at the executive session of the Judiciary Committee when his name was reported out unanimously. I am not complaining. I was notified well in advance of the meeting. However, I do want the RECORD to show that I do support the nomination.

Mr. COOK. Mr. President, if the Senator will yield, I find myself in the same position, having been downtown at the National Academy of Sciences, testifying this afternoon. I was not able to attend the executive session for the purpose of voting on the nominee. Had I been able to be present, I would have voted in favor of reporting the nomination favorably.

Mr. PERCY. Mr. President, I support the nomination. I think that Mr. Ruckelshaus has had a most distinguished career.

I have known him for a number of years as a near neighbor. I think that the various tasks he has undertaken at the request of the President and the manner in which he has carried out those tasks, as well as his lifetime record of service to country and community, his great integrity, his strength of character—and the infinite wisdom he showed in his office of his independently minded wife, who is charming and gracious and has herself made great contributions to equal rights for women and demonstrated and proved in every way that they can and should have equal rights, because they do have equal concerns and equal abilities—but in every respect Mr. Ruckelshaus has earned the support of this body, and I am pleased to see his name brought forward at this time, and hope his nomination will have unanimous support in the Senate.

The PRESIDING OFFICER. All time has expired.

Mr. ROBERT C. BYRD. Mr. President, I, too, hope that the Senate's approval will be unanimous.

Mr. HUMPHREY. Mr. President, may I just say that I am very happy to support the nominations of Mr. Ruckelshaus. It is a splendid nomination.

Mr. THURMOND. Mr. President, today, I rise to speak in favor of the nomination of Mr. William D. Ruckelshaus, who has been nominated to be Deputy Attorney General. Mr. Ruckelshaus has performed admirably for our country in the past, and I am sure that he will be a most outstanding Deputy Attorney General.

Mr. Ruckelshaus was born July 24, 1932 in Indianapolis, Ind. He graduated from Princeton University with a BA degree in 1957. He graduated from Harvard University School of Law in 1960. In 1962 Mr. Ruckelshaus married the former Jill Elizabeth Strickland, and now they are

proud parents of five children. After working at the State government level during the 1960's for the State of Indiana, Mr. Ruckelshaus had the honor of being appointed Assistant U.S. Attorney General, Civil Division, in January 1969. Mr. Ruckelshaus quickly gained a national reputation as a man of high moral standards and unquestioned integrity.

In December 1970, Mr. Ruckelshaus had the distinct honor of being named the first Administrator of the Environmental Protection Agency. Mr. Ruckelshaus served in this capacity until April of 1973. In April, 1973 Mr. Ruckelshaus assumed the position of Acting Director of the Federal Bureau of Investigation. He served in this capacity until July, 1973. On July 26, 1973, President Nixon nominated him as Acting Deputy Attorney General, U.S. Department of Justice. Mr. President, I believe that he will prove to be most capable in handling this newest presidential assignment, and fulfill its duties in a highly satisfactory manner.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William D. Ruckelshaus, to be Deputy Attorney General?

The nomination was confirmed.

The PRESIDING OFFICER. Without objection, the President will be immediately notified of the confirmation of this nomination.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate return to legislative session.

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

ACTION TO ASSURE PROPANE FOR CROP DRYING STILL URGENTLY NEEDED

Mr. HUMPHREY. Mr. President, I am disappointed to see the announcement today that the White House has again postponed action on mandatory allocation of propane gas. Mandatory allocation of propane is urgently needed to assure that sufficient quantities are available for the drying of crops, certainly one of the highest priority uses of this fuel.

As Senators know, I have been urging a mandatory allocation system for propane, along with other Federal Government actions to assure adequate supplies of propane for crop drying, since June. When the evidence of a serious problem became even more clear, in early August, I again addressed the administration asking immediate action. When no assurance was received I again, on August 16, asked Governor Love, head of the White House Energy Office, and Secretary Butz to make immediate determinations of:

First, the demand for propane or other fuel for crop drying; and

Second, the amount and location of the supplies of this fuel available for crop drying.

Mr. President, I ask unanimous consent that my letters of August 16 again be inserted in the RECORD.

There being no objection, the letters were 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 Minneosta 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.

Mr. HUMPHREY. Mr. President, not only has the White House again postponed action on the mandatory allocation, I believe they have also failed to make a concerted effort to determine the facts as I have suggested.

I have been in touch recently with representatives of Minnesota farmers and find no assurance that the responsible agencies, in this case the Agricultural Stabilization and Conservation Service offices in each State, are compiling the facts.

Mr. President, what concerns me and what concerns many farmers who are dependent on propane and natural gas for the drying of corn and soybeans is that, once the drying starts, any interruption in the supplies of fuel will result in the loss of crops. In order to avoid such an occurrence, we need both a mandatory allocation system and an identification of where the shortages are and where the closest available supplies are located.

Mr. President, representatives of farmers organizations came to Washington last week to testify on behalf of a proposed mandatory allocation system. As the statement of Mr. Cy Carpenter of St. Paul, Minn., a member of the executive committee of the National Farmers Union, makes clear, the administration's voluntary plan for the allocation of fuels for agricultural use is a failure. In other words we do need the mandatory plan and immediately.

Mr. Carpenter also makes it very clear that a crucial element of a successful program to assure the supply of propane for crop drying is assessing where the shortages are in advance. Mr. President, I repeat, "in advance."

There is no question that the use of propane for the drying of crops is one of the highest priorities. We are in a food shortage situation and, without the fuel to dry crops, some of the very satisfactory production this year may be lost. And may I point out, that, as reported by Mr. Carpenter, crop acreage in Minnesota is 12 to 14 percent above a year ago. So not only do we lack sufficient propane in the right places to meet the same demands as a year ago, we also are so far substantially unable to be sure that drying of the increased production can be handled.

Mr. President, I again urge immediate action by the administration to establish a mandatory allocation system and

to identify where shortages are likely to occur in advance.

Mr. President, I ask unanimous consent to insert in the RECORD the statement of Mr. Cy Carpenter to which I have referred, presented on September 7 to the Office of Oil and Gas, along with messages in support of a mandatory allocation system received from Mr. Myron Schober, editor of the Rocky Mountain Farmers Union in Denver; Mr. Gilbert C. Rohde, president of the Wisconsin Farmers Union from Chippewa Falls, Wis.; and Mr. Ben H. Radcliffe, president of the South Dakota Farmers Union. These communications were addressed to Mr. Reuben Johnson, director of legislative services, National Farmers Union, Washington, D.C., and were included in the record of the hearings before the Office of Oil and Gas.

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

STATEMENT OF CY CARPENTER, RELATIVE TO PROPOSED SYSTEM OF MANDATORY ALLOCATIONS ON PROPANE GAS

For almost four months, a voluntary fuel allocations system has been in operation. It has included LP gases such as propane.

This voluntary rationing plan has been a conspicuous failure. The best evidences of its failure are the inability of some farmers to get assurance of uninterrupted supplies and the fact that those able to get supplies are being asked to pay cash in advance for gas supplies at prices as high as 40 cents a gallon compared to conditions a year ago when they could get it delivered to the farm at somewhere in the range of 14 to 19 cents a gallon.

At recent hearings of a Minnesota legislative committee, some farm witnesses testified of their inability to get assurances of sufficient supplies of propane gas for crop-drying or poultry brooding; some indicated that gas would be available but could get no firm quotes on its cost; still others reported they had been contacted by handlers who could supply gas at 35 to 40 cents a gallon from as far distant points as Kansas City.

For farmers who are threatened by shortages or "gray market" prices, this deserves to be rated a "crisis" rather than just a "situation."

Action for a mandatory allocation system is already overdue—everyday of delay from here on, will make the crisis more serious for producers—and what impedes farm production now will surely be reflected later in higher food costs for the consumers of the nation.

It is important to understand that available supplies in many areas are well under the volume available last year—and that demand will be measurably higher than a year ago.

Crop-drying demand for gas will depend on several factors, including weather and moisture conditions at harvest time which we cannot foresee at the moment. But we do already know that crop acreages for harvest will be about 12 to 14% above a year ago—and that a larger proportion of the crop will need drying. Handling of the corn crop has dramatically changed and in major parts of the nation's corn belt, about 75 to 80% of the crop is handled by picker-sheller machinery, requiring the shelled corn to be dried to storable moisture levels.

Estimates for our state are that about 500 million bushels of corn will be dried artificially this year, compared to about 325 million bushels last year, a 50% increase.

Corn not properly dried will suffer spoilage in varying amounts, with total loss possible; last year some corn areas experienced heavy losses due to fuel shortages. If fuel is again short, it is easy to conceive losses of 10 to 20%. At current feed grain market values, the corn lost would be many times the value of the fuel needed.

In a period of urgent national need for abundant feed and food supplies, we can ill afford to take risks with a substantial part of our principal feed crop.

The price of propane gas will, if allowed to advance uncontrolled, add seriously to the cost of feed stocks. While the situation will vary according to the amount of moisture reduction needed in the corn, it is generally figured that a gallon of propane will dry about four bushels of corn.

At a price of 40 cents a gallon, it will cost 10 cents a bushel this year to dry the corn; compared to 4 cents last year when the propane was about 15c a gallon.

Propane supplies need to be dependable if losses are to be avoided. This is also true for livestock and poultry producers who use propane in pig or poultry brooding. They cannot afford even a brief interruption in supply.

Turkey poults or baby turkeys require a temperature of 95 degrees Fahrenheit for the first few days, and then the temperature is reduced about two degrees a week until a temperature of 60 degrees is reached and maintained until market weight has been reached, at an age of about 20 weeks.

Without heat for as little as a few hours during extreme cold, baby turkeys will get sick and die.

Turkey producers have been understandably reluctant to place orders with hatcheries for turkey poults without assurance they will have guaranteed supplies of gas.

Propane supplies are essential also to processors of farm commodities, such as milk and grain. These industries are fuel-intensive and sometimes not adaptable to alternate fuel uses.

Considering all the foregoing facts, it is clear that existing supplies of propane are being drained off by unusual demand from other users and that these remaining supplies will not be adequate for agricultural purposes unless a mandatory allocation system is established.

Because of the lateness of this date, the action must be taken at once to avoid serious repercussions for both farmers and consumers.

The proposed regulations which are up for consideration at this hearing today seem to be basically workable, however, we have several observations to make and clarifications to suggest:

The definitions are not clear whether all five priority customers have equal status under the proposal, or whether they have priority according to their A, B, C, D and E sequence.

A question also might arise whether a new user of propane for agricultural purposes would be recognized as a "priority customer." It could happen that a farmer who did not use propane for corn drying in the base period of Sept. 1, 1972 through April 30, 1973, might well need to do so in 1973. It should be made clear that all users who need propane for priority uses shall qualify as priority customers.

The section on priority allocation lacks mechanics for establishing the needs of priority customers with sufficient definition to locate the required amount of propane in the proper communities. This is necessary to avoid interruption of supply while stocks are being moved from a surplus to a shortage area. We would suggest that the County Agricultural Stabilization and Conservation Service committee in each county be used to serve as the collection point for farmer estimates of need for propane gas for crop-drying, livestock or poultry brooding purposes and for agricultural processing needs, as well as farm home heating.

Part of the propane shortage problem is that supplies are not all in the place in which they will be needed. By establishing a mandatory allocation plan, with a proper inventory of need, some of the gas supplies now stored for home-heating use could be made available for immediate needs with confidence that stocks will be available as needed during the heating season.

Last year some sections of the nation experienced the most mild winter they have had in many years. This cannot be expected again this year and adjustments in the allocation for these areas will have to be made accordingly.

To accommodate the fluctuations that are certain to result from variances in acreages, weather, crop conditions and new priority users, we suggest that after an inventory of need by priority customers has been completed the reseller supplying these customers be allowed to establish and maintain a reserve supply not to exceed 5% of the expected need for his customers. This reserve could be held either by the local reseller or his regional source of supply and could be subject to call for other demand at the end of the heating season or when it could be determined that it would not be needed for priority use in that area.

DENVER, COLO.,
September 6, 1973.

Re propane situation report.

Mr. RUBEN JOHNSON,
National Farmers Union,
Washington, D.C.:

Farmland Denver Division, for Colo. and Wyo. is allocating 60% of propane requests, which are normal and not unusually high, to coop outlets in area. Propane, they say, "very short."

Paul Luckeroth, propane mgr. at Consumers Oil Coop at Greeley says "Going to be pretty bad in next few months," then he has hopes of reaching 100 percent of normal allocation. North central Colo. heavy user for "domestic" purposes, like farm home heating. Some other misc. uses—not too much grain drying in this area. Coop has taken no new customers for quite some time—except case like Gulf pulling out of the State and leaving farm customers stranded.

Luckeroth: "Going to have to come up with some fuel somewhere, there's going to be cold people here, but it's impossible to cut off turkeys and feedlots."

Manager of Greeley Coop, Buck Spaulding, says flat-out "We're going to be short, this thing's getting to be ridiculous . . . and the cost of the cotton-picking stuff is up to 20 cents right now, it went up 1.1 cent today." (Greeley selling about 25 percent above last year; early this summer already, Southwest Colo. reported 100 percent increase, from 11 cents to 23 and 24 cents.)

Spaulding: "The supply is from month to month, and the price and freight keeps changing, we don't know how to charge. We're going to try our level best. We're charging right around 20 cents—but just have to buy it and see what the government will allow us to do—we'll probably lose our fanny.

"I imagine it's available—if you can pay the price. Wouldn't you say? The big commercial outfits can go in and buy what they need, they seem to afford it." (Says Coors, nation's fourth largest brewery at Golden, contracted 500,000 gallons at 26 cents.)

Consumers Coop is encouraging customers to install larger propane tanks or add another. They say don't remodel the house—keep the old chimney so you could burn coal or wood. According to Spaulding, farmers are thinking about it."

Amos Fench at the Agland Coop, Eaton, Colo., says "If we have a winter as severe as

last year, we're going to be in real trouble, it's going to be serious. I intend to take care of my oldest customers first, and somebody's going to be cold."

He says serious problems getting product out of Kansas and Texas—can't get transports, and even then, is paying at Kansas City what he used to pay delivered to Eaton. Says independents going out of business—can't afford the extra freight. Had minor shortages last winter.

Fench, like Greeley Coop, has some standby customers—when temp goes below zero, Public Service Co. of Colo. cuts them off natural gas and they have to go to propane.

"There's nothing these people on the farms can do if they have propane burners—and they can't switch to oil because heating oil will be short too. There surely is something the government can do to supply farm homes."

MYRON SCHOBER,
Editor, Rocky Mountain Farmers Union.

Mr. REUBEN JOHNSON,
National Farmers Union,
Washington, D.C.:

Wisconsin Farmers Union in conjunction with the Farmers Union Central Exchange, a regional wholesale supply cooperative, serving Wisconsin and nine other States, strongly urges the implementation of a mandatory allocation plan for propane gas with priority given to its general agricultural uses, including crop drying, heating of rural homes, food processing (especially dairy plants), and heating for poultry and hog operations.

Supplies of propane, though tight, appear to be adequate and stable until Oct. 1. After that date, when extremely heavy utilization and disappearance sets in, the Farmers Union Central Exchange and other distributors of propane for rural use will be in a very difficult supply situation even if we experience normal to somewhat favorable weather conditions. If unfavorable weather conditions prevail as in 1972, we would be in an extremely short supply situation. This is especially true if we have another unfavorable corn drying season.

The Farmers Union Central Exchange is one of the major rural propane suppliers in Wisconsin through over 90 local, retail outlets in the farm supply business. The growth of propane gas sales in the Farmers Union Central Exchange Wisconsin trade area in the past decade has been phenomenal. Expansion has been at a rate of about 25 percent in volume per year.

The difficult propane procurement situation, which in the past 18 months has forced the Farmers Union Central Exchange to seek new propane suppliers, makes it very difficult to project potential wholesale volume for local cooperatives' needs. The current propane situation of tightened supplies and rising demand, coupled with unfavorable fall and winter weather conditions, could create a potentially disastrous situation.

The need for a mandatory allocation system for propane is imperative for Wisconsin agriculture

GILBERT C. ROHDE,
President, Wisconsin Farmers Union.

HURON, S. DAK.,
September 6, 1973.

Mr. REUBEN JOHNSON,
Director of Legislative Services, National Farmers Union, Washington, D.C.

DEAR REUBEN: Considerable concern still prevails among farmers and commercial grain dryers as to the final availability of enough propane for crop drying.

Boxcar shortages remain critical. This adds to the uneasiness of farmers who must either find a way to dry their crop or move it into transit.

Below is a resolution adopted Wednesday, September 5 by the South Dakota Farmers Union board of directors.

Mandatory fuel allocation program—

We urge early enactment by Congress of S. 1570, the emergency petroleum allocation bill, which would require that the administration implement a mandatory fuel allocation program. This allocation program must include propane, as well as gasoline and other fuels, and farming must be given top priority among the uses for which fuels would be allocated.

BEN H. RADCLIFFE,
President, South Dakota Farmers Union.

Mr. HUMPHREY. Mr. President, let me just expand this for a moment to say that we are on the threshold of a fuel oil shortage as well as a propane gas shortage. I realize that you cannot stretch a barrel of crude oil any farther than one barrel, and all of the fuel oil comes from that barrel of crude. But we have to have some system to assure that home heating, for example, and heating of public places and critically important industries, receive their fuel oil and their diesel fuels. We even face a shortage of diesel fuels for our railroads and our trucks.

As to why this has all happened, there are many reasons, many of them in controversy. But the fact is that there is a shortage, a tight supply situation.

I am hopeful that the appropriate committees of Congress will investigate rumors and charges to the effect that fuel oil is being held back and that fuel oil is being shipped out of the country. I do not know whether that is true or not, and make no such allegation, but I do know this: that the fuel oil situation is critical here in the Northeast, according to testimony taken only a few days ago. The fuel oil situation in the Midwest, as fall and winter come on, can be and most likely will be critical.

That is why I have joined in sponsoring, under the leadership of the Senator from Washington (Mr. JACKSON), a bill to provide a mandatory fuel allocation program. I do not like mandatory allocations, but I dread shortages more. The food production of our agricultural States is critical for the Nation and for the world, and I want to forewarn Congress right now that unless action is taken and the delay comes to an end, we can be facing a situation of terrific food shortages which could approach the dimensions of a national catastrophe.

On top of this, Mr. President, the other day in the Senate we had testimony about the shortage of fertilizer, and fertilizer leaving this country, going abroad for exportation, due to the difference between the domestic price under price control and the export price, which is not controlled.

We have asked the Department of Agriculture to give us all of the facts as their study will reveal, and then to present us with a program that will assure domestic users of fertilzer for agricultural purposes an adequate supply.

The report before members of the Committee on Agriculture and Forestry—in a meeting, by the way, called by the Senator from Kansas (Mr. DOLE) and myself—indicated that unless we can remedy this fertilizer shortage, the Nation will be short 20 million tons of feed grains next year.

I do not believe that is sinking in around this town. Washington is very sensitive to the more dramatic things of politics—Watergate investigations, the military, somebody who is running away with the cookies at the PX, or something like that. But for some peculiar reason, when you start talking about food, the galleries are empty. When you start talking about the shortages which are going to plague the lives of the people of this country, there seems to be a dismal lack of interest.

At least I want to be right early, and I have not been wrong. I predicted earlier this year that the crop estimates on corn by the Department of Agrculture were excessive. My prediction was not wrong. I predicted that there would be a world shortage of wheat, and there is, of about 400 million bushels, which means that wheat prices will be high for a very long time, and in some places very high. I predicted a shortage of dairy products, and there will be and is. But more importantly, if we do not get the propane to dry the corn and soybeans, there will not only be a critical shortage of these valuable products, but the shortage will be so severe it will throw into total confusion all of the estimates made on food production.

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

Mr. HUMPHREY. I yield.

Mr. AIKEN. I heard the Senator from Minnesota mention the use of propane for drying the large grain crop which we have this year. This large grain crop, for which we are grateful, may be partly responsible for the fuel shortage in the Northeast because, if the Senator wants to examine the situation closely, he will find that a good deal of the propane gas which would normally be used in the Northeast has been diverted to the grain-growing States for the purpose of drying out the crops. I can understand that. I am not complaining about it. Grain does have to be dried out before it can go to market or be used even domestically. But that is one reason why the Northeast is somewhat short of fuel. It is not the No. 2 fuel oil, so far as I know, that is going out there. The shortage of No. 2 fuel oil is probably due to the reluctance of the Northeast to permit the installation of refineries——

Mr. HUMPHREY. Yes.

Mr. AIKEN (continuing). Because I understand that three refineries would be needed to meet the needs of the northeastern part of the country. I am not complaining about the transfer of propane gas because it is essential that we dry out this enormous grain crop this year and, as I say, we are grateful for that, too, because it s necessary or we would have more trouble——

Mr. HUMPHREY. Indeed we would.

Mr. AIKEN (continuing). If we did not have soybeans, wheat, and corn. But, to make the picture complete, we should look at all these factors.

Mr. HUMPHREY. There is no doubt that what the Senator has just said is part of the reason for some of the distortions in the market supply of both fuel oil and propane. That is a fact. Of course, the large crop that had to be

planted and harvested has used propane heavily.

The only point I seek to make is that I can think of no subject matter more critically important to this country today than an adequate supply of food. With that is the proper use of our limited energy resources. No matter how hard we try to conserve our energy resources of fuel oil and propane, or whatever it may be, we will have a tight supply. It will take at least 2 or 3 years to build the refineries needed for expanded production. We also face problems overseas and in other parts of the world as to the availability of crude oil, which I hope will not materialize, but that possibility is there.

My point in speaking today is not out of anger or even sadness, but out of alarm; namely, that the evidence mounts we have to have some kind of better system of allocation of scarce supplies in the fuel situation. I do not believe that the voluntary system will do the job—nor does anyone else. Therefore, we must come to some form of mandatory allocation.

I might add that, in my State, we are the largest producers of turkeys of any State in the Union. Turkey is a high-protein food. It is a good food. Turkey production could easily be seriously jeopardized by a lack of fuel oil or propane—primarily propane gas. It is a complicated business, turkey production; there has to be a constant temperature in the turkey houses, so to speak, in the turkey shelters, both at the time of the hatch and at the time the turkey chicks are in the early stages of their lives, and for a period of time during their growth. If we do not have it, they die. That could mean a wholesale loss of an essential poultry product here in the United States.

So far as fertilizer is concerned, we are hopeful that the Department will have a report for us to indicate some appropriate action within the next few days.

I want to say again that we have about a period of 4 or 5 months in which we will precipitate either some positive good results or some serious, damaging results.

What do I mean by that? I mean that if they do not get fertilizer for Texas, Oklahoma, Kansas, and Nebraska, where the winter wheat crop is planted, as the Senator from Kansas (Mr. DOLE) pointed out the other day, the difference between a field fertilized and one not fertilized would be the difference between 10 and 30 bushels per acre. In the cornbelt, the difference between a field that is fertilized and one that is not fertilized would be the difference between 30 or 40 bushels per acre and 90 bushels per acre.

The same thing is true in the soybean field.

So we are talking about absolute essentials here. I would hate to think of what would happen if our agricultural situation deteriorated to the point where crop estimates were no longer valid. Thank goodness for the fact that we have had one of the best crops in our history this year. It has been a Godsend. Truly, we should be reverently grateful. So that the crop next year will depend not only on the conditions of weather, which are always an uncertainty, but also on the availability of fuel and fertilizer—and, I might add, seed, but I think that the seed will be there.

Mr. President, again I appeal to the executive branch of the Government to take prompt action on mandatory allocations of these essential fuels, particularly as they relate to the agricultural economy.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session to consider nominations in the armed services, now at the desk, which were reported earlier today from the Armed Services Committee. I have cleared this request with the able acting chairman of the committee.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. MCCLURE). The nominations will be stated.

The second assistant legislative clerk read the nomination of Lt. Gen. Earl C. Hedlund, USAF, to be placed on the retired list.

Adm. Bernard A. Clarey, USN, for appointment to the grade of admiral, when retired.

Col. Charles J. West, Jr., to be brigadier general in the Army.

Maj. Gen. John J. Hennessy, to be lieutenant general, as Chief, Office of Reserve Components, USA.

Forty-four majors in the Air National Guard of the Reserve of the Air Force, to become lieutenant colonels.

Harold C. L. Beardsley, and sundry other Air National Guard officers, for promotion in the Reserve of the Air Force.

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that these nominations be considered en bloc.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate return to the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

RECESS TO 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 5 p.m. today.

The motion was agreed to; and, at 4:08 p.m., the Senate took a recess until 5 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. GRIFFIN).

QUORUM CALL

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

The PRESIDING OFFICER (Mr. GRIFFIN). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, have we got an order to come in at 11 a.m. on Monday next?

The PRESIDING OFFICER. We do.

ORDER FOR RECOGNITION OF SENATORS ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the following Senators be recognized for not to exceed 15 minutes and in the order stated, on Monday, September 17, 1973: Senators PROXMIRE, CURTIS, BUCKLEY, GRIFFIN, MONDALE, HUMPHREY, and ROBERT C. BYRD.

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

AUTHORIZATION FOR CERTAIN ACTION TO BE TAKEN DURING THE ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate until Monday, September 17, 1973, the Secretary of the Senate be authorized to receive messages from the House of Representatives and the President of the United States, and that the President of the Senate, the President pro tempore or the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutioons, and that on Friday, September 14, 1973, committees of the Senate be permitted to file their reports.

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

AUTHORIZATION FOR APPEARANCE BY THE FINANCIAL CLERK IN A CRIMINAL PROCEEDING

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

The PRESIDING OFFICER (Mr. CLARK). The resolution will be stated.

The legislative clerk read as follows:

S. RES. 169

Whereas a notice of appearance issued on application of the United States Attorney's Office, District of Columbia, addressed to the Financial Clerk, Office of the Secretary of the United States Senate, and served upon the Financial Clerk, to appear in the city of the District of Columbia, in the United States Attorney's Office, on the fourteenth day of September, 1973, at 10:00 o'clock antemeridian, and to bring with him certain records, notes, memoranda, and other records in the possession and under the control of the Senate relating to the case of United States v. Marilyn Gross and Freddie Gross, Criminal Case No. 755-73, pending in the United States District Court for the District of Columbia; and

Whereas a subpena subsequently may be issued to the Financial Clerk with respect to pretrial and trial proceedings in such case: Now, therefore, be it

Resolved, That by the privileges of the Senate no evidence of a documentary character under the control and in the possession of the Senate can by the mandate of process of the ordinary courts of justice, or of any officer or employee of the United States Government, be taken from such control or possession but by permission of the Senate; be it further

Resolved, That by the privilege of the Senate and by rule XXX thereof, no Member or Senate employee is authorized to produce Senate documentary evidence but by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the Senate is needed for use in any court of justice, before any judge, legal officer, or grand jury, for the promotion of justice, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate; be it further

Resolved, That William A. Ridgely, Financial Clerk of the Senate, or his designee, be authorized to appear at the place and before the United States Attorney, or his assistant, named in such notice of appearance and at any place and before the court named with respect to any subpena duces tecum that may be issued with respect to such case, but shall not take with him any documentary evidence on file in his office or under his control or in the possession of the Financial Clerk of the Senate; be it further

Resolved, That if said court should issue a subpena with respect to such case and determine the materiality and relevancy of the documentary evidence called for in any such subpena, the said court, through any of its officers or agents, shall have full permission to attend with all proper parties to the case at a place under the orders and control of the Senate, to take at such place copies of such documentary evidence in possession or control of said Financial Clerk as the court has found to be material and relevant, and to take at such place such evidence of witnesses in respect to such evidence as the court or other proper officer thereof shall desire, except that the possession of such evidence by the said Financial Clerk shall not be disturbed and such evidence shall not be removed from their file or custody under said Financial Clerk; be it further

Resolved, That subject to the limitations hereinbefore stated, said Financial Clerk, or his designee, is authorized (1) to supply certified copies of such documentary evidence as the court has found to be material and relevant to the proceeding before the court, and (2) to supply to the United States Attorney, or his assistant, such documentary evidence with respect to such case as the said Financial Clerk determines material and relevant; be it further

Resolved, That the said Financial Clerk, or his designee, in response to such notice to appear or any such subpena may testify to any matter determined by the court to be material and relevant for the purposes of identification of any such documentary evidence if such documentary evidence has previously been made available to the general public, or if its disclosure is authorized by this resolution, but the said Financial Clerk or his designee shall respectfully decline to testify concerning any and all other matters that may be based on his knowledge acquired by him in his official capacity; and be it further

Resolved, That a copy of these resolutions be transmitted to the said United States Attorney as a respectful answer to the notice of appearance, and to the said court as a respectful answer to any subpena it may issue with respect to such case.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, the financial clerk of the Senate has received a notice of appearance from the office of the U.S. attorney to appear on September 14, 1973, as a witness to assist in the investigation or preparation for trial of the case of United States against Marilyn Gross and Freddie Gross—criminal case 755-73 pending in U.S. District Court in the District of Columbia. The notice of appearance also requires the production of "all records, notes, memorandums, and other writings concerning a U.S. Treasury check made payable to Joseph K. Doss in the amount of $53 for salary."

This resolution is being submitted in conformity with the custom of the Senate. The Senate has maintained inviolate the rule that no documents of the Senate can be removed from its possession except by its permission. The U.S. attorney has determined that this testimony is necessary in the conduct of the pretrial proceedings.

The resolution will permit the financial clerk or his designee to appear and testify on behalf of the Government at pretrial proceedings and in court if the case is brought to trial. It does not permit the removal of any original documents. However, it does permit the financial clerk, at his discretion, to furnish certified copies of the documents involved for the pretrial proceedings; and, if the case is brought to trial and the court determines that certain documents are material and relevant to the case, he may furnish certified copies of the documents involved to the court. The resolution which I have introduced will also permit the financial clerk or his designee to respond to a subpena duces tecum if subsequently issued in connection with this case.

Mr. President, I ask unanimous consent that a copy of the notice of appearance be printed in the RECORD.

There being no objection, the Notice of Appearance was ordered to be printed in the RECORD; as follows:

OFFICE OF THE U.S. ATTORNEY,
Washington, D.C., September 11, 1973.

NOTICE OF APPEARANCE

To William A. Ridgely, Office of the Secretary of the U.S. Senate, U.S. Capitol, Washington, D.C.:

This is a notice for your appearance as a witness at the United States Attorney's Office, on the third floor of the United States Court House, at Third Street and John Marshall Place, on Constitution Avenue, N. W., on September 14, 1973, 10:00 a.m., to assist in the investigation or preparation for trial of the case of *United States* v. *Marilyn Gross and Freddie Gross*. Please bring with you all records, notes, memoranda and other writings concerning United States Treasurer check 64,800, symbol 4840, dated December 29, 1972, and made payable to Joseph K. Doss in the amount of $53.00 for salary, by Ramonia Bañuelos, Treasurer of the United States.

You should contact and confer with the Assistant United States Attorney in charge of this case.

JOHN H. E. BAYLY, Jr.,
Assistant U.S. Attorney.

The resolution (S. Res. 169) was agreed to.

RECESS TO 5:30 P.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 5:30 p.m. today.

The motion was agreed to; and, at 5:06 p.m., the Senate took a recess until 5:30 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. CLARK).

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. GRIFFIN. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and, at 5:31 p.m., the Senate took a recess subject to the call of the Chair.

At 5:41 p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. CLARK).

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (S. 1841) to amend the Communications Act of 1934 for 1 year with respect to certain agreements relating to the broadcasting of home games of certain professional athletic teams, with amendments, in which it requested the concurrence of the Senate.

QUORUM CALL

Mr. PASTORE. 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.

BROADCASTING OF HOME GAMES OF CERTAIN PROFESSIONAL ATHLETIC TEAMS

Mr. PASTORE. Mr. President, I ask the Chair to lay before the Senate a mes-

sage from the House of Representatives on S. 1841.

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate the amendments of the House of Representatives to the bill (S. 1841) to amend the Communications Act of 1934 for 1-year with respect to certain agreements relating to the broadcasting of home games of certain professional athletic teams which were to strike out all after the enacting clause, and insert:

That part I of title III of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"BROADCAST OF GAMES OF PROFESSIONAL SPORTS CLUBS

"SEC. 331. (a) If any game of a professional sports club is to be broadcast by means of television pursuant to a league television contract and all tickets of admission for seats at such game which were available for purchase by the general public one hundred and twenty hours or more before the scheduled beginning time of such game have been purchased seventy-two hours or more before such time, no agreement which would prevent the broadcasting by means of television of such game at the same time and in the area in which such game is being played shall be valid or have any force or effect. The right to broadcast such game by means of television at such time and in such area shall be made available, by the person or persons having such right, to a television broadcast licensee on reasonable terms and conditions unless the broadcasting by means of television of such game at such time and in such area would be a telecasting which section 3 of Public Law 87-331, as amended (15 U.S.C. 1293) is intended to prevent.

"(b) If any person violates subsection (a) of this section, any interested person may commence a civil action for injunctive relief restraining such violation in any United States district court for a district in which the defendant resides or has an agent. In any such action, the court may award the costs of the suit including reasonable attorneys' fees.

"(c) For the purposes of this section:

"(1) The term 'professional sports club' includes any professional football, baseball, basketball, or hockey club.

"(2) The term 'league television contract' means any joint agreement by or among professional sports clubs by which any league of such clubs sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games engaged in or conducted by such clubs.

"(3) The term 'agreement' includes any contract, arrangement, or other understanding.

"(4) The term 'available for purchase by the general public', when used with respect to tickets of admission for seats at a game or games to be played by a professional sports club, means only those tickets on sale at the stadium where such game or games are to be played, or, if such tickets are not sold at such stadium, only those tickets on sale at the box office closest to such stadium.

"(d) The Commission shall conduct a continuing study of the effect of this section and shall, not later than April 15 of each year, submit a report to the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives with respect thereto. Such report shall include pertinent statistics and data and any recommendations for legislation relating to the broadcasting of professional football, baseball, basketball, and hockey games which the Commission determines would serve the public interest.".

SEC. 2. Section 331 of the Communications Act of 1934 (as added by the first section of this Act) is repealed effective December 31, 1975.

And amend the title so as to read: "An Act to amend the Communications Act of 1934 with regard to the broadcasting of certain professional sports clubs' games."

Mr. PASTORE. Mr. President, before I move to concur in the House amendments, I feel that I should express my gratitude to the Members of the Senate who have been in attendance since 1 o'clock waiting for the House to send back this particular legislation.

We passed our bill some few weeks ago, which is slightly different from the bill passed by the House. The bill reported by the House Committee made this legislation permanent. We in the Senate had some qualms about making it permanent at this time because of many imponderables, involving complex questions, which were raised by the National Football League—namely, that where the blackout is lifted contracts with radio stations would be adversely affected; and second, whether enactment of this bill would in fact have an injurious effect on actual attendance.

We of the Committee on Commerce never believed that it would. However, we have always been compromising and understanding in our view that at least it ought to be given a trial. And for that reason we drew a bill that was satisfactory to the Senate. The effect of the bill was that this would be an experiment for 1 year. The House in turn made it permanent legislation.

Only the other day I heard from my counterpart, the chairman of the subcommittee in the House, who suggested to me that there was a likelihood that the bill as reported by the House Committee could be amended to make it a trial, but on the basis of a longer period of time. The time they adopted is December 31, 1975.

Personally, I believe it is a little bit too long. However, I do want to assure professional sports that in the meantime if it does turn up that some injury is being inflicted upon the sport itself, the Senate is always ready, of course, to hold hearings and take the matter under consideration.

However, under the circumstances, I think it would be ill-advised for us to challenge the position taken by the House in view of their compromise and their making this an experimental basis, although it is for a longer period of time than I had hoped it would be. However, be that as it may, my bill provided for one season. This bill provides for three seasons of football.

I would sincerely hope that we would all cooperate in this matter.

This afternoon I had another talk with Mr. Rozelle. I repeat that I have found him to be a fine gentleman. Naturally he has a private interest to protect.

I explained to him that we would go along with the House on this, and he went so far as to say that even before the President signs the bill, if the House passes the bill, since the Senate has already passed a bill, that he was ready to open up the screen on Sunday which means that people who have tried to buy a ticket to see a sellout football game may see it on this Sunday.

For that reason, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. COOK. Mr. President, I think that we ought to thank the House. I witnessed part of the debate this afternoon. It started at 4 and ended with a final vote of 336 to 37.

As the record shows, the Senate passed this legislation in a slightly different form by a vote of 77 to 6.

I would like to explain with respect to the problems that may exist throughout the Nation for many college and high school football teams that one of the other amendments passed by the House, which the Senator from Rhode Island, the chairman of the subcommittee, has already moved to adopt, imposes the provisions of section 3 of Public Law 87-331, which takes into consideration the impact within the given areas on the television professional.

Some football games and many college and high school football games do take place during the same period of time. However, I do not believe that really presents any serious problems because most of the games would be obviously on Monday or Sunday, and very few college games are placed on those specific days.

I would also say in attempting to allay some of the fears expressed by people who fear that there will be a deluge of people who will not seek to buy season tickets that one must remember that if any tickets are available, the game will not be available for television.

That is the distinction between what the established law will now be and the exemption given to the sport by the Congress.

Prior to that time, it was available for telecasting, regardless of the disposition of sales to the respective games. On that basis, there was a decided reduction in ticket sales as a result of those games being televised.

I might suggest that the difference between the law prior to that time and the law that will be in effect for the next three seasons will be that if there is not a valid sellout 72 hours prior to the telecast of a game, then obviously that game cannot be made available for local showing within the area involved.

So, Mr. President, I thank the Senator from Rhode Island, and I think we ought to extend the thanks of the Senate to Representative MACDONALD from Massachusetts, Representative STAGGERS from West Virginia, and Representative BROWN from Ohio, who very well managed this measure in the House of Representatives.

Mr. President, I think this action shows one other thing, and I say this to the members of the leadership who are here: Regardless of the issue involved—and this is not an extremely important national issue in our list of priorities among other national issues—I think it

does show that Congress, regardless of what the issue may be, can in fact move expeditiously. It has proved it can move expeditiously on this. I think that gives us all a great deal of hope that in matters far more important than this may be, with the remainder of the time that is left, we can move expeditiously on matters other than this one.

Mr. President, I yield the floor.

Mr. MAGNUSON. Mr. President, I got here a little late. I do not know what has been said, although I have talked with my colleague the Senator from Rhode Island (Mr. PASTORE) about this earlier in the day.

I am somewhat disappointed that the House of Representatives made this a 3-year program by making the date December 31, 1975. It seems to me that we should have given these people—first we started out with a 1-year experiment, and then I thought we might have to compromise in view of the situation in the House of Representatives on 2 years, but now, by making the date December 31, 1975, it is 3 years.

It seems to me that we could have done this in a much more equitable way by having it 2 years. I understand it would be a little bit difficult to gauge in 1 year, because most of the tickets have already been sold and the attendance for this year is probably pretty well settled. But it seems to me that another year would have been sufficient to find this out. Instead of that, we have got 3 years.

I understand that the Senator from Rhode Island probably has already suggested here, in discussing this bill, that he would be the first one to stand up and acknowledge the fact, after the 2 years, if this did not work out, to see what we could do about the matter. The only practical problem is that once we get this started, I do not know that we could do anything about it, even though the second year it looked like the experiment was not going to work like we had hoped it would work.

Three years is a long time. I shall not object to this, but I am disappointed with the fact that we did, with the House of Representatives, make it 3 years.

When we talk about December 31, 1975, we are talking about three seasons. I suggested that they make it September and give them that time, which would be a practical experiment for 2 years. But apparently, as the Senator from Rhode Island told me earlier, the House of Representatives would not buy that at all. I understand the problems with the House when we go into conferences of this nature. But I really wanted to express my disappointment that this matter was not for 2 years. I hoped that it would be one, but then I felt, well, we might have to compromise on two. But now we are compromising on three.

Mr. PASTORE. Mr. President, if the Senator will yield, I agree with him explicitly. As a matter of fact, I liked it the way it was when we passed the bill for 1 year overwhelmingly, by a vote of 76 to 6 by the Members of the Senate. That action was applauded in many editorials. But the House of Representatives was adamant in going for permanent legislation. Therefore, in the spirit of compromise, in order to get something done, because we did have to get something done, we did agree. But I think in the long run, we can depend on the pledge made by the Members of the House of Representatives that if in the meantime, before three seasons expire, it becomes evident that the right thing has not been done, then we should reconsider the matter.

Mr. President, we are not out to hurt professional football. We love it. We enjoy it. We are grateful for the fact that they have brought so many good hours of entertainment to so many of our people, especially in these trying times.

What we are saying here is that if they have sold all the tickets 72 hours before game time, and other people who are real fans—and fans are the real substance of a team—cannot buy tickets because no tickets are to be had, goodness gracious, let them see it on television; and if this hurts their attendance, let them have their blackout, because then the law would not apply.

Mr. MAGNUSON. I am not trying to disagree with the basic premises of my friend from Rhode Island. I merely suggest it will be very difficult if it does not work out. I think it probably will work out, but if it does not, for 3 years we run into some problems; and to affirmatively pass a bill to stop it if it does not work out is a most difficult proposition.

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

Mr. MAGNUSON. I yield.

Mr. COOK. May I say I have listened to the debate this afternoon, and the point made by the House of Representatives, particularly when we had pretty well said to the members of the respective committees in the House that we would accept the 2-year period, showed that they honestly felt this year would really not count, and nothing subjective could come out of this year; and therefore they really felt, in essence, they were doing it for 2 years, because this year would not count, in an effort to implement the legislation.

Mr. MAGNUSON. I thought if this year did not count, they would have another year for the experiment.

Mr. COOK. I agree.

Mr. MAGNUSON. That is the way I feel about it. I said that when the bill was passed here.

I say I am disappointed they passed it for 3 years, and I still say that, because we want to keep these sports alive and healthy, regardless of what happens. I hope we will not have to change it.

Mr. PASTORE. As I said this afternoon, "Just pray you open the screens, because every time you do, you have sold out the game."

I move that the Senate concur in the amendments of the House of Representatives.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

HEALTH MAINTENANCE ORGANIZATION ACT OF 1973

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 14.

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate the amendments of the House of Representatives to the bill (S. 14) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes, which were to strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Maintenance Organization Act of 1973".

PUBLIC HEALTH SERVICE ACT AMENDMENTS

SEC. 2. The Public Health Service Act is amended by adding after title XI the following new title:

"TITLE XII—HEALTH MAINTENANCE ORGANIZATIONS

"DEFINITIONS

"SEC. 1201. For purposes of this title:

"(1) The term 'health maintenance organization' means a public or private entity organized to provide, directly or indirectly, basic and supplemental health services to its members in the following manner:

"(A) Each member is to be provided basic health services for a basic health services payment which (i) is to be paid on a periodic basis without regard to the dates health services (within the basic health services) are provided; (ii) is fixed without regard to the frequency, extent, or kind of health service (within the basic health services) actually furnished; (iii) is established under a community rating system, except that if the entity establishes to the Secretary's satisfaction that compliance with this clause would prevent it from competing effectively for the enrollment of new members or for the retention of current members, the Secretary may permit the entity to establish, for the first year of its operation, rates for its basic health services payment without regard to this clause; and (iv) may be supplemented by such additional nominal payments which may be required for the provision of specific services (within the basic health services) and which are to be fixed in accordance with the regulations of the Secretary.

"(B) For such payment or payments (hereinafter in this title referred to as 'supplemental health services payments') as the entity may require in addition to the basic health services payment, the entity shall provide to each of its members each health service (i) which is included in the definition of supplemental health services in paragraph (3), (ii) which can reasonably be made available to the members of the entity, and (iii) for the provisions of which the member has contracted with the entity.

"(C) The services of health professionals which are provided as basic health services shall be provided through health professionals who are members of the staff of the entity or through a medical group (or groups) or individual practice association (or associations), except that this subparagraph shall not apply in the case of health professionals' services which are provided out of the area served by the entity or which the entity determines, in conformity with regulations of the Secretary, are infrequently used. For purposes of this subparagraph, the term 'health professionals' means physicians, dentists, nurses, podiatrists, optometrists, and such other individuals engaged in the delivery of health care as the Secretary may by regulation designate.

"(D) Basic health services (and supple-

mental health services in the case of the members who have contracted (therefor) shall, within the area served by the entity, be available and accessible to each of its members promptly, as appropriate, and in a manner which assures continuity; and such services shall be provided to any member when he is outside such area, or he shall be reimbursed for his expenses in securing such services outside such area, if it is medically necessary that the services be rendered before he can return to such area.

"(2) The term 'basic health services' means—

"(A) physican services (including consultant and referral services by a physician);

"(B) in-patient and out-patient hospital services;

"(C) diagnostic laboratory and diagnostic and therapeutic radiologic services;

"(D) home health services; and

"(E) preventive health services (including preventive dental care for children and children's eye examinations conducted to determine the need for vision correction).

If a physician service included in subparagraph (A) may under applicable State law be also provided by a dentist, optometrist, or podiatrist, a health maintenance organization may provide such service through a dentist, optometrist, or podiatrist (as the case may be) licensed to provide such service. For purposes of this paragraph, the term 'hospital' has the same meaning as is prescribed for that term by section 645(c); and the term 'home health services' means health services provided at a member's home by health care personnel, as prescribed or directed by the responsible physician or other authority designated by the health maintenance organization.

"(3) The term 'supplemental health services' means—

"(A) services of facilities for long-term care (as such facilities are defined by section 645(h));

"(B) vision care not included under clause (A) or (E) of paragraph (2);

"(C) dental services not included under clause (A) or (E) of paragraph (2);

"(D) mental health services;

"(E) physical medicine and rehabilitative services (including physical therapy); and

"(F) prescription drugs.

"(4) The term 'member' when used in connection with a health maintenance organization means an individual who has entered into a contractual arrangement, or on whose behalf a contractual arrangement has been entered into, with the organization under which the organization assumes the responsibility for the provision to such individual of basic health services and of such supplemental health services as may be contracted for.

"(5) The term 'medical group' means a partnership, association, or other group of persons who are licensed to practice medicine, osteopathy, dentistry, podiatry, optometry, or other health profession in a State and who (A) as their principal professional activity and as a group responsibility engage in the coordinated practice of their profession; (B) share medical and other records and substantial portions of major equipment and of professional, technical, and administrative staff; (C) utilize such additional professional personnel, allied health professions personnel, and other health personnel (as specified in the regulations of the Secretary) as are available and appropriate for the effective and efficient delivery of the services of the members of the partnership, association, or other group; and (D) arrange for and encourage continuing education in the field of clinical medicine and related areas for the members of the partnership, association, or other group.

"(6) The term 'individual practice association' means a partnership, corporation, association, or other legal entity which has entered into an arrangement (or arrangements) with persons who are licensed to practice medicine, osteopathy, dentistry, podiatry, optometry, or other health profession in a State under which—

"(A) such persons will provide their professional services in accordance with a compensation arrangement established by the entity; and

"(B) to the extent feasible (i) such persons will utilize such additional professional personnel, allied health professions personnel, and other health personnel (as specified in regulations of the Secretary) as are available and appropriate for the effective and efficient delivery of the services of the persons who are parties to the arrangement, (ii) medical and other records, equipment, and professional, technical, and administrative staff are shared by such persons, and (iii) their continuing education is arranged for and encouraged.

"(7) The term 'section 314(a) State health planning agency' means the agency of a State which administers or supervises the administration of a State's health planning functions under a State plan approved under section 314(a) (hereinafter in this title referred to as a 'section 314(a) plan'); and the term 'section 314(b) areawide health planning agency' means a public or nonprofit private agency or organization which has developed a comprehensive regional, metropolitan, or other local area plan or plans referred to in section 314(b) (hereinafter in this title referred to as a 'section 314(b) plan').

"(8) The term 'medically underserved area' means an urban or rural area or population group designated by the Secretary as an area or population group with a shortage of personal health services. Such a designation may be made by the Secretary only after consideration of the comments (if any) of (A) each section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) such area, and (B) each section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) such area.

"(9) The term 'community rating system' means a system of establishing rates of basic health service payments. Under such a system rates for basic health service payments may be determined on a per-person or per-family basis and may vary with the number of persons in a family, but, except as otherwise authorized in the next sentence, such rates must be equivalent for all individuals and for all families of similar composition. The following differentials in rates of basic health service payments may be established under such system:

"(A) Nominal differentials in such rates may be established to reflect the different administrative costs of collecting basic health service payments from the following categories of members:

"(i) Individuals (including families).

"(ii) Small groups of members (as determined under regulations of the Secretary).

"(iii) Large groups of members (as determined under regulations of the Secretary).

"(B) Differentials in such rates may be established for members enrolled in a health maintenance organization pursuant to a contract with a governmental authority under section 1079 or 1086 of title 10, United States Code, or under any other governmental program other than the health benefits program authorized by chapter 89 of title 5, United States Code, or any health benefits program for employees of States, political subdivisions of States, and other public entities.

"GRANTS AND CONTRACTS FOR FEASIBILITY SURVEYS

"SEC. 1202. (a) The Secretary may (1) make grants to and enter into contracts with public or nonprofit private entities for projects for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations, and (2) enter into contracts with private entities for projects for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations which will serve residents of medically underserved areas.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe, and shall contain—

"(1) assurances satisfactory to the Secretary that, in conducting surveys or other activities with assistance under a grant under this section, the applicant will (A) cooperate with the section 314(b) areawide health planning agency (if any) whose section 314 (b) plan covers (in whole or in part) the area for which the survey or other activity will be conducted, and (B) consult with the medical society serving such area; and

"(2) such other information as the Secretary may by regulation prescribe.

Each contract entered into under subsection (a)(2) of this section shall require the cooperation and consultation described in paragraph (1) of this subsection.

"(c) In considering applications for grants and contract proposals under this section, the Secretary shall give priority to applications and contract proposals for projects for health maintenance organizations which will serve residents of medically underserved areas.

"(d)(1) Except as provided in paragraph (2), the following limitations apply with respect to grants and contracts made under this section:

"(A) If a project has been assisted with a grant or contract under subsection (a), the Secretary may not make any other grant or enter into any other contract for such project.

"(B) Any project for which a grant is made or contract entered into must be completed within twelve months from the date the grant is made or contract entered into.

"(2) The Secretary may make not more than one additional grant or enter into not more than one additional contract for a project for which a grant has previously been made or a contract previously entered into, and he may permit additional time (up to twelve months) for completion of the project if he determines that the additional grant or contract (as the case may be), or additional time, or both, is needed to adequately complete the project.

"(e) The amount to be paid by the United States under a grant made, or contract entered into, under subsection (a) shall be determined by the Secretary, except that (1) the amount to be paid by the United States under any single grant or contract for any project may not exceed $50,000, and (2) the aggregate of the amounts to be paid by the United States for any project under such subsection under grants or contracts, or both, may not exceed the greater of (A) 90 per centum of the cost of such project (as determined under regulations of the Secretary), or (B) in the case of a project for a health maintenance organization which will serve residents of a medically underserved area, such greater percentage (up to 100 per centum) of such cost as the Secretary may prescribe if he determines that the ceiling on the grants and contracts for such project should be determined by such greater percentage.

"(f) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(g) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(h) Payments under grants and contracts under this section shall be made from appropriations made under section 1205. The Secretary may not make any grant or enter into any contract under this section for a fiscal year beginning after June 30, 1976.

"GRANTS, CONTRACTS, LOANS, AND LOAN GUARANTEES FOR PLANNING AND FOR INITIAL DEVELOPMENT COSTS

"SEC. 1203. (a) The Secretary may—

"(1) make grants to and enter into contracts with public or nonprofit private entities, and make loans (from the loan fund established under section 1207(e)) to public entities, for planning projects for the establishment of health maintenance organizations or for significant expansion of the membership or for significant expansion of the membership of, or area served by, health maintenance organizations;

"(2) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to private entities (other than nonprofit private entities) for planning projects for the establishment or expansion of serving residents of medically underserved areas; and

"(3) enter into contracts with private entities for planning projects for the establishment or expansion of health maintenance organizations for the purpose of serving residents of medically underserved areas. The Secretary may not make any grant or enter into any contract under this subsection for a fiscal year beginning after June 30, 1976, and he may not make any loan or loan guarantee under this subsection in any fiscal year beginning after such date. Planning projects assisted under this subsection shall include development of plans for the marketing of the services of the health maintenance organization and such other plans as the Secretary may require for the purpose of making the determination required by subsection (c)(2)(B).

"(b) The Secretary may—

"(1) make grants to and enter into contracts with public or nonprofit private entities, and make loans (from the loan fund established under section 1207(e)) to public entities, for projects for the initial development of health maintenance organizations;

"(2) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to any private entity (other than a nonprofit private entity) for a project for the initial development of a health maintenance organization which will serve residents of a medically underserved area; and

"(3) enter into contracts with private entities for projects for the initial development of health maintenance organizations which will serve residents of medically underserved areas.

The Secretary may not make any grant or enter into any contract under this subsection for a fiscal year beginning after June 30, 1977, and he may not make any loan or loan guarantee under this subsection in any fiscal year beginning after such date. For purposes of this section, the term 'initial development' when used to describe a project for which assistance is authorized by this subsection includes significant expansion of the membership of, or the area served by, a health maintenance organization.

"(c)(1) No grant, loan, or loan guarantee may be made under subsection (a) or (b) of this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation prescribe, and shall contain such information as the Secretary may by regulation prescribe; except that an application for a grant, loan, or loan guarantee under subsection (a) for a planning project shall contain assurances satisfactory to the Secretary that in carrying out the planning project for which the grant, loan, or loan guarantee is sought, the applicant will (A) cooperate with the section 314(b) areawide health planning agency (if any) whose section 314(b) plan covers (in whole or in part) the area proposed to be served by the health maintenance organization for which the planning project will be conducted, and (B) consult with the medical society serving such area. Each contract entered into under subsection (a) of this section shall require the cooperation and consultation described in the preceding sentence of this paragraph.

"(2) If the Secretary makes a grant, loan, or loan guarantee or enters into a contract under subsection (a) for a planning project for a health maintenance organization, he may, within the period in which the planning project must be completed, make a grant, loan, or loan guarantee or enter into a contract under subsection (b) for the initial development of that health maintenance organization; but no grant, loan, or loan guarantee may be made or contract entered into under subsection (b) for initial development of a health maintenance organization unless the Secretary determines that (A) sufficient planning for its establishment or expansion (as the case may be) has been conducted by the applicant for the grant, loan, or loan guarantee, or by the person with whom such contract would be entered into, as the case may be, and (B) the feasibility of establishing and operating, or of expanding, the health maintenance organization has been established by the applicant or such person, as the case may be.

"(d) In considering applications for grants and contract proposals under subsections (a) and (b), the Secretary shall give priority to applications and contract proposals for projects for health maintenance organizations which will serve residents of medically underserved areas.

"(e)(1) Except as provided in paragraph (2), the following limitations apply with respect to grants, loans, loan guarantees, and contracts made under subsection (a) of this section:

"(A) If a planning project has been assisted with grant, loan, loan guarantee, or contract under subsection (a), the Secretary may not make any other grant, loan, or loan guarantee or enter into any other contract for such project.

"(B) Any project for which a grant, loan, or loan guarantee is made or contract entered into must be completed within twelve months from the date the grant, loan, or loan guarantee is made or contract entered into.

"(2) The Secretary may not make more than one additional grant, loan, or loan guarantee or enter into not more than one additional contract for a planning project for which a grant, loan, or loan guarantee has previously been made or a contract previously entered into, and he may permit additional time (up to twelve months) for completion of the project if he determines that the additional grant, loan, loan guarantee, or contract (as the case may be), or additional time, or both, is needed to adequately complete the project.

"(f)(1) The amount to be paid by the United States under a grant made, or contract entered into, under subsection (a) for a planning project, and (except as provided in paragraph (3) of this subsection) the amount of principal of a loan for a planning project made or guaranteed under such subsection, shall be determined by the Secretary, except that (A) the amount to be paid by the United States under any single grant or contract, and the amount of principal of any single loan made or guaranteed under such subsection, may not exceed $125,000, and (B) the aggregate of the amounts to be paid for any project by the United States under any grants or contracts, or both, under such subsection when added to the amount of principal of any loans made or guaranteed under such subsection for such project may not exceed the greater of (i) 90 per centum of the cost of such project (as determined under regulations of the Secretary), or (ii) in the case of a project for a health maintenance organization which will serve residents of a medically underserved area, such greater percentage (up to 100 per centum) of such cost as the Secretary may prescribe if he determines that the ceiling on the grants, loans, contracts, and loan guarantees (or any combination thereof) for such project should be determined by such greater percentage.

"(2) The amount to be paid by the United States under a grant made, or contract entered into, under subsection (b) for an initial development project, and (except as provided in paragraph (3) of this subsection) the amount of principal of a loan for an initial-development project made or guaranteed under such subsection, shall be determined by the Secretary; except that the amounts to be paid by the United States for any initial development project for a health maintenance organization under any grants or contracts, or both, under such subsection when added to the amount of principal of any loans made or guaranteed under such subsection for such project may not exceed the lesser of—

"(A) $1,000,000 or the product of $25 and the number of members that the health maintenance organization will have (as determined under regulations of the Secretary) when it first becomes operational after its establishment or expansion, whichever is the greater; or

"(B) an amount equal to the greater of (i) 90 per centum of the cost of such project (as determined under regulations of the Secretary), or (ii) in the case of a project for a health maintenance organization which will serve residents of a medically underserved area, such greater percentage (up to 100 per centum) of such cost as the Secretary may prescribe if he determines that the ceiling on the grants, loans, contracts, and loan guarantees (or any combination thereof) for such project should be determined by such greater percentage.

"(3) The commulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under this section may not exceed such limitations as may be specified in appropriation Acts.

"(4) Payments under grants under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(g) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(h) Payments under grants and contracts under this section shall be made from appropriations under section 1205; and loans under this section shall be made from the fund established under section 1207(e).

"LOANS AND LOAN GUARANTEES FOR INITIAL OPERATION COSTS

SEC. 1204. (a) The Secretary may during the period beginning July 1, 1973, and ending June 30, 1978—

"(1) make loans (from the loan fund established health maintenance organzations to assist them in meeting the costs of the first thirty-six months of their operation;

"(2) make loans (from the loan fund established under section 1207(e)) to public or nonprofit private health maintenance organizations to assist them in meeting the costs of their operation which the Secretary determines are attributable to significant expansion in their membership or area served and which are incurred during the first

thirty-six months of operation after such expansion; and

"(3) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to any private health maintenance organization (other than a private nonprofit health maintenance organization) for the costs referred to in paragraph (1) or (2), but only if such health maintenance organization will serve residents of a medically underserved area.

"(b) No loan or loan guarantee may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c)(1) Except as provided in paragraph (2), the principal amount of any loan made or guaranteed under this section in any fiscal year for the operation of a health maintenance organization may not exceed $1,000,000 and the aggregate amount of principal of loans made or guaranteed, or both, under this section for the operation of any health maintenance organization may not exceed $2,500,000.

"(2) The cumulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under this section may not exceed such limitations as may be specified in appropriation Acts.

"(d) Loans under this section shall be made from the fund established under section 1207(e).

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 1205. (a) For the purpose of making payments under grants and contracts under sections 1202, 1203(a), and 1203(b), there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1974, $45,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for the fiscal year ending June 30, 1976; and for the purpose of making payments under grants and contracts under section 1203(b) for the fiscal year ending June 30, 1977, there are authorized to be appropriated $55,000,000.

"(b) There are authorized to be appropriated to the loan fund established under section 1207(e), $20,000,000 for the fiscal year ending June 30, 1974, and $30,000,000 for the fiscal year ending June 30, 1975.

"GENERAL PROVISIONS RESPECTING APPLICATIONS FOR ASSISTANCE

"SEC. 1206. (a) The Secretary may not approve an application for a grant, contract, loan, or loan guarantee under this title unless he determines that the applicant would not be able to complete the project or undertaking for which the application is made without such grant, contract, loan, or loan guarantee.

"(b)(1) The Secretary may not approve an application submitted under section 1203 or 1204 or enter into a contract under section 1203 unless he determines that when the health maintenance organization for which such application is submitted or contract proposed is first operational after its establishment or expansion it will—

"(A) have (i) a fiscally sound operation, and (ii) insurance which protects its members against the risk of its becoming insolvent and which is approved by the Secretary or such other provision against such risk as the Secretary determines is adequate;

"(B) be organized in such a manner (as prescribed by regulations of the Secretary) that assures its members a meaningful role in the making of policy for the health maintenance organization, and provide meaningful procedures for hearing and resolving grievances between the members and the health maintenance organization (including the medical group or groups and other health delivery entities providing health services);

"(C) encourage and actively provide for its members (i) health education services, and (ii) education in the appropriate use of health services;

"(D) have organizational arrangements, established in accordance with regulations of the Secretary, for an ongoing quality assurance program for its health services which program provides review by physicians and other health professionals of (i) the process followed in the delivery of health services, and (ii) the quality of the results obtained through the health services provided;

"(E) (i) provide in accordance with regulations of the Secretary an effective procedure for developing, compiling, evaluating, and reporting to the Secretary, data (which the Secretary shall publish and disseminate on a periodic basis) relating to (I) the cost of its operations, (II) the patterns of utilization of its services, (III) the availability, accessibility, and acceptability of its services, (IV) to the extent practical, developments in the health status of its members, and (V) such other matters as the Secretary may require, and (ii) disclose, at least annually, such data to its members and to the general public;

"(F) assume full financial risk on a prospective basis for the provision of basic health services; and

"(G) enroll persons who are broadly representative of the various age, social, and income groups in the area it serves.

"(2) The requirement of subparagraph (F) of paragraph (1) does not prohibit a health maintenance organization from obtaining insurance or making other arrangements (A) for the cost of providing to any member basic health services the aggregate value of which exceeds $5,000 in any year, (B) for the cost of providing basic health services to its members while they are outside the area served by the organization, or (C) for not more than 90 per centum of the amount by which its costs for any of its fiscal years exceed 10 per centum of its income for such fiscal year.

"(c)(1) The Secretary may not approve an application submitted under section 1203 or 1204 or enter into a contract under section 1203 unless the section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) the area to be served by the health maintenance organization for which such application is submitted or contract proposed, or if there is no such agency, the section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) such area, has, in accordance with regulations of the Secretary, been provided an opportunity to review the application or contract proposal and to submit to the Secretary for his consideration its recommendations respecting approval of the application or contract proposal. If under applicable State law such an application may not be submitted or such a contract entered into without the approval of the section 314(b) areawide health planning agency or the section 314(a) State health planning agency, the Secretary may not approve such an application or enter into such a contract unless the required approval has been obtained.

"(2) The Secretary shall by regulation establish standards and procedures for section 314(b) areawide health planning agencies and section 314(a) State health planning agencies to follow in reviewing and commenting on applications for assistance and proposals for contracts for health maintenance organizations.

"GENERAL PROVISIONS RELATING TO LOAN GUARANTEES AND LOANS

"SEC. 1207. (a)(1) The Secretary may not approve an application for a loan guarantee under this title unless he determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this title.

"(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this title the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this title may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(C) Any loan guarantee made by the Secretary under this title shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or his successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or his successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

"(D) Guarantees of loans under this title shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved, and, to the extent permitted by subparagraph (C), any of such terms and conditions may be modified by the Secretary to the extent he determines it to be consistent with the financial interests of the United States.

"(b)(1) The Secretary may not approve an application for a loan under this title unless—

"(A) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

"(B) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project or undertaking with respect to which such loan is requested.

"(2) Any loan made under this title shall (A) have such security, (B) have such maturity date, (C) be repayable in such installments, (D) bear interest at a rate comparable to the current rate of interest prevailing on the date the loan is made, with respect to loans guaranteed under this title, and (E) be subject to such other terms and conditions (including provisions for recovery in case of default), as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(3) The Secretary may, for good cause but with due regard to the financial interests of the United States, waive any right of recovery which he has by reason of the failure of a borrower to make payments of principal of and interest on a loan made under this section, except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(c)(1) The Secretary may from time to time, but with due regard to the financial

interests of the United States, sell loans made by him under this title.

"(2) The Secretary may agree, prior to his sale of any such loan, to guarantee to the purchaser (and any successor in interest of the purchaser) compliance by the borrower with the terms and conditions of such loan. Any such agreement shall contain such terms and conditions as the Secretary considers necessary to protect the financial interests of the United States or otherwise appropriate. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this subsection.

"(3) Interest paid on any loan to a public agency guaranteed under this subsection shall be included in the gross income of the purchaser of the loan (or his successor in interest) for the purposes of chapter 1 of the Internal Revenue Code of 1954.

"(d) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriations Acts, to enable him to discharge his responsibilities under loan guarantees issued by him under this title. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. To the extent authorized in appropriation Acts, there shall also be deposited in the fund amounts received by the Secretary under this section and in connection with loan guarantees under sections 1203 and 1204 and other property or assets derived by him from his operations respecting loan guarantees under sections 1203 and 1204, including any money derived from the sale of assets. If at any time the sums in the funds are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this title, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

"(e) There is established in the Treasury a loan fund (hereinafter in this subsection referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, to enable him to make loans under sections 1203 and 1204. To the extent authorized by appropriation Acts, there shall also be deposited in the fund amounts received by the Secretary as interest payments and repayment of principal on loans made under sections 1203 and 1204 and other property or assets derived by him from his operations respecting loans under those sections and under subsection (c) of this section, including any money derived from the sale of assets.

"CONTINUED REGULATION OF HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1208. (a) If the Secretary determines that an entity which received a grant, contract, loan, or loan guarantee under this title as a health maintenance organization or which was included in a health benefits plan offered to employees pursuant to section 1209—

"(1) fails to provide basic and supplemental services to its members,

"(2) fails to provide such services in the manner specified in section 1201(1), or

"(3) is not organized or operated in the manner described in section 1206(b),

the Secretary may, in addition to any other remedies available to him, bring a civil action in the United States district court for the district in which such entity is located to enforce its compliance with any assurances it furnished him respecting the provision of basic and supplemental health services or its organization or operation, as the case may be, which assurances were made under section 1209 or when application was made under this title for a grant, loan, or loan guarantee or in connection with a contract under this title.

"(b) The Secretary shall administer this section through an identifiable unit within the Department of Health, Education, and Welfare.

"EMPLOYEES' HEALTH BENEFITS PLAN

"SEC. 1209. Each employer—

"(1) who is required during any calendar quarter to pay his employees the minimum wage specified by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay his employees such wage but for section 13(a) of such Act), and

"(2) who during such calendar quarter employed an average number of employees not less than twenty-five, shall, in accordance with regulations which the Secretary shall prescribe, include in any health benefits plan offered, in the calendar year beginning after such calendar quarter, to his employees the option of membership in at least one health maintenance organization which provides basic health services through health professionals who are members of the staff of the entity or a medical group (or groups), and at least one health maintenance organization which provides basic health services through an individual practice association (or associations) but only if such a health maintenance organization is serving the area in which such employer's employees reside and the health maintenance organization provides assurances satisfactory to the Secretary that it will provide basic and supplemental health services to its members in the manner specified in section 1201(1) and that it is organized and operated in the manner described in section 1206(b). No employer shall be required to pay more for health benefits as a result of the application of this section than would otherwise be required by any prevailing collective bargaining agreement or other legally enforceable contract for the provision of health benefits between an employer and his employees. Failure of any such employer to comply with the requirements of this section shall be considered a willful violation of section 15 of such Act.

"LIMITATION OF SOURCE OF FUNDING FOR HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1210. No funds appropriated under any provision of this Act other than this title may be used—

"(1) for grants or contracts for surveys or other activities to determine the feasibility of developing or expanding health maintenance organizations or other entities which provide, directly or indirectly, health care to a defined population on a prepaid basis;

"(2) for grants, loans, or contracts, or for payments under loan guarantees, for planning projects for the establishment or expansion of such organizations or entities;

"(3) for grants, loans, or contracts, or for payments under loan guarantees, for projects for the initial development or expansion of such organizations or entities;

(4) for loans or for payments under loan guarantees, to assist in meeting the costs of the initial operation after establishment or expansion of such organizations or entities.

"PROGRAM EVALUATION

"SEC. 1211. The Comptroller General shall evaluate the operations of at least fifty of the health maintenance organizations for which assistance was provided under section 1202, 1203, or 1204. The period of operation of such health maintenance organizations which shall be evaluated under this subsection shall not be less than thirty-six months. The Comptroller General shall report to the Congress the results of the evaluation not later than ninety days after at least fifty of such health maintenance organizations have been in operation for at least thirty-six months. Such report shall contain findings with respect to the ability of the organizations evaluated—

"(1) to operate on a fiscally sound basis without continued Federal financial assistance,

"(2) to meet the requirements of section 1206(b)(1) respecting their organization and operation,

"(3) to provide basic and supplemental health services in the manner prescribed by section 1201(1),

"(4) to include the indigent and high-risk individuals in their membership, and

"(5) to provide services in medically underserved areas.

The Comptroller General shall also conduct a study of the economic effects on employers resulting from their compliance with the requirements of section 1209. The Comptroller General shall report to the Congress the results of such study not later than thirty-six months after the date of the enactment of his title.

"ANNUAL REPORT

"SEC. 1212. The Secretary shall periodically review the programs of assistance authorized by this title and make an annual report to the Congress of a summary of the activities under each program. The Secretary shall include in such summary—

"(1) a summary of each grant, contract, loan, or loan guarantee made under this title in the period covered by the report,

"(2) the data reported in such period to the Secretary in accordance with section 1206(b)(1)(E), and

"(3) findings with respect to the ability of the health maintenance organizations assisted under this title—

"(A) to operate on a fiscally sound basis without continued Federal financial assistance,

"(B) to meet the requirements of section 1206(b)(1) respecting their organization and operation,

"(C) to provide basic and supplemental health services in the manner prescribed by section 1201(1),

"(D) to include the indigent and high-risk individuals in their membership, and

"(E) to provide services in medically underserved areas.".

CONFORMING AMENDMENTS

SEC. 3. (a) Section 1 of the Public Health Service Act is amended by striking out "Titles

I and XI" and inserting in lieu thereof "Titles I to XII".

(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title XII (as in effect prior to the date of enactment of this Act) as title XIII, and by renumbering sections 1201 through 1214 (as in effect prior to such date), and references thereto, as sections 1301 through 1314, respectively.

(c) Section 306(g) of the Federal National Mortgage Association Act (12 U.S.C. 1721(g)) is amended by inserting ", or which are guaranteed under title XII of the Public Health Service Act" after "chapter 37 of title 38, United States Code".

(d) The first section of the Act of August 5, 1954 (42 U.S.C. 2001), is amended by inserting "(a)" after "That" and by adding at the end thereof the following new subsection:

"(b) In carrying out his functions, responsibilities, authorities, and duties under this Act, the Secretary is authorized, with the consent of the Indian people served, to contract with private or other non-Federal health agencies or organizations for the provision of health services to such people on a fee-for-service basis or on a prepayment or other similar basis.".

REPORTS RESPECTING MEDICALLY UNDERSERVED AREAS

SEC. 4. Within three months of the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall report to the Congress the criteria used by him in the designation of medically underserved areas for the purposes of title XII of the Public Health Service Act. Within one year of such date, the Secretary shall report to the Congress (1) the areas and population groups designated by him under section 1201 (8) of such title as medically underserved areas, and (2) the comments (if any) submitted by State and areawide comprehensive health planning agencies under such section with respect to any such designation.

And amend the title so as to read: "An Act to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes."

Mr. MANSFIELD. Mr. President, I move that the Senate disagree to the amendments of the House of Representatives and agree to the House request for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on behalf of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. KENNEDY, Mr. WILLIAMS, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. HUGHES, Mr. PELL, Mr. MONDALE, Mr. SCHWEIKER, Mr. JAVITS, Mr. DOMINICK, Mr. PACKWOOD, Mr. BEALL, and Mr. TAFT conferees on the part of the Senate.

NO-FAULT INSURANCE—REFERRAL OF BILL

Mr. MAGNUSON. Mr. President, the Senate Committee on Commerce, after years of considering the very important issue of no-fault insurance Federal legislation, recenly reported S. 354. It is on the calendar. The vote in the committee, Senator COOK, was 14 to 2, or something like that.

Mr. COOK. I believe there were three abstaining votes.

Mr. MAGNUSON. Yes, three abstaining votes. This action was taken after years of study. I appreciate that this is a very controversial bill. I do not think it is controversial with the people affected—the public.

National no-fault insurance is an idea whose time has come. On the argument, of course, as to whether the States should take action, some of them have and many of them will not. The importance of this Federal legislation was therefore apparent, and that is why it is on the Calendar.

But I want to say to members of the Judiciary Committee, which the Senator from Kentucky (Mr. COOK) is on, and the Senator from Nebraska (Mr. HRUSKA), that there are some real, legal and complicated matters in any bill of this kind; therefore, I thought it would be well for the Judiciary Committee, with its expertise, to look at some of the legal aspects of the bill; they might even report back a bill better than the one we reported.

The bill as reported from the Commerce Committee is in very good shape. We worked on it such a long time, as I have told my friend from Nebraska. The Senator from Nebraska has spoken to me about the expertise of the Judiciary Committee on legal matters, and I have not denied that, but I must point out that all but one of the members of the Commerce Committee are lawyers. Some of us have not practiced very much lately, but we read a lot and keep up with it. There are some pretty good lawyers on the Commerce Committee. They have closely examined this legislation, and that includes the Senator from Kentucky (Mr. COOK).

But, be that as it may, I now ask unanimous consent that the bill, S. 354, on the calendar as reported, be referred to the Judiciary Committee for consideration of matters within the scope of their jurisdiction. I hope that the Senate will be able to vote on S. 354 this session. In any case, Senator EASTLAND has agreed to report on or discharge the bill by February 1, 1974. Last session we lost by a very small margin, with a 2 or 3 votes on the referral, as I remember it.

My colleagues on the Judiciary Committee have told me, including both the chairman and the ranking member, the Senator from Nebraska (Mr. HRUSKA), that they are unable to examine the bill in the next several months because of the pressure of other business.

I thoroughly agree with them that, for the next month, it would be difficult for the Judiciary Committee to go into hearings and look at this very complex bill which is so important to the people of the United States. The fact that House action is not anticipated during this session is another item involved, and I think it is reasonable that the Judiciary Committee should have until February 15, 1974, to consider and return S. 354 to the floor.

Senators EASTLAND and HRUSKA have assured me that the Judiciary Committee will report or discharge the bill on or before February 15, 1974.

I look forward to their views.

Mr. HRUSKA. Mr. President, the Senator states the proposition very well. I want to say that on the Judiciary Committee we are very appreciative of the fairness with which the chairman of the Commerce Committee has approached this matter. There are many major legalistic concepts involved, the impact on the courts, for example, on the Federal judiciary, in a brandnew field, and the effect on the jurisprudence of America on a matter of such severe and wide incursions on the law of negligence. This is not to be taken lightly. I would not want to detract one iota from the distinction of the membership of the Commerce Committee, because they are able people and the results that they secure are remarkable and, on occasion, phenomenal. But we believe it would be helpful to get the views of those who work in this field and who have some ideas as to the development of aspects which are probably in need of further attention.

It is true that for the next month, devoting our time, as we do, to the concluding work of this session, in an effort to adjourn sine die within the next 6 weeks or so, we want to be able to get it done. The chairman of the Commerce Committee is very appreciative of that fact.

I, for one, want to express my appreciation for his attitude of fairness and of equity in this matter.

Mr. COOK. Mr. President, I first want to commend the distinguished Senator from Washington (Mr. MAGNUSON). We know that the House has not even started hearings on the bill yet. I must say, in all fairness, with the cooperation and hard work of the committee, under the leadership of Senator MAGNUSON, I feel that this bill is in much better shape that it has ever been before.

Those many problems, for instance—the multitude of problems—that caused the motion for referral last year, have been totally and completely eliminated now. We find that there is a narrow scope of "oversee" relative to judicial matters that the Judiciary Committee will have to go into. I think, again, that we will be able to submit to the floor of the Senate on or before February 15, 1974, a bill that will not cause the degree of debate nor cause the degree of disagreement that the bill caused last year.

I honestly feel that by reason of the referral last year and that we are taking it up again this year, we have come a long way in the process of sharpening this to the extent that we can present to the American people, and present to the States, an effective program on first party coverage for the Nation's insured.

I wish to go on record and commend the Senator from Washington for the work he has put us through this year on this bill because it has been extensive but it has been worthwhile.

The PRESIDING OFFICER (Mr. CLARK). Is there objection to the unanimous-consent request of the Senator from Washington (Mr. MAGNUSON)? The Chair hears none, and it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday is as follows:

The Senate will convene at the hour of 11 a.m. After the two leaders or their designees have been recognized under

the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Senators PROXMIRE, CURTIS, BUCKLEY, GRIFFIN, MONDALE, HUMPHREY, and ROBERT C. BYRD.

After the aforementioned Senators have completed their remarks under the orders which have been previously entered, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes, at the conclusion of which the Senate will proceed with the bill H.R. 8916, a bill making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1974, and for other purposes. On this bill there will be a time limitation. There will be a yea-and-nay vote on Monday.

ADJOURNMENT TO MONDAY, SEPTEMBER 17, 1973, AT 11 A.M.

Mr. MANSFIELD. 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 11 a.m. on Monday next.

The motion was agreed to; and, at 6:08 p.m., the Senate adjourned until Monday, September 17, 1973, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate September 13, 1973:

INTERNATIONAL ATOMIC ENERGY AGENCY

Dixy Lee Ray, of Washington, to be the representative of the United States of America to the 17th session of the General Conference of the International Atomic Energy Agency.

The following-named persons to be alternate representatives of the United States of America to the 17th session of the General Conference of the International Atomic Energy Agency:

William A. Anders, of Virginia.
Clarence E. Larson, of Maryland.
Dwight J. Porter, of Nebraska.
Gerald F. Tape, of Maryland.

U.S. DISTRICT COURTS

Allen Sharp, of Indiana, to be a U.S. district judge for the northern district of Indiana vice Robert A. Grant, retired.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

William R. Stratton, of the District of Columbia, to be a member of the Public Service Commission of the District of Columbia for a term of 3 years expiring June 30, 1976, vice Jeremiah Colwell Waterman, resigned.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John R. Murphy, [redacted] FR (major general, Regular Air Force) U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 13, 1973:

DEPARTMENT OF DEFENSE

Walter B. LaBerge, of California, to be an Assistant Secretary of the Air Force.

Norman R. Augustine, of Texas, to be an Assistant Secretary of the Army.

Joseph T. McCullen, Jr., of Maryland, to be an Assistant Secretary of the Navy.

David Samuel Potter, of Wisconsin, to be an Assistant Secretary of the Navy.

DEPARTMENT OF JUSTICE

William D. Ruckelshaus, of Indiana, to be Deputy Attorney General.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10, of the United States Code:

To be lieutenant general

Lt. Gen. Earl C. Hedlund [redacted] FR (major general, Regular Air Force) U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John J. Hennessey [redacted], U.S. Army.

The U.S. Army Reserve officer named herein for promotion as a Reserve commissioned officer of the Army under the provisions of title 10, United States Code, section 593a and 3384.

To be brigadier general

Col. Charles J. West, Jr., SSN [redacted] Infantry.

IN THE NAVY

Adm. Bernard A. Clarey, U.S. Navy, for appointment to the grade of admiral, when retired, pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

Air Force nominations beginning Harold C. L. Beardsley, to be lieutenant colonel, and ending Robert T. Yoshizumi, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on August 1, 1973.

HOUSE OF REPRESENTATIVES—*Thursday, September 13, 1973*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

And above all put on love, which binds everything together in perfect harmony.—Colossians 3: 14.

We thank Thee, our Father, for the dawn of a new day and pray that in the joy of renewed strength and with glad hearts we may enter its portals unashamed and unafraid. By Thy spirit may we face our tasks positively and do our work optimistically setting free our spirits to serve Thee and our country faithfully and hopefully.

Fill our hearts with love and there will be no place for hatred, fill our minds with truth and there will be no room for falsehood, fill our spirits with goodness and there will be no space for evil, fill our souls with peace and there will be no spot for spite.

Bring us to the shadows of the evening hours weary, but with the consciousness of work well done for our beloved America.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

A MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 356. An act to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes.

PERSONAL EXPLANATION

Mr. WILLIAMS. Mr. Speaker, on page H7785 of yesterday's CONGRESSIONAL RECORD, I was erroneously recorded as voting to sustain the President's veto of S. 504, Emergency Medical Service Systems Act of 1973. Actually, I voted to override the President's veto. I do not know if the electronic recording machine or I made the mistake, but I would like the record to show that I voted "yea" on the question of overriding the President's veto of S. 504. This change will not affect the outcome of the vote taken yesterday on the President's veto.

CONCERNING MOTION TO INSTRUCT CONFEREES ON AGRICULTURAL APPROPRIATIONS BILL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, later today, the Committee on Appropriations is expected to ask for a conference with the Senate on the agriculture appropriations bill. I thank the distinguished chairman from Mississippi (Mr. WHITTEN) for giving me the courtesy of advance notice of this.

At that time, I intend to make a motion to instruct the House conferees. My motion directs the House conferees to insist on the House language that strictly limits farm subsidy payments and cuts off Federal funds for Cotton, Inc.

I anticipate that when my motion is offered, a motion will be made to table it. This would cut off debate and a vote on these important issues.

If a motion to table is offered, I urge