it's worthwhile to teach 15 minutes more of math a day, but how you motivate kids to take math without ever forcing them to. And doing all these things with all-aged kids at once."

To which Miss Sorenson adds: "Perhaps the most important think that's happened is that we've established an atmosphere in which kids feel accepted—every kind and variety of kid, with all their difierent personalities and problems and peculiarities, but all accepted on a human basis, as people in their own right. Maybe that's why the students feel good about the school, and maybe that's a big accomplishment."

SENATE—*Wednesday, March 28, 1973*

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

PRAYER

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

O Thou Divine Creator of all that is beautiful and good and true, we thank Thee for the beauty of this season. For buds and blossoms, for lush lawns and soothing sun, for calm winds and bounding waters, for scampering wildlife and the lyric notes of the birds we give thanks to Thee. As we thank Thee for the new life in nature we thank Thee for the promise of new life in man. May the beauty of sight and sound without be matched by the beauty of life within each of us. Help us to walk with Thee in the holiness of beauty and to worship Thee in the beauty of holiness. We pray Thee so to assist us and all men that at last all nations may come under Thy rulership and men dwell in the peace of Thy kingdom.

We pray through Him whose life was above all life. Amen.

MESSAGES FROM THE PRESIDENT

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

FEDERAL DRUG LAW ENFORCEMENT—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which, with an accompanying paper, was referred to the Committee on Government Operations. The message is as follows:

To the Congress of the United States:

Drug abuse is one of the most vicious and corrosive forces attacking the foundations of American society today. It is a major cause of crime and a merciless destroyer of human lives. We must fight it with all of the resources at our command.

This Administration has declared all-out, global war on the drug menace. As I reported to the Congress earlier this month in my State of the Union message, there is evidence of significant progress on a number of fronts in that war.

Both the rate of new addiction to heroin and the number of narcotic-related deaths showed an encouraging downturn last year. More drug addicts and abusers are in treatment and rehabilitation programs than ever before.

Progress in pinching off the supply of illicit drugs was evident in last year's stepped-up volume of drug seizures worldwide—which more than doubled in 1972 over the 1971 level.

Arrests of traffickers have risen by more than one-third since 1971. Prompt congressional action on my proposal for mandatory minimum sentences for pushers of hard drugs will help ensure that convictions stemming from such arrests lead to actual imprisonment of the guilty.

Notwithstanding these gains, much more must be done. The resilience of the international drug trade remains grimly impressive—current estimates suggest that we still intercept only a small fraction of all the heroin and cocaine entering this country. Local police still find that more than one of every three suspects arrested for street crimes is a narcotic abuser or addict. And the total number of Americans addicted to narcotics, suffering terribly themselves and inflicting their suffering on countless others, still stands in the hundreds of thousands.

A UNIFIED COMMAND FOR DRUG ENFORCEMENT

Seeking ways to intensify our counter-offensive against this menace, I am asking the Congress today to join with this Administration in strengthening and streamlining the Federal drug law enforcement effort.

Funding for this effort has increased sevenfold during the past five years, from $36 million in fiscal year 1969 to $257 million in fiscal year 1974—more money is not the most pressing enforcement need at present. Nor is there a primary need for more manpower working on the problem—over 2,100 new agents having already been added to the Federal drug enforcement agencies under this Administration, an increase of more than 250 percent over the 1969 level.

The enforcement work could benefit significantly, however, from consolidation of our anti-drug forces under a single unified command. Right now the Federal Government is fighting the war on drug abuse under a distinct handicap, for its efforts are those of a loosely confederated alliance facing a resourceful, elusive, worldwide enemy. Admiral Mahan, the master naval strategist, described this handicap precisely when he wrote that "Granting the same aggregate of force, it is never as great in two hands as in one, because it is not perfectly concentrated."

More specifically, the drug law enforcement activities of the United States now are not merely in two hands but in half a dozen. Within the Department of Justice, with no overall direction below the level of the Attorney General, these fragmented forces include the Bureau of Narcotics and Dangerous Drugs, the Office for Drug Abuse Law Enforcement, the Office of National Narcotics Intelligence, and certain activities of the Law Enforcement Assistance Administration. The Treasury Department is also heavily engaged in enforcement work through the Bureau of Customs.

This aggregation of Federal activities has grown up rapidly over the past few years in response to the urgent need for stronger anti-drug measures. It has enabled us to make a very encouraging beginning in the accelerated drug enforcement drive of this Administration.

But it also has serious operational and organizational shortcomings. Certainly the cold-blooded underworld networks that funnel narcotics from suppliers all over the world into the veins of American drug victims are no respecters of the bureaucratic dividing lines that now complicate our anti-drug efforts. On the contrary, these modern-day slave traders can derive only advantage from the limitations of the existing organizational patchwork. Experience has now given us a good basis for correcting those limitations, and it is time to do so.

I therefore propose creation of a single, comprehensive Federal agency within the Department of Justice to lead the war against illicit drug traffic.

Reorganization Plan No. 2 of 1973, which I am transmitting to the Congress with this message, would establish such an agency, to be called the Drug Enforcement Administration. It would be headed by an Administrator reporting directly to the Attorney General.

The Drug Enforcement Administration would carry out the following anti-drug functions, and would absorb the associated manpower and budgets:

—All functions of the Bureau of Narcotics and Dangerous Drugs (which would be abolished as a separate entity by the reorganization plan);

—Those functions of the Bureau of Customs pertaining to drug investigations and intelligence (to be transferred from the Treasury Department to the Attorney General by the reorganization plan);

—All functions of the Office for Drug Abuse Law Enforcement; and

—All functions of the Office of National Narcotics Intelligence.

Merger of the latter two organizations into the new agency would be effected by an executive order dissolving them and transferring their functions, to take effect upon approval of Reorganization Plan No. 2 by the Congress. Drug law enforcement research currently funded by the Law Enforcement Assistance Administration and other agencies would also be transferred to the new agency by executive action.

The major responsibilities of the Drug Enforcement Administration would thus include:

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

—development of overall Federal drug law enforcement strategy, programs, planning, and evaluation;
—full investigation and preparation for prosecution of suspects for violations under all Federal drug trafficking laws;
—full investigation and preparation for prosecution of suspects connected with illicit drugs seized at U.S. ports-of-entry and international borders;
—conduct of all relations with drug law enforcement officials of foreign governments, under the policy guidance of the Cabinet Committee on International Narcotics Control;
—full coordination and cooperation with State and local law enforcement officials on joint drug enforcement efforts; and
—regulation of the legal manufacture of drugs and other controlled substances under Federal regulations.

The Attorney General, working closely with the Administrator of this new agency, would have authority to make needed program adjustments. He would take steps within the Department of Justice to ensure that high priority emphasis is placed on the prosecution and sentencing of drug traffickers following their apprehension by the enforcement organization. He would also have the authority and responsibility for securing the fullest possible cooperation—particularly with respect to collection of drug intelligence—from all Federal departments and agencies which can contribute to the anti-drug work, including the Internal Revenue Service and the Federal Bureau of Investigation.

My proposals would make possible a more effective anti-drug role for the FBI, especially in dealing with the relationship between drug trafficking and organized crime. I intend to see that the resources of the FBI are fully committed to assist in supporting the new Drug Enforcement Administration.

The consolidation effected under Reorganization Plan No. 2 would reinforce the basic law enforcement and criminal justice mission of the Department of Justice. With worldwide drug law enforcement responsibilities no longer divided among several organizations in two different Cabinet departments, more complete and cumulative drug law enforcement intelligence could be compiled. Patterns of international and domestic illicit drug production, distribution and sale could be more directly compared and interpreted. Case-by-case drug law enforcement activities could be more comprehensively linked, cross-referenced, and coordinated into a single, organic enforcement operation. In short, drug law enforcement officers would be able to spend more time going after the traffickers and less time coordinating with one another.

Such progress could be especially helpful on the international front. Narcotics control action plans, developed under the leadership of the Cabinet Committee on International Narcotics Control, are now being carried out by U.S. officials in cooperation with host governments in 59 countries around the world. This wide-ranging effort to cut off drug supplies before they ever reach U.S. borders or streets is just now beginning to bear fruit. We can enhance its effectiveness, with little disruption of ongoing enforcement activities, by merging both the highly effective narcotics force of overseas Customs agents and the rapidly developing international activities of the Bureau of Narcotics and Dangerous Drugs into the Drug Enforcement Administration. The new agency would work closely with the Cabinet Committee under the active leadership of the U.S. Ambassador in each country where anti-drug programs are underway.

Two years ago, when I established the Special Action Office for Drug Abuse Prevention within the Executive Office of the President, we gained an organization with the necessary resources, breadth, and leadership capacity to begin dealing decisively with the "demand" side of the drug abuse problem—treatment and rehabilitation for those who have been drug victims, and preventive programs for potential drug abusers. This year, by permitting my reorganization proposals to take effect, the Congress can help provide a similar capability on the "supply" side. The proposed Drug Enforcement Administration, working as a team with the Special Action Office, would arm Americans with a potent one-two punch to help us fight back against the deadly menace of drug abuse. I ask full congressional cooperation in its establishment.

IMPROVING PORT-OF-ENTRY INSPECTIONS

No heroin or cocaine is produced within the United States; domestic availability of these substances results solely from their illegal importation. The careful and complete inspection of all persons and goods coming into the United States is therefore an integral part of effective Federal drug law enforcement.

At the present time, however, Federal responsibility for conducting port-of-entry inspections is awkwardly divided among several Cabinet departments. The principal agencies involved are the Treasury Department's Bureau of Customs, which inspects goods, and the Justice Department's Immigration and Naturalization Service, which inspects persons and their papers. The two utilize separate inspection procedures, hold differing views of inspection priorities, and employ dissimilar personnel management practices.

To reduce the possibility that illicit drugs will escape detection at ports-of-entry because of divided responsibility, and to enhance the effectiveness of the Drug Enforcement Administration, the reorganization plan which I am proposing today would transfer to the Secretary of the Treasury all functions currently vested in Justice Department officials to inspect persons, or the documents of persons.

When the plan takes effect, it is my intention to direct the Secretary of the Treasury to use the resources so transferred—including some 1,000 employees of the Immigration and Naturalization Service—to augment the staff and budget of the Bureau of Customs. The Bureau's primary responsibilities would then include:

—inspection of all persons and goods entering the United States;
—valuation of goods being imported, and assessment of appropriate tariff duties;
—interception of contraband being smuggled into the United States;
—enforcement of U.S. laws governing the international movement of goods, except the investigation of contraband drugs and narcotics; and
—turning over the investigation responsibility for all drug law enforcement cases to the Department of Justice.

The reorganization would thus group most port-of-entry inspection functions in a single Cabinet department. It would reduce the need for much day-to-day interdepartmental coordination, allow more efficient staffing at some field locations, and remove the basis for damaging inter-agency rivalries. It would also give the Secretary of the Treasury the authority and flexibility to meet changing requirements in inspecting the international flow of people and goods. An important by-product of the change would be more convenient service for travelers entering and leaving the country.

For these reasons, I am convinced that inspection activities at U.S. ports-of-entry can more effectively support our drug law enforcement efforts if concentrated in a single agency. The processing of persons at ports-of-entry is too closely interrelated with the inspection of goods to remain organizationally separated from it any longer. Both types of inspections have numerous objectives besides drug law enforcement, so it is logical to vest them in the Treasury Department, which has long had the principal responsibility for port-of-entry inspection of goods, including goods being transported in connection with persons. As long as the inspections are conducted with full awareness of related drug concerns it is neither necessary nor desirable that they be made a responsibility of the primary drug enforcement organization.

DECLARATIONS

After investigation, I have found that each action included in Reorganization Plan No. 2 of 1973 is necessary to accomplish one or more of the purposes set forth in Section 901(a) of Title 5 of the United States Code. In particular, the plan is responsive to the intention of the Congress as expressed in Section 901(a)(1): "to promote better execution of the laws, more effective management of the executive branch and of its agencies and functions, and expeditious administration of the public business;" Section 901(a)(3): "to increase the efficiency of the operations of the Government to the fullest extent practicable;" Section 901(a)(5): "to reduce the number of agencies by consolidating those having similar functions under a single head, and to abolish such agencies or functions as may not be necessary for the efficient conduct of the Government;" and Section 901(a)(6): "to eliminate overlapping and duplication of effort."

As required by law, the plan has one logically consistent subject matter: consolidation of Federal drug law enforcement activities in a manner designed to increase their effectiveness.

The plan would establish in the Department of Justice a new Administration designated as the Drug Enforcement Administration. The reorganizations provided for in the plan make necessary the appointment and compensation of new officers as specified in Section 5 of the plan. The rates of compensation fixed for these officers would be comparable to those fixed for officers in the executive branch who have similar responsibilities.

While it is not practicable to specify all of the expenditure reductions and other economies which may result from the actions proposed, some savings may be anticipated in administrative costs now associated with the functions being transferred and consolidated.

The proposed reorganization is a necessary step in upgrading the effectiveness of our Nation's drug law enforcement effort. Both of the proposed changes would build on the strengths of established agencies, yielding maximum gains in the battle against drug abuse with minimum loss of time and momentum in the transition.

I am confident that this reorganization plan would significantly increase the overall efficiency and effectiveness of the Federal Government. I urge the Congress to allow it to become effective.

RICHARD NIXON.

THE WHITE HOUSE, *March 28, 1973.*

EXECUTIVE MESSAGES REFERRED

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

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

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 (H.R. 3841) to provide for the striking of medals in commemoration of Roberto Walker Clemente, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 5445. An act to extend the Clean Air Act, as amended, for 1 year;

H.R. 5446. An act to extend the Solid Waste Disposal Act, as amended, for 1 year; and

H.J. Res. 5. A joint resolution requesting the President to issue a proclamation designating the week of April 23, 1973, as "Nicolaus Copernicus Week" marking the quincentennial of his birth.

The enrolled bills and joint resolution were subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H.R. 3841) to provide for the striking of medals in commemoration of Roberto Walker Clemente was read twice by its title and referred to the Committee on Banking, Housing and Urban Affairs.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, March 27, 1973, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

BILLS ON THE CALENDAR

Mr. SCOTT of Pennsylvania. Mr. President, I merely wish to say, for the benefit of all Senators, that under the Reorganization Act bills on the calendar stay there 3 days unless the majority or minority leader, as authorized by statute, waive the 3-day provision.

I note that all the bills on the calendar at the present time, except Calendar Nos. 92 and 93, have been on the calendar for more than 3 days. The Daily Digest, which appears in each CONGRESSIONAL RECORD, will serve to bring up to date any developments which occur after the printing of the last edition of the calendar. So that by yesterday we were up to Calendar No. 91, and we disposed of Calendar No. 91. There have been added Calendar Nos. 92 and 93.

I would urge all Senators to designate someone in their office—perhaps their legislative assistant—to look at the calendar daily and to look at the Digest, and if they wish to be especially notified with regard to any bill, that they let us know, or if for any reason they wish to suggest a time of consideration, that they let us know. We will be very glad to cooperate.

We have been observing at least the 1-day notice. We are committed to observing the full 3 days notice, although there will be times when the majority and minority leaders—for reasons of emergency or for reasons where it is important to accommodate a situation—will feel constrained to ask for a waiver of the notice. However, we will do our best to protect all Senators. I merely wanted the RECORD to show it.

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

Mr. SCOTT of Pennsylvania. I yield.

Mr. MANSFIELD. I am in full accord with the remarks just made by the distinguished Republican leader.

The PRESIDING OFFICER (Mr. HASKELL). Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. With the permission of the majority leader and the acting majority leader, I ask unanimous consent that the order be reversed and that the Senator from Alaska may be recognized second.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

LAST AMERICANS LEAVE VIETNAM

Mr. GRIFFIN. Mr. President, during the next 24 hours the last of our remaining American combat troops will leave Vietnam. And during that period, the last of the known American prisoners of war held by North Vietnam and the Vietcong will be released to head for home.

Remaining in Vietnam will be only the Marine guard at the U.S. Embassy, some military attachés, and the soon-to-be terminated U.S. military delegation to the Joint Commission to Oversee the Repatriation.

This is a moment and a day, I suggest, that should not pass unnoticed, now that the long, difficult process of American disengagement from Vietnam has finally been accomplished.

As the last American combat soldier leaves Vietnam, it is noteworthy that South Vietnam is a free nation; its people have not been taken over by force; the country has not been conquered. To be sure, the nation is still beleagured; there are still serious problems. But the South Vietnamese are able now to defend themselves as a result of help given by the United States.

All in all, during the period from January 1, 1965, to December 31, 1972, about 2,594,000 Americans served in Vietnam. The number stationed in Vietnam at one time reached a peak of 543,000 shortly before newly inaugurated President Nixon announced his Vietnamization program and set a timetable for the first of a series of orderly withdrawals of American forces.

As the months went by, President Nixon continued to announce withdrawal goals. Each and every announced withdrawal occurred on or before the date set by President Nixon.

Now it can be said that his plan for ending U.S. participation in the Vietnam war has worked.

Now, as we await word expected within a matter of hours that the last and final U.S. combat soldier has left Vietnam, it is most appropriate that we take a moment to salute the leadership that made this day possible, and to say, "Thank you, Mr. President, for a job well done."

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I have some time remaining, and I am glad to yield 2 minutes to the Senator from Connecticut.

Mr. RIBICOFF. I thank the distinguished assistant minority leader.

THE PRESIDENT'S REORGANIZATION PLAN FOR DRUG LAW ENFORCEMENT

Mr. RIBICOFF. Mr. President, I congratulate the President on his reorganization plan, submitted today, to place primary responsibility for Federal drug law enforcement in a single, new agency in the Justice Department.

The plan also gives the Federal Bureau of Investigation its first significant antidrug role by requiring that the new agency draw on the FBI's expertise in such related areas as combating organized crime's major participation in drug trafficking.

Both of these provisions are consistent with the legislation I introduced more than a month ago with eight cosponsors. At that time I urged that all Federal law enforcement efforts in the drug field be unified in a single agency in the Justice Department and that the FBI's expertise and resources be made available for the first time for this Nation's battle against drug trafficking. While my proposal would have accomplished the goal of unifying our drug enforcement efforts in the Justice Department by designating the FBI as the primary drug enforcement agency, I am satisfied that the President's plan for an all-new drug agency in the Justice Department assures a major drug enforcement role for the FBI. No longer will the FBI—the Nation's No. 1 law enforcement agency—be excluded from dealing with the Nation's No. 1 crime problem—drug trafficking.

As the President said this morning in his message to Congress:

> My proposals would make possible a more effective anti-drug role for the FBI especially in dealing with the relationship between drug trafficking and organized crime. I intend to see that the resources of the FBI are fully committed to assist in supporting the new drug enforcement administration.

The President's reorganization plan represents a sorely needed response to the overlapping jurisdictions, competing interests, and breakdown in communications which have plagued our drug law enforcement efforts and have allowed many major traffickers to prove themselves better organized than the Federal agencies pursuing them. Despite a sevenfold increase in funding of Federal drug law enforcement efforts over the past 5 years, the situation today remains one of major heroin traffickers being identified by the hundreds, but being apprehended only by the dozens, of heroin being smuggled into our Nation each year by the tons but being seized only by the pounds.

For the past 3 months, the Government Operations Subcommittee on Reorganization, which I chair, has been investigating the present crazy-quilt of overlapping and disorganized drug enforcement efforts throughout the Federal bureaucracy. No less than nine Federal agencies are budgeted at more than a quarter billion dollars to perform drug law enforcement functions. Many more agencies have related functions. There is no overall coordination.

Our best efforts to stem the flow of heroin and other deadly and dangerous drugs have been most seriously undermined by intense rivalry and bitter feuding between the two primary drug enforcement agencies—the Bureau of Narcotics and Dangerous Drugs—BNDD—in the Justice Department and the narcotics unit of the Customs Bureau in the Treasury Department.

The findings of my subcommittee have been supported in studies by the Government Accounting Office, by a task force of the American Bar Association and the Drug Abuse Council, and by the National Commission on Marihuana and Drug Abuse.

The administration's own National Drug Abuse Strategy Report, released today by the White House with the reorganization plan, also acknowledged the problem:

> This (drug law enforcement) effort is at the present time handicapped by fragmented responsibility. There is too much jurisdictional overlap and organizational redundancy, and there is too little sharing of information and expertise. . . . Under these circumstances efficient coordination has become increasingly difficult. Even more serious is the overlapping jurisdiction between departments.

The time is long overdue for Federal narcotics agents to stop fighting each other and to unite in the fight against today's merchants of enslavement and death—the drug traffickers. The President deserves credit for recognizing this problem and proposing a solution to it.

The President's plan would transfer the Customs Bureau's drug enforcement unit from Treasury to the Justice Department and combine it there with BNDD, along with two other Justice Department agencies, the Office of Drug Abuse Law Enforcement—DALE, and the Office of National Narcotics Intelligence—ONNI. The plan would draw all these efforts together into a new Drug Law Enforcement Administration.

The President's reorganization plan will be referred to my Subcommittee on Reorganization. My subcommittee will promptly hold hearings on the President's plan. The hearings will explore how the new agency will coordinate intelligence and other functions related to drug enforcement throughout the Federal bureaucracy, including those carried out by the Internal Revenue Service and the Secret Service in the Treasury Department, the Central Intelligence Agency, the military intelligence agencies in the Defense Department, the Agency for International Development (AID), and diplomatic efforts in the State Department, the Food and Drug administration in the Department of Health, Education, and Welfare, and the Coast Guard and the Federal Aviation Administration in the Transportation Department. Also to be considered will be the relationship between the new agency and the Cabinet Committee on International Narcotics Control, the Special Action Office for Drug Abuse Prevention (SAODAP), and the new Office of Federal Drug Abuse Management within the Office of Management and Budget (OMB). The hearings will include testimony regarding the need for better coordination between investigations by narcotics agents and prosecutions by U.S. attorneys.

The President's reorganization plan represents a major step forward by seeking, first, to end the petty bureaucratic infighting that has undermined the primary drug enforcement agencies; second to bring the FBI into drug law enforcement for the first time; and third, to promote cooperation among departments and agencies with related functions.

The vast dimensions of today's drug-abuse crisis deserves a far better law enforcement response than the present scrambling bureaucracy provides. If we are to succeed, there must be a bipartisan approach to finding the solution. The President's reorganization plan is an important step in that direction.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against the time allotted to me.

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. 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.

Mr. GRIFFIN. Mr. President, I yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Michigan for his graciousness.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE DURING CONSIDERATION OF THE REVALUATION BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that when the revaluation bill comes before the Senate and after the manager of the bill and the ranking minority Member are recognized, I be recognized to call up an amendment.

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

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. GRIFFIN. I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against the time allotted to me.

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. 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.

CANADIAN ROUTE IS NOT A REASONABLE ALTERNATIVE TO THE TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, those who suggest the oil from the North Slope should be shipped through Canada in a trans-Canada pipeline overlook several important facts.

The Canadian native land claims have not yet been settled. The Canadian natives—Eskimos and Indians—have not yet agreed to terms settling their aboriginal claims. Any proposed scheme to withdraw Canadian oil from Canada's North Slope or to ship Alaskan oil across Canada and through Canadian native lands will certainly be met with a law suit prosecuted by Canadian natives. Until these claims are settled, and settlement can only be years away, any trans-Canada route will only result in litigation.

Canadian environmentalists have also indicated they will seek to halt any pipeline through Canada. The same arguments are being made by them as are made by those who oppose the trans-Alaska route. Moreover, because longer stretches of Canadian territory will be traversed, the environmental impact investigation in Canada will have to be even more extensive and will result in greater problems than the relatively short trans-Alaska route. The trans-Canada route will cover approximately 3,200 miles while the trans-Alaska route is 789 miles long.

The Canadians have indicated they want to own the pipeline totally, not just control it by owning 51 percent of the stock. Walter Gordon, former Canadian Finance Minister, for example, has indicated Canada must have total control of any pipeline from the Mackenzie Valley. Referreing to a proposal that Canadians have a majority control of the pipeline company, Gordon insisted on "not just 51 percent, but complete control." The Canadians are concerned about their own impending energy crisis. They want the pipeline to carry Canadian products to Canada not south to the United States. Moreover, they want assurances concerning the ultimate destination of Alaskan oil. I request unanimous consent that an article concerning the recent remarks of Mr. Gordon be inserted in the RECORD at the close of my speech.

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

(See exhibit 1.)

Mr. STEVENS. Mr. President, the U.S. petroleum industry does not seek authority to build a Canadian pipeline for the shipment of Alaskan oil. There is no application for the building of such a route because the American petroleum industry is convinced that the quickest and easiest method for the shipment of Alaskan oil, as well as the most secure route, is found through Alaska to Valdez and then by ship to the west coast.

In summary, the United States cannot afford to wait until a trans-Canada pipeline can be built. We cannot afford to allow Canadian policy decisions to determine the shipment of American oil. Alyeska Pipeline Service Co. is ready to begin work on a trans-Alaska pipeline within 90 days of permission being granted. Moreover, the construction of the trans-Alaska pipeline will take 3 years. Constructions and engineering for a Canadian line would take 3 to 5 years longer.

The cost of the Canadian oil line will be much higher than a trans-Alaska route. This is due to the fact that the length is greater and the terrain is similar to the most costly segment of the Alaskan route—permafrost. It has been estimated by Mr. William P. Wilder, chairman of Canadian Arctic Gas Study, Ltd., that the price of a gas pipeline from the North Slope and Mackenzie Valley to the United States will be $5 billion. An oil pipeline will, of course, be much more. The State of Alaska has estimated the cost of a trans-Canada oil line at roughly $7.5 billion to $8 billion. In comparison, Alyeska Pipeline Service Co. estimates the cost of a trans-Alaska route at $3.5 billion.

It is vital that oil from Alaska's North Slope be transported to the lower 48 as soon as possible.

In 1967 this country imported 195,400 barrels—8.1 percent of our imports—from the Middle East. We imported 963,300 barrels—39.7 percent of our imports—from Venezuela.

The United States now imports 1.7 billion barrels, about 29 percent of its oil requirements, at a cost of about $4 billion. This was a level we did not expect to reach until 1980. In only 1 year—from 1971–72—our Middle East imports of crude oil and petroleum products grew from 344,200 barrels to 473,800 barrels daily, an increase of 38 percent. Adding in north African crude oil and petroleum products imports, which grew from 90,200 barrels daily in 1971 to 289,000 barrels daily in 1972, the increase in imports was 99 percent. At the same time imports from all Western Hemisphere nations excluding Canada, Mexico, and the Caribbean were 529,700 barrels in 1971 and 629,700 barrels in 1972. This was an increase of only 19 percent.

While Middle East imports rose 49 percent from 1967–72, Venezuelan imports decreased.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. STEVENS. I yield.

Mr. TOWER. The Senator is aware, of course, that the OPEC countries already have served notice they are going to start charging more for their crude. Therefore, we cannot except that it will come in at the current price.

Mr. STEVENS. I am confident that is a correct statement. But the real problem is that we are playing with a feather pillow every time we want to figure what the price will be. These prices are constantly rising. I do not think there is any way they can estimate the cost of American oil in 1980 or 1985.

Mr. TOWER. I suppose the Senator is aware that much of the current surplus in Europe is Middle East oil money.

Mr. STEVENS. I was going to touch on that. It is money representing windfall profits to the Arab nations, in particular. That disrupted our money abroad and led to the tremendous surplus in dollars in Germany in August 1971 and at the time of the recent devaluation. The Senator is absolutely correct.

Our demand for oil is steadily increasing. I am informed experts estimate that America's dependency on foreign oil could soar to 6 billion barrels, about 60 percent of domestic consumption, by 1985. With increases in costs, our foreign payments, mostly to Middle East nations, will probably total $17 to $20 billion per year. Our trade deficit is presently $6½ billion. Were we to import 65 percent of our petroleum requirements, our deficit for oil alone would probably be $20 to $30 billion per year.

As the Senator from Texas said, these are current prices. We do not know what those prices will be.

Walter Levy indicated yesterday that by 1980 the Atlantic nations and Japan will import 41 million barrels per day. These countries presently import 23 million barrels daily. Most of this oil—35 to 40 million barrels—will come from the Middle East.

On our recent trip to the Iron Curtain countries and to Eastern European countries, we found that it is estimated that they will have an increased daily demand. They also are looking to the Middle East and to Africa to satisfy their demands. I think the whole world will be looking to that oil, and it is important that we start estimating our reserves.

Time magazine this week in its cover story revealed some interesting facts. While the world consumption of petroleum is increasing by 8 percent per year, the United States, which consumes nearly 40 percent of the total consumption, is rising by 8.7 percent. The Middle East states, many of which are highly unstable politically, control 60 percent of the world's known reserve.

The income of these Middle East states was $4.4 billion just 5 years ago. Today it is more than $10 billion. It has more than doubled in 5 years. By 1980 it will quadruple again, and their income will be at least $40 billion. This is compared with an income, just 5 years ago, of $5 billion. If this is the case, the income of the Arab nations would be greater than the combined earnings of the 500 largest U.S. industrial multinational corporations; 500 of them do not have the income that would be received by these small Arab nations.

The wealthiest oil state, Saudi Arabia, with a population smaller than New Jersey, will have greater monetary reserves than the United States and Japan together if this occurs.

With only half the income expected, the Arab States by 1985 will have nearly

$120 billion in official reserves. Saudi Arabia alone will probably have foreign currency holdings of $30 billion by 1980. Comparatively, the United States today has only $13 billion in monetary reserves.

Leverage by the Middle East countries, members of the Organization of Petroleum Exporting Countries—OPEC—is increasing daily. Because of this Nation's firm commitment to a free and independent State of Israel, and because of a natural desire to increase their wealth, these Arab nations are pursuing economic policies inimical to the United States. Since 1970, the 11 major petroleum producing countries who make up OPEC have increased oil prices 72 percent. They have taken other steps as well, as the Senator from, Texas mentioned, to counter the dollar devaluation. For example, they recently indicated they will raise the price of oil 10 percent this year.

Should oil consumers decide to unite, OPEC has indicated that it may impose a boycott on any nations which unite as importing countries. Nonetheless, I believe an organization of oil importing states is necessary and that this country should take the leadership in its formation.

However, the necessity for such drastic action would be alleviated were we to increase our domestic production with a secure trans-Alaska route.

No further exploration in Alaska will occur until industry is certain that transportation of new reserves in the immediate future is possible. There are 13 to 15 possible basins for exploration in Alaska that have not been explored. Because of the impending expiration dates on many leases on the North Slope, which, again, the Senator from Texas is familiar with, private investors and oil-producing countries are just not willing to expend the large amounts of capital necessary when the transportation of oil to the lower 48 is in such doubt.

All of these reasons, the balance-of-payments problems, the international security problem, the possibility of impending law suits in Canada, the risks of Canadian control of a trans-Canada pipeline, urge that the most feasible, most direct means of obtaining the Alaskan oil should be pursued. This is the trans-Alaska pipeline.

In testimony before the Senate Interior Committee only yesterday, Thornton F. Bardshaw, president of the Atlantic Richfield Co. stated:

> Each day's delay in bringing Alaskan oil to U.S. markets results in balance of payment loss to the United States of about $5 million. By the early 1980's, the balance of payments loss will be about $10 million per day.

The North Slope's 9.6 billion barrels equal about 25 percent of this country's proved reserves. When the trans-Alaska pipeline is carrying its full capacity of 2 million barrels daily, Alaska will displace about $2.5 billion worth of foreign oil per year. Mr. Bradshaw testified that the effect of the trans-Alaska pipeline on this Nation's balance of trade between 1977 and 1987 would be $20 to $30 billion for oil alone. Natural gas would, of course, increase this and offset our balance-of-payments problems. He concluded:

> The projected loss in 1980 trade deficits for each 24-hour delay comes to nearly $10 million. This means that the American taxpayer and consumer of 1980 will suffer an added balance of trade deficit of more than $450 million since the Appeals Court decision of last February 9.

Clearly the trans-Alaska pipeline must be built now. We can afford to wait no longer for the initiation of this project.

EXHIBIT 1

[From the Toronto Daily Star, Feb. 26, 1973]

CANADA MUST HAVE TOTAL CONTROL OF ARCTIC PIPELINE, GORDON SAYS

Walter Gordon, former Canadian finance minister, said last night Canada must have total control of the Mackenzie Valley pipeline if it is built to carry natural gas from the Arctic.

Referring to an international consortium's assurances that Canadians would have majority control of the pipeline company, Gordon, honorary chairman of the Committee for an Independent Canada, insisted on "not just 51 per cent, but complete control."

He told a panel on a CFRB radio show:

"I think we should help the United States. It would be selfish and improper to say to the Americans: 'You can't transfer your own gas from Alaska to the U.S. border.' But we should not agree that if the pipeline is built, it will be on the understanding that Canadian gas or oil must also be transported across the border."

He said the same reason underlies his recent call for a crown corporation to control Canadian oil production: "If we need it for ourselves, then I certainly don't think we should let anyone else have it."

Gordon said he didn't think the United States would retaliate if Canada said it also was worried about a future energy crisis.

"I think we should explain the facts to the Americans," he said.

"If one of those facts is that we really don't believe we have any surplus to take care of our own needs over 50 years, or whatever period you want to say, then I'd be surprised if they would think this was unreasonable."

Gordon said the government body he proposed would buy, not confiscate, U.S. holdings in Canadian oil lands to avoid domestic shortages predicted within 20 to 30 years.

He said the government might start off by investing $500 million a year in this program, then $1 billion annually for 10 years.

"Then if there is a real crisis . . . you can be sure we will be spending a great deal more than that," he said.

"People don't like to think about spending very large amounts of money in advance of a crisis, but I think this time we had better think about it seriously."

He said such a move should not lower living standards.

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

Mr. STEVENS. I am happy to yield.

Mr. TOWER. Could the Senator quote us some figures of the cost of delaying the construction of the Alaska pipeline? It is a phenomenal cost.

Mr. STEVENS. The delay today is costing $5 million daily.

Mr. TOWER. And ultimately this cost will have to be passed along to the consumer?

Mr. STEVENS. It will be. It will have to be passed along to the consumer. The delay we are involved in now is a delay caused by extreme conservationists, who refuse to face the fact that we have spent $12 million in environmental studies and that we have made changes in the pipeline that have increased the cost from $900 million to $3.5 billion to meet their objections. Still they insist on opposing the early construction of the pipeline, which I think ultimately will change this country's policies toward Israel. We will not be able to withstand the leverage of the Arab countries in the period between 1975 and 1979 or 1980 unless we have Alaskan oil available.

Mr. TOWER. May I say I concur with the Senator from Alaska's statement. I think he has made a very comprehensive, instructive, constructive, and, I believe, a dispassionate and realistic statement.

Mr. STEVENS. I thank my colleague from Texas and thank the Senator from Michigan for yielding to me.

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

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the time for the quorum call be charged against the time allotted to the Senator from West Virginia (Mr. ROBERT C. BYRD).

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.

REMOVAL OF INJUNCTION OF SECRECY ON EXECUTIVE F, 93D CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention concerning the Protection of the World Cultural and Natural Heritage, done at Paris on November 23, 1972—Executive F, 93d Congress, 1st session—transmitted to the Senate today by the President of the United States, and that the convention with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention concerning the Protection of the World Cultural and Natural Heritage, done at Paris on November 23, 1972. I transmit also, for the information of the Senate, the report from the Department of State with respect to the Convention.

This Convention creates international machinery for the identification and protection of natural and cultural areas of outstanding universal value which constitute the common heritage of mankind. For this purpose, the Convention es-

tablishes a World Heritage Committee to develop and maintain lists of areas of outstanding importance and a World Heritage Fund to provide international assistance for the protection and conservation of these areas.

While the Convention places basic reliance on the resources and efforts of the States within whose territory these natural and cultural sites are located, it would also provide a means of assisting States which have insufficient resources or expertise in the protection of areas for the benefit of all mankind.

I therefore recommend that the Senate give early and favorable consideration to the Convention submitted herewith and give its advice and consent subject to a declaration for which provision is made under Article 16(2), as explained in the report from the Department of State.

RICHARD NIXON.

THE WHITE HOUSE, *March 28, 1973.*

ORDER FOR RECOGNITION OF SENATORS JACKSON AND MATHIAS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the recognition of the two leaders for their designees under the standing order, the distinguished Senator from Washington (Mr. JACKSON) be recognized for 15 minutes, to be followed by the distinguished Senator from Maryland (Mr. MATHIAS) for not to exceed 15 minutes.

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

PRIVILEGE OF THE FLOOR

Mr. ROBERT C. BYRD. Mr. President, I ask that during the debate on the dollar revaluation bill today, Mr. Richard Fay, a member of the staff of the Subcommittee on Migratory Labor of the Committee on Labor and Public Welfare, be granted the privilege of the floor. I make this request on behalf of the able Senator from Wisconsin (Mr. NELSON).

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

RESCISSION OF REMAINDER OF TIME UNDER SPECIAL ORDER RECOGNIZING SENATOR ROBERT C. BYRD

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to vacate the remainder of my time under the order.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes with statements limited therein to 3 minutes each.

DAMAGE TO THE ENTIRE INDIAN MOVEMENT CAUSED BY EVENTS AT WOUNDED KNEE

Mr. BARTLETT. Mr. President, I have been watching with increasing concern the sequence of events at Wounded Knee, S. Dak.

I am concerned not only because of the potential physical hazards involved in the siege but also because of the harm this action can do to the entire Indian movement.

During my term as Governor of Oklahoma, I felt we made great strides in helping the Indian and in helping the Indian help himself. This was all accomplished through peaceful means. Tribal government, business, and local leaders all worked together to restore to the Indian his proper share of the action and the responsibility which goes with that share.

Incidents such as Wounded Knee can serve only as a setback to that progress.

Regrettably, much of the publicity surrounding this siege at Wounded Knee has tended to glamorize its participants including the recent gesture of Marlon Brando. The Washington Post sympathetically called it a "cry of anguish" in behalf of the Indian. More correctly, it should be termed an insurrection by a very small minority of anarchists. What has not been mentioned is that these anarchists are contesting the democratically elected representative of the Oglala Sioux Tribe—elected representatives who by their constitution are subject to recall by the members of the tribe. Their only claim to renown are criminal records ranging from assault to armed robbery. And I am referring to some of the leaders of the AIM movement.

Naturally, tribes throughout Oklahoma and the country are indignant at this blatant attempt to seize power.

No concession or compromise should be shown these criminals. To do so would not only invite future incidents, but also be a slap in the face to those Indians who have displayed such a high regard for the law and who have worked so hard to bring real progress to the Indian movement.

LEAVE OF ABSENCE

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished senior Senator from North Carolina (Mr. ERVIN), I ask unanimous consent, in conformity with paragraph 1 of rule V of the Senate, that the Senator from North Carolina (Mr. ERVIN) be granted leave of absence from the Senate for the remainder of this week due to the death of a brother.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

INTERCHANGE OF JURISDICTION OF CERTAIN CIVIL WORKS

A letter from the Secretary of the Army and the Secretary of Agriculture giving notice of the intention of the Departments of the Army and Agriculture to interchange jurisdiction of civil works and National Forest lands at Wynoochee Lake project in the State of Washington (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

REPORT ON AIR FORCE MILITARY CONSTRUCTION CONTRACTS

A letter from the Secretary of the Air Force transmitting, pursuant to law, a report on the Air Force military construction contracts awarded by the Department of the Air Force without formal advertisement for the period July 1, 1972, through December 31, 1972 (with an accompanying report). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to provide for more effective utilization of officers of the uniformed services (with accompanying papers). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes (with accompanying papers). Referred to the Committee on Armed Services.

STATUS OF THE ALL-VOLUNTEER FORCE AND THE END OF THE DRAFT

A letter from the Acting Assistant Secretary of Defense transmitting a special report concerning the status of the all-volunteer force and the end of the draft (with an accompanying report). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation entitled "The Flood Disaster Protection Act of 1973" (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE DEPARTMENT OF AGRICULTURE

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to transfer from the Agricultural Credit Insurance Fund to the Rural Housing Insurance Fund the assets, rights, and liabilities of the Government with respect to those few farm labor housing loans and rural rental housing loans that were insured through the Agricultural Credit Insurance Fund prior to the establishment of the Rural Housing Insurance Fund in 1965 (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

PRESERVATION OF ESSENTIAL RAIL TRANSPORTATION SERVICES

A letter from the Secretary of Transportation transmitting, pursuant to law, a full and comprehensive plan for the preservation of essential rail transportation services in the Northeast section of the Nation (with an accompanying report). Referred to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend certain laws affecting the Coast Guard (with accompanying papers). Referred to the Committee on Commerce.

REPORT OF THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1972 (with an accompanying report). Referred to the Committee on Commerce.

REPORT BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting, pursuant to law, a report entitled "Activities Relating to Title II of the Ports and Waterways Safety Act of 1972" (with an accompanying report). Referred to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to give effect to the International Convention on Conduct of Fishing Operations in the North Atlantic, signed at London under date of June 1, 1967, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

REPORTS OF THE AMERICAN ACADEMY OF ARTS AND LETTERS AND THE NATIONAL INSTITUTE OF ARTS AND LETTERS

A letter from the Executive Director of the National Institute of Arts and Letters transmitting pursuant to law, reports of the American Academy of Arts and Letters and the National Institute of Arts and Letters (with accompanying reports). Referred to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Acting Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to provide for the extension of the Developmental Disabilities Services and Facilities Construction Act, and for other purposes (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

ORDER BY THE POSTAL RATE COMMISSION

A letter from the Secretary of the Postal Rate Commission transmitting, pursuant to law, an order by the Postal Rate Commission promulgating rules governing evidentiary and filing requirements in rate and classification cases (with accompanying papers). Referred to the Committee on Post Office and Civil Service.

PROPOSED LEGISLATION BY THE VETERANS' ADMINISTRATION

A letter from the Administrator of Veterans' Affairs transmitting a draft of proposed legislation to provide for the conversion of Servicemen's Group Life Insurance to Veterans' Group Life Insurance, and for other purposes (with accompanying papers). Referred to the Committee on Veterans' Affairs.

PRINTING OF REPORT ON SERVICES AS A SENATE REPORT (S. REPT. NO. 93–94)

Mr. KENNEDY. Mr. President, the Subcommittee on Federal, State, and Community Services of the Special Committee on Aging recently issued a report, "The Rise and Threatened Fall of Service Programs for the Elderly."

The report has attracted considerable interest; it deals with social services available under several titles of the Security Act; and it comments on regulations now under consideration by the Department of Health, Education, and Welfare.

To meet the demands for copies, and to assure that libraries and Government agencies have a supply, I ask unanimous consent that it be published as a Senate report.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. HUMPHREY:

S. 1403. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications centers to make the national emergency telephone number 911 available throughout the United States. Referred to the Committee on Commerce.

S. 1404. A bill to amend title 39, United States Code, with respect to the financing of the cost of mailing certain matter free of postage or at reduced rates of postage, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. BIBLE:

S. 1405. A bill for the relief of Angel C. Alonso and Daisy Santa Maria Alonso. Referred to the Committee on the Judiciary.

By Mr. BAKER:

S. 1406. A bill to amend the Highway Safety Act of 1966, title 23, United States Code, section 401 et seq., and for other purposes. Referred to the Committee on Commerce.

By Mr. BURDICK:

S. 1407. A bill to amend the Interstate Commerce Act in order to give the Interstate Commerce Commission certain authority over railroad car service when an emergency is or may be imminent. Referred to the Committee on Commerce.

By Mr. HARTKE:

S. 1408. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

By Mr. McINTYRE:

S. 1409. A bill to amend and extend the Economic Stabilization Act of 1970. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. McINTYRE (for himself, Mr. SPARKMAN, and Mr. TOWER) (by request):

S. 1410. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. McGOVERN (for himself and Mr. ABOUREZK):

S. 1411. A bill to authorize the Sisseton and Wahpeton Sioux Tribe of the Lake Traverse Reservation to consolidate its landholdings in North Dakota and South Dakota, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. McGOVERN (for himself and Mr. ABOUREZK):

S. 1412. A bill to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota. Referred to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

S. 1413. A bill to increase the authorization for fiscal year 1974 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. Referred to the Committee on Labor and Public Welfare.

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

S.J. Res. 85. Joint resolution to abolish the commission authorized to consider a site and plans for building a national memorial stadium in the District of Columbia. Referred to the Committee on the District of Columbia.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 1403. A bill to amend the Communications Act of 1934 to provide grants to States and units of local government for the establishment, equipping, and operation of emergency communications centers to make the national emergency telephone number 911 available throughout the United States. Referred to the Committee on Commerce.

EMERGENCY TELEPHONE ASSISTANCE

Mr. HUMPHREY. Mr. President, today I am introducing legislation to provide for a single, nationwide emergency telephone number. This bill would assist States and local governments in financing the costs incidental to establishing this emergency service.

Mr. President, the Congress has recently been concerned with helping the victims of crime. We have considered legislation to compensate those that have received physical abuse at the hands of criminals. I have proposed a bill providing for group life insurance and death benefits for policemen, firemen, and prison guards. All of these proposals demonstrate a national concern for the victims of crime and are long overdue.

Yet we in Congress often overlook simple, practical proposals that might prevent our citizens from becoming victims of crime. A nationwide three-digit telephone number is an idea that can be implemented immediately. It could save the vital seconds that are so crucial during an emergency.

Mr. President, this idea is not new. Today about 22 million Americans are enjoying the luxury of a single emergency number. The "911" service has been in operation in some areas since 1968. The commanding officer of the Communications Division of the New York City Police Department has reported that "911" gives the citizen access to the police with unprecedented speed. He is quoted as saying:

It has proven to be one of the great successes in law enforcement.

London, England, has had an emergency number since 1937. This service is

at least partially responsible for the higher rate of criminal apprehensions in Great Britain as compared to the United States. Similarly, Great Britain has a better method of turning in fire alarms which has resulted in a death rate from fires four times lower than our own.

Something must be done. The St. Louis directory lists 161 emergency numbers on one page. Our own area, the District of Columbia, has at least 45 emergency numbers. Los Angeles County has 50 numbers for police alone. It is impossible for most Americans to memorize the emergency numbers in their area. Even if they did, the 25 million Americans who move every year would have to go through the process again.

Dialing "O" for operator may be the most simple way to get assistance, but it is not the fastest. One often has to wait a long time for the operator to answer and then must wait again while the operator relays the call or information desired. Emergency calls constitute only a minor fraction of about 1 percent of the operator's daily work. Consequently, they cannot be expected to respond as fast as someone trained especially for emergencies.

Mr. President, since 1967 my colleague in the Congress, Representative J. EDWARD ROUSH, has taken the lead in advocating a uniform, emergency nationwide telephone number. As a result of his efforts his hometown of Huntington, Ind., became the first in the Bell System to adopt "911" service. Five years later, only 10 percent of our population is enjoying the benefits of quick and expert assistance in cases of crime, accident, poisoning, fire, and other emergencies.

In 1970, the Franklin Institute Research Laboratories with the National Science Foundation undertook a study to determine if a need existed for a single emergency telephone number and if the implementation of such a system were feasible. In their report they noted a lengthy questionnaire that had been sent to a select group of metropolitan fire and police chiefs, sheriffs, poison control centers, and smalltown police and fire chiefs. The results were as follows:

A study of responses to questionnaires and discussions with persons in all phases of emergency work have led FIRL to conclude that a single emergency telephone number is feasible and should be implemented nationally.

The legislation I am proposing today would make it possible for all areas of the country to receive the benefits, in terms of life and well-being, of a national emergency telephone number.

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

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

S. 1403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Communications Act of 1934 is amended by adding at the end thereof the following new part:

"PART V—GRANTS FOR EMERGENCY COMMUNICATIONS CENTERS ESTABLISHED TO MAKE AVAILABLE THE NATIONAL EMERGENCY TELEPHONE NUMBER 911

"FINDINGS AND PURPOSE

SEC. 399A. (a) Congress finds that (1) there is a need to establish a single emergency telephone number of the United States so that its citizens during times of emergency may easily obtain rapid assistance; (2) efforts are underway to establish 911 as that number; (3) State and local governments need Federal assistance to enable them to cooperate in establishing such number.

"(b) It is the purpose of this part to assist State and local governments in establishing 911 as the emergency telephone number by providing grants for the establishment, equipping, and operation of emergency communications facilities to be used to make such number available in the areas served by such centers.

"AUTHORIZATION OF GRANTS

"SEC. 399B. (a) The Commission is authorized to make grants under this part to assist State governments and units of general local government in meeting the costs of establishing, equipping, and operating emergency communication centers to make the national emergency telephone number 911 available in the areas served by such emergency facilities. Grants under this part shall be allocated by the Commission among the States on such basis as the Commission determines will most effectively carry out the purposes of this part.

"ADMINISTRATIVE PROVISIONS

"SEC. 399C. (a)(1) The amount of any grant made under this part to establish, equip, and operate an emergency communications facility shall not exceed one-half the cost (as determined in accordance with regulations prescribed by the Commission) of establishing, equipping, and operating such center.

"(2) Not more than one-third of any grant made under this part may be expended for the compensation of personnel. The amount of any such grant expended for the compensation of personnel shall not at any time exceed the amount of State or local funds actually expended for the compensation of personnel employed in such center.

"(3) No part of any grant made under this part may be used for the acquisition of land on which a communications center is to be established.

"(4) Grants under this part may be paid in advance or by way of reimbursement, and at such intervals, as the Commission may determine, and adjustments shall be made for overpayments and underpayments.

"(b)(1) Each recipient of assistance under this part shall keep such records as the Commission shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Commission and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for purposes of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this part.

"(c) The Commission may arrange with and reimburse the heads of other Federal departments or agencies for the performance of any of its functions under this part.

"(d) The administration may prescribe such regulations as it determines are necessary to carry out the purposes of this part.

"DEFINITIONS

"SEC. 399D. As used in this part—

"(1) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 399E. For the purpose of making grants under this part, there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1974; and $7,500,000 for the fiscal year ending June 30, 1975."

By Mr. HUMPHREY:

S. 1404. A bill to amend title 39, United States Code, with respect to the financing of the cost of mailing certain matter free of postage or at reduced rates of postage, and for other purposes. Referred to the Committee on Post Office and Civil Service.

EDUCATIONAL AND CULTURAL POSTAL AMENDMENTS

Mr. HUMPHREY. Mr. President, I am today introducing the Educational and Cultural Postal Amendments of 1972. This is a bill to amend the Postal Reorganization Act of 1970 to deal with the current crisis affecting access by the American public to magazines, books, small newspapers, and other educational and cultural materials, especially through public, school, and college libraries. The Post Office and Civil Service Committee has scheduled hearings on bills relating to this subject on April 2 and 3.

I do not use the word "crisis" lightly. As a result of the first proceeding before the Postal Rate Commission under the Postal Reorganization Act, a new schedule of postal rates was established to take effect over a period of years beginning July 6, 1972. This schedule provides for rate increases of a kind never before experienced in the entire history of the postal service in this country.

Let me give a few examples:

Rates on magazines and newspapers published by educational and other nonprofit orgnizations would be increased over a 10-year period by 255 percent.

Rates on materials sent in interlibrary loans among libraries and other educational institutions would be increased over a 10-year period by 130 percent.

Rates on regular magazines and newspapers in second class would be increased over a 5-year period by 126 percent.

Rates on books, educational films, and other educational cultural materials would be increased over a 5-year period by 70 percent.

These increases are of a magnitude which is bound to have a catastrophic effect on the creation of these informational, educational, and cultural materials, and the access to these materials directly and through our libraries and educational institutions.

The impact on libraries is multiplied several fold by the simultaneous proposal of the administration to completely eliminate for fiscal 1974 the several library and educational materials programs of the Federal Government, programs which in the fiscal year 1972 received some $200 million.

Many Members of the Senate were concerned in 1970 about what would happen to the distribution of informational, educational, and cultural materials

through the mails under the Postal Reorganization Act. However, there was no indication 3 years ago that the rate increases under the new system would be of such incredible magnitudes. For example, in the Senate Committee report on the reorganization bill the following passage occurs as an illustration of rate increases which the committee thought might be expected under the new legislation.

Notwithstanding its rejection of a proposal to impose its views on the new Postal Service by law, the committee agreed that this report should specifically express committee concern over the rates to be established for certain classes of mail. Accordingly the committee alerts the Rate Commission established by this bill to the public service which certain preferred rates have historically performed.

Reduced rates for within-county newspapers, for libraries, for books, and for associations of rural electrification co-ops were enacted for very good reason—that the public generally benefits from such rates. Additionally, the Rate Commission should take into account the preferential rates for the mailings of authorized non-profit organizations . . .; and the rates of classroom publications, . . .

The committee does not believe that small incremental increases in rates spread out over 5 and 10 year periods will be detrimental to mail matter allowed preferential rates because they contribute to the public welfare. But the Rate Commission should be aware of this special problem as it assembles its schedules of rates and fees.

Despite this assurance, there was enough uneasiness in the Senate on the potential impact of the legislation on the distribution of these materials that the Senate by unanimous vote agreed to a floor amendment by the majority and minority leaders, Mr. MANSFIELD, and Mr. SCOTT. This amendment, now in the law, requires that the rates on books, educational films, and other materials in the so-called special fourth-class rate and the library rate be uniform for the entire country. As the sponsors of the amendment stated, the amendment at least guaranteed equal access by the American public to these materials regardless of how far they might live from publishing centers, largely in the East.

We now have had enough experience with postal operations under the reorganization act to realize that the Congress must face once more, in the light of present facts, its responsibilities relating to the impact of increased postal rates on the educational, scientific, cultural, and political life of this country. As a result of oversight hearings in the Post Office and Civil Service Committee of the House of Representatives in 1972 on the operation of the Postal Reorganization Act, two principal bills have been introduced in the House, both by members of the House committee. The Udall bill (H.R. 4128) seeks to ameliorate the present crisis in five ways:

First, by providing special lower rates—to help small-volume periodicals and newspapers—for the first 250,000 pieces in each publication issue of regular second-class publications.

Second, by spreading the full regular second-class rate increases over a period of 10 years rather than 5, the same 10-year adjustment period now provided for nonprofit second-class periodicals and newspapers, for nonprofit third-class materials, and for the interlibrary loan rate in fourth class.

Third, by providing that costs for any rate increases for nonprofit periodicals and newspapers after July 1, 1974, be borne 50 percent by increased rates and 50 percent by appropriations.

Fourth, by providing that regular rate second-class periodicals and newspapers also benefit by this 50–50 sharing of increased costs, but only with respect to any further rate increases which may result from future actions of the Postal Rate Commission and the Board of Governors.

Fifth, by providing that the intent of the Congress that rate increases under the Postal Reorganization Act are spread out over a period of years be guaranteed, through a provision which protects this transitional period from the vagaries of recommendations in the budget.

The second bill in the House of Representatives by Congressman WILLIAM D. FORD and several cosponsors (H.R. 528) is identical with the Udall bill on all five of these points. However, it goes further, and extends the relief given for the distribution of periodicals and newspapers to books, educational films, and other educational and cultural materials in the special fourth-class category. It also provides that there be written into the Postal Reorganization Act a specific provision that the Postal Rate Commission must take into account in recommending rates the "educational, cultural, scientific, and informational value to the recipient of mailed materials." This provision is included because, despite a clear legislative history and a finding by the hearing examiner that the Congress wished the Postal Rate Commission to give special attention to the impact of increased rates on these materials, the Postal Rate Commission and the Board of Governors gave only lipservice to this congressional intent. My bill is identical to the Ford bill, except for technical drafting changes.

In the Senate there is also a bill pending by the Senator from Massachusetts (Mr. KENNEDY) and several cosponsors (S. 842). This bill is similar to the Udall bill in the House except that it does not contain the provision relating to the 50-percent ceilings on future rate increases for nonprofit and regular rate periodicals and books. The Kennedy bill also differs from the Ford bill in the House in that it contains no other provisions relating to books and other educational and cultural materials in special fourth class.

I welcome cosponsorship of my bill by other Members of the Senate. I think all Senators are beginning to hear from their States concerning the crisis faced by our libraries of all kinds. If the President's budget recommendations for fiscal 1974 are carried out—either by an actual reduction in appropriated funds or by subsequent withholding of appropriated funds by the administration—the impact on libraries and educational systems will, to repeat, be catastrophic. For example, I am told that the American Library Association now estimates that if the President's budget recommendations on library programs are adopted at least 2,000 public librarians will lose their jobs on July 1, 1973. The prospect for my State is a loss of 150 public librarians, great cuts in mail and bookmobile services, and tens of thousands of volumes of current books not acquired.

I hope that the Congress will reinstate these library and educational materials funds and also enact legislation limiting the blanket power claimed by the administration to impound appropriated funds. However, that issue may come out, we must also consider the impact of the present schedule of postal rate increases on the functioning of our school, public, and college libraries and our entire educational system. Testimony by the American Library Association in the first postal rate proceeding indicates that some 50 percent of the receipts of books by libraries and college stores came through the mail, and the special fourth class postage charges are paid by the recipient. In the case of small libraries the volume of materials received through the mails is closer to 90 percent. The library association testimony also clearly shows that each dollar increase in postal charges will result in similar decreases in the amount of funds available for acquiring up-to-date materials for library collections.

I intend to present in the hearings before the Post Office and Civil Service Committee estimates of the cost of the several provisions in my bill, after having an opportunity to consult with the Postal Service. I can say now, however, that the cost of the key provision relating to the stretching out of the transition period for rate increases on other special fourth class educational and cultural materials is relatively modest.

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

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

S. 1404

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 "Educational and Cultural Postal Amendments of 1973".

SEC. 2. (a) Section 3626 of title 39, United States Code, is amended—

(1) by inserting "(a)" immediately before "If the rates of postage for any class of mail or kind of mailer";

(2) by striking out "with annual increases as nearly equal as practicable, so that—" and inserting in lieu thereof "with annual increases as nearly equal as practicable for mail under former sections 4421, 4422, and 4452 and with biennial increases (after 1972) as nearly equal as practicable for mail under former sections 4358, 4359, and 4454 so that—";

(3) by inserting "(and the ninth year in the case of mail under former section 4358)" immediately after "tenth year" in paragraph (1);

(4) by deleting "4359" and "4554(a)" in paragraph (2);

(5) by deleting the word "and" at the end of paragraph (1), deleting the period at the end of paragraph (2) and inserting in lieu of the period a semicolon and the word "and", and adding immediately below paragraph (2) the following new paragraph (3):

"(3) the rates for mail under sections 4359 and 4554(a) shall be equal, on and after the

first day of the ninth year following the effective date of the first rate decision applicable to that class or kind concerned, to the rates that would have been in effect for such mail, if this subsection had not been enacted.";

(6) by adding immediately after "unless he files annually with the Postal Service a written request for permission to mail matter at such rates." the following new sentence: "Notwithstanding any other provision of this section, rates established by the Postal Service for the first 250,000 pieces of each issue of a publication of any class or kind authorized to be mailed under former sections 4358 and 4359 of this title shall not exceed 66⅔ per centum of the otherwise applicable temporary or permanent rate then in effect."; and

(7) by adding at the end of such section the following new subsections:

"(b) Notwithstanding any other provision of this title, the revenues received from any increase in rates for mail under former section 4358 required by the provisions of this chapter after July 6, 1972, if this subsection (b) had not been enacted, shall not exceed 50 per centum of the amount that would otherwise be received from any increase in rates for such class.

"(c) Notwithstanding any other provision of this title, the revenues received from any increase in rates for mail under former section 4359 and 4554(a) established in any proceeding under the provisions of this chapter instituted after July 6, 1972, if this subsection (c) had not been enacted, shall not exceed 50 per centum of the amount that would otherwise be received from any increase in rates for such classes.".

(b) The changes in exising law made by this section shall become effective on such date (not later than the ninetieth day after the date of enactment of this Act), published in the Federal Register by the United States Postal Service, as the Postal Service shall determine.

SEC. 3. Section 2401 of title 39, United States Code, is amended—

(1) by deleting in subsection (b)(1) "there are authorized to be appropriated to the Postal Service the following amounts:" and inserting in lieu thereof "the Secretary of the Treasury, at the beginning of each fiscal year, shall credit to the Postal Service Fund, out of any moneys in the Treasury not otherwise appropriated, the following amounts:";

(2) by deleting in subsection (b)(1)(A) "1972" and inserting in lieu thereof "1974"; and

(3) by amending subsection (c) to read as follows:

"(c) At the beginning of each fiscal year, the Secretary of the Treasury shall credit to the Postal Service Fund, out of any moneys in the Treasury not otherwise appropriated, such sums as may be determined by the Postal Service annually to be equal to the difference between the revenues the Postal Service would have received if sections 3217, 3403–3405, and 3626 of this title and the Federal Voting Assistance Act of 1955 had not been enacted and the estimated revenues to be received on mail carried under such sections and Act. Determinations by the Postal Service under this subsection (c) shall be subject to verification by the Comptroller General of the United States.".

SEC. 4. Section 3622 of title 39, United States Code, is amended—

(1) by striking out the word "and" immediately following the semicolon at the close of paragraph (7);

(2) by renumbering paragraph (8) as paragraph (9); and

(3) by inserting immediately below paragraph (7) and above the renumbered paragraph (9) the following new paragraph (8):

"(8) the educational, cultural, scientific, and informational value to the recipient of mailed materials; and".

By Mr. BAKER:

S. 1406. A bill to amend the Highway Safety Act of 1966, title 23, United States Code, section 401 et seq., and for other purposes. Referred to the Committee on Commerce.

Mr. BAKER. Mr. President, I sent to the desk for appropriate referral the administration's proposed "Highway Safety Act of 1973."

The introduction of this bill is most timely because the full Committee on Public Works is scheduled to begin mark-up tomorrow on a bill that will expand the highway safety provisions now in law.

The administration's proposal would carry forward the implementation of the 18 highway safety standards that have been issued, including the proposal of some amendments in sections 402 and 403 of title 23. The bill also earmarks funds for highway safety purposes on Indian reservations.

Mr. President, to give my colleagues a better understanding of this important initiative, I ask unanimous consent that the following items be printed at this point in the CONGRESSIONAL RECORD:

A copy of the proposed administration bill, a section-by-section analysis of that bill, a justification statement prepared by the administration, and a copy of a letter of explanation from Secretary of Transportation Brinegar to the President of the Senate.

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

S. 1406

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 "Highway Safety Act of 1973".

SEC. Subsection (b)(1) of section 402 of title 23, United States Code, is amended by deleting subparagraph (E) and substituting in lieu thereof the following:

"(E) provide for planning, administration, and evaluation of the State program, including (i) identification of the State's highway safety problems, the solutions thereto, and the capability of the State for effecting the solutions: (ii) formulation of objectives for achieving program goals; (iii) development of plans for allocation of resources and specification of steps to achieve objectives; (iv) evaluation of achievements; and (v) revision of the program as necessary to ensure the accomplishment of the purposes of this section."

SEC. 3. (a) Subsection (c) of section 402 of title 23, United States Code, is amended by deleting all that precedes "75 per centum in the ratio which the population" and inserting in lieu thereof the following:

"(c) Funds authorized to be appropriated to carry out this section shall be used to aid the States, and Indian tribes that have recognized governing bodies that perform governmental functions, to conduct the highway safety programs approved in accordance with subsection (a), including the training of personnel required to implement the highway safety programs, and the conducting of demonstration programs that the Secretary determines will contribute directly to the reduction of accidents, and deaths and injuries resulting therefrom. Such funds shall be subject to a deduction not to exceed 5 per centum for the necessary costs of administering the provisions of this section, and the remainder shall be apportioned among the several States, and such Indian tribes. One-half of 1 per centum of the funds authorized to be appropriated to carry out this section shall be apportioned to the Secretary of Interior for allocation to such Indian tribes. The Secretary of Transportation shall prescribe regulations for the division of the funds among such Indian tribes, The funds available for apportionment to the States shall be apportioned".

(b) Subsection (c) of section 402 of title 23,, United States Code, is amended by inserting immediately after the third sentence the following:

"Public road mileage as used in this subsection shall be determined as of the end of the calendar year preceding the year in which the funds are apportioned and shall be certified by the Governor of the State and subject to approval by the Secretary."

(c) Subsection (c) of section 402 of title 23, United States Code, is amended by deleting the fifth and sixth sentences and substituting in lieu thereof the following:

"The Secretary shall not apportion any funds under this subsection to any State which is not implementing a highway safety program approved by the Secretary in accordance with this section. Whenever he determines it to be in the public interest, the Secretary may suspend, for such periods as he deems necessary, the application of the preceding sentence to a State. If the Secretary so suspends, he shall apportion the funds that would otherwise be available to a State under this section only to the extent, as determined by the Secretary, that such State is implementing a highway safety program approved by him in accordance with this section. The Secretary shall apportion to the State the funds withheld from apportionment if he determines that such State has begun implementing an approved program during the fiscal year for which the funds were withheld. If the State does not begin implementation in such time, the Secretary shall reapportion the withheld funds to the other States as part of the ensuing apportionment for the next fiscal year in accordance with applicable provisions of law. Federal-aid highway funds apportioned to any State which is not implementing a highway safety program approved by the Secretary in accordance with this section shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to such State under section 104 of this title, until such time as such State is implementing an approved highway safety program."

SEC. 4. (a) Subsection (d) of section 402 of title 23, United States Code, is amended by deleting the period at the end of the first sentence and inserting in lieu thereof the following: "and except that, in the case of a local highway safety program carried out by an Indian tribe, if the Secretary of Transportation is satisfied that the Indian tribe does not have sufficient funds available to meet the non-Federal share of the cost of such program, he may increase the Federal share of the costs thereof payable under this chapter to the extent necessary."

(b) Section 402 of title 23, United States Code, is amended by adding at the end thereof a new subsection (i), as follows:

"(i) For the purpose of the application of this chapter to Indian tribes that have recognized governing bodies that perform governmental functions, such tribes shall together be considered to be a 'State' and the Secretary of the Interior shall be considered to be the 'Governor' of that State: *Provided,* That, notwithstanding the provisions of subparagraph (C) of (b)(1) hereof, 95 per centum of the funds apportioned to the Secretary of the Interior shall be expended by such tribes to carry out highway safety pro-

grams within their jurisdictions: *And provided further*, That the standards promulgated under this section shall be applicable to individual Indian tribes only to the extent determined appropriate by the Secretary of Transportation."

SEC. 5. Section 403 of title 23, United States Code, is amended to read as follows:

The Secretary is authorized to use funds appropriated to carry out this section to carry out safety research which he is authorized to conduct by subsection (a) of section 307 of this title. In addition, the Secretary may use the funds appropriated to carry out this section, either independently or in cooperation with other Federal departments or agencies, for making grants to or contracts with State or local agencies, institutions, and individuals for (1) training or education of highway safety personnel, (2) research fellowships in highway safety, (3) development of improved accident investigation procedures, (4) emergency service plans, (5) demonstration projects, and (6) related activities which are deemed by the Secretary to be necessary to carry out the purposes of this section. The Secretary may, where he deems it to be in furtherance of the purposes of this chapter, vest in State or local agencies, on such terms and conditions as he deems appropriate, title to equipment purchased for demonstration projects with funds authorized to be appropriated to carry out this section.

SEC. 6. Subsection (a) (1) of section 404 of title 23, United States Code, is amended by inserting immediately after "Federal Highway Administrator," the following: "the National Highway Traffic Safety Administrator,".

SEC. 7. Section 106 of the Highway Safety Act of 1966 (80 Stat. 735) is amended by deleting the first sentence and substituting in lieu thereof the following:

"No portion of any statement or information relating to a highway crash that has been furnished by an individual to the Secretary pursuant to research conducted under section 403 of title 23, United States Code, and no portion of any research report of the Secretary relating to such crash or the investigation thereof pursuant to research conducted under section 403 shall be admissible in any subsequent criminal, civil, or administrative proceeding, except administrative proceedings conducted by the National Transportation Safety Board under section 5(b)(1) of the Department of Transportation Act or by the Department of Transportation under section 103 of the National Traffic and Motor Vehicle Safety Act."

SEC. 8. The first sentence of subsection (a) of section 202 of the Highway Safety Act of 1966 (80 Stat. 736) is amended by deleting "March 1" and substituting in lieu thereof the following: "July 1".

SEC. 9. The following sums are hereby authorized to be appropriated:

(a) $150,000,000 for the fiscal year ending June 30, 1975, out of the Highway Trust Fund, for carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the National Highway Traffic Safety Administration.

(b) $30,000,000 for the fiscal year ending June 30, 1975, out of the Highway Trust Fund, for carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the Federal Highway Administration.

(c) Such funds as are necessary, out of the Highway Trust Fund, for carrying out section 403 of title 23, United States Code (relating to highway safety research and development), by the National Highway Traffic Safety Administration.

(d) Such funds as are necessary, out of the Highway Trust Fund, for carrying out sections 307(a) and 403 of title 23, United States Code (relating to highway safety research and development), by the Federal Highway Administration.

SECTION-BY-SECTION ANALYSIS OF DRAFT BILL TO AMEND THE HIGHWAY SAFETY ACT OF 1966

Section 2. This section amends subsection (b)(1) of section 402, United States Code, to delete the express requirement for inclusion in each State's comprehensive program of a driver education program and to add the requirement for the inclusion in the comprehensive program of provisions for planning, administration, and evaluation. This amendment clarifies the Secretary's authority to require the planning, administration, and evaluation activities as a precondition to Secretarial approval of the program and limits subsection (a) of section 402 to substantive program requirements and subsection (b) of that section to administrative requirements. The amendment leaves unchanged the requirement in subsection (a) for the promulgation of a driver education standard.

Section 3. Paragraph (a) of this section amends subsection (c) of section 402 of title 23, United States Code, to authorize expressly the expenditure of section 402 Federal funds for the training of personnel required to implement the highway safety programs, and the conducting of demonstration programs that the Secretary determines will contribute directly to the reduction of accidents, and deaths and injuries resulting

* * * * *

Paragraph (c) of this section amends subsection (c) of section 402 of title 23, United States Code, to authorize the Secretary to suspend, when he deems it to be in the public interest, and for such periods as he deems necessary, the prohibition in that subsection against his apportioning any section 402 Federal funds to a State that is not implementing a section 402 program approved by him.

If the Secretary suspends the prohibition with regard to a particular State, he is authorized by this amendment to apportion the funds that would otherwise have been available to the State under section 402 only to the extent, as determined by the Secretary, that such State is implementing a highway safety program approved by him in accordance with section 402. The Secretary is required to apportion to the State the funds withheld from apportionment if he determines that the State has begun implementation of a fully approved program during the fiscal year for which the funds were withheld. If the State does not begin such implementation during that fiscal year, the Secretary is required to reapportion the withheld funds to the other States as part of the ensuing apportionment for the next fiscal year in accordance with applicable provisions of law.

Section 4. Paragraph (a) of this section amends subsection (d) of section 402 of title 23, United States Code, to authorize the Secretary to increase, to the extent necessary, the Federal share of the costs to an Indian tribe of implementing a section 402 program if he is satisfied that the tribe cannot meet its share of such costs.

Paragraph (b) of this section amends section 402 by adding a new subsection "(l)" providing that, for the purpose of chapter 4 of title 23, Indian tribes having recognized governing bodies that perform substantive governmental functions shall together be considered to be a "State" and the Secretary of the Interior shall be considered to be the "Governor" of that State. To ensure that the tribes derive the maximum benefit from the funds apportioned to the Secretary of the Interior, this amendment requires that 95 per centum of the funds shall be expended by the tribes for section 402 programs within their jurisdictions. This amendment also provides that the program standards shall apply to particular Indian tribes only to the extent deemed appropriate by the Secretary.

Section 5. This section makes two amendments to section 403 of title 23, United States Code. First, it amends section 403 to authorize the Secretary to perform any of the research and development activities authorized by the section through the giving of grants. The use of grants under the section appears presently to be limited to the conduct of training projects for highway safety personnel. The expanded grant authority supplements the Secretary's current authority to contract for the performance of any of the section 403 activities.

Second, this section amends section 403 to authorize the Secretary, where he deems it to be in furtherance of the purposes of chapter 4 of title 23, to vest in State or local governments, on such terms and conditions as he deems appropriate, title to equipment purchased for demonstration projects by such government with funds authorized to be appropriated to carry out section 403. The equipment is to be transferred subject to the condition that it be used for carrying out the purposes of chapter 4.

Section 6. This section amends subsection (a)(1) of section 404 of title 23, United States Code, to provide expressly that the Administrator of the National Highway Traffic Safety Administration is a member of the National Highway Safety Advisory Committee.

Section 7. This section amends section 106 of the Highway Safety Act of 1966 (80 Stat. 735) to prohibit the admission into evidence of any portion of any statement or information relating to a highway crash that has been furnished by any individual to the Secretary pursuant to section 403 of title 23 or of any portion of any report of the Secretary relating such crash or investigation thereof pursuant to section 403, in any subsequent criminal, civil or administrative proceeding, except administrative proceedings held by the National Transportation Safety Board under section 5(b)(1) of the Department Act and administrative proceedings held by the Department of Transportation under section 103 of the National Traffic and Motor Vehicle Safety Act. With respect to proceedings other than the expressly exempted proceedings of the Board and this Department, this amendment eliminates the requirement in section 106 for the admissibility of facts contained in departmental crash reports and the provision that employees or agents of the Department involved in the investigation of an accident may be required to testify as to the facts developed in such investigation. This amendment does not prevent a party or witness to a crash from adducing in any proceeding any statements or information which he may have also previously furnished the Secretary concerning such crash. It simply prevents him or any other person from attempting to use the knowledge of departmental employees or agents concerning those statements or information for evidentiary purposes.

Section 8. This section amends subsection (a) of section 202 of the Highway Safety Act of 1966 (80 Stat. 736) to change the date for the submission to the Congress of the annual report on the administration of the Act from March 1 to July 1.

Section 9. Paragraph (a) of this section authorizes the appropriation, for carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, of $150,000,000 for the fiscal year ending June 30, 1975.

Paragraph (b) of this section authorizes the appropriation, for carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the Federal Highway Administration, out of the Highway Trust Fund, of $30,000,000 for the fiscal year ending June 30, 1975.

Paragraph (c) of this section authorizes the appropriation, for carrying out section 403 of title 23, United States Code (relating to highway safety research and develop-

ment), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, of such funds as are necessary.

Paragraph (d) of this section authorizes the appropriation for carrying out sections 307(a) and 403 of title 23, United States Code (relating to highway safety research and development), by the Federal Highway Administration, out of the Highway Trust Fund, of such funds as are necessary.

STATEMENT OF JUSTIFICATION

Section 2. The Department believes that one of the best uses of section 402 Federal funds would be to improve the effectiveness of all funds, State, local and Federal, spent for highway safety purposes. Since the ratio of Federal dollars to State and local dollars spent for such purposes is only 3:100, the use of Federal funds in this way would produce a multiplier effect and make a contribution to highway safety to an extent far beyond the amount of those funds.

To this end, section 2 of the bill would clarify the Secretary's authority to require that, as a precondition to Secretarial approval of a State program, the program provide for extensive planning, comprehensive administration and evaluation.

This amendment would help ensure that each State could properly synthesize its measures for implementing the standards into a single, cohesive highway safety program. By requiring improved planning, this amendment would also facilitate the coordination of the diverse elements and agencies involved in each State's program.

Section 2 would also amend section 402 so that section 402(a) would contain only substantive program requirements and section 402(b) would contain only administrative requirements. This rearrangement of requirements would be accomplished by deleting subparagraph (E), relating to driver education, from section 402(b) (1). The requirements in that subparagraph were incorporated into a standard on driver education in 1967. Under the proposed revision of the standards, one of the standards, No. 4, would relate solely to traffic safety education. The revised standard would contain upgraded and strengthened requirements for public and private driver education.

Section 3(a). This subsection would amend section 402(c) to authorize expressly the expenditure by the States of section 402 Federal funds for the conduct of manpower training programs necessary for the training of personnel required to implement a highway safety program standard within the States and of demonstration programs that the Secretary determined would contribute directly to the reduction of crashes, and the deaths and injuries resulting therefrom. Section 402(c) expressly authorizes the expenditure of section 402 Federal funds for the implementation of the State highway safety programs under section 402. However, even though section 402 requires or permits the inclusion in the State programs of demonstration projects (402(a)) and certain manpower training programs (e.g., 4042(b)(1)(E)), section 402(g) appears to prohibit the use of section 402 Federal funds for these activities. Section 402(g) provides that such funds may not be used for the research and development activities authorized by section 403. To make it clear that these jointly-authorized activities, which can be characterized as action programs or as research and development programs, may be funded under section 402, this amendment would expand the expressly authorized uses of section 402 funds to include these activities. This would be appropriate since these activities are frequently most effectively directed by the State and local levels of government.

This subsection would also amend section 402(c) to authorize the apportionment of one-half of one per centum of section 402 Federal funds to Indian tribes. A separate apportionment has been proposed since, although American Indians are disproportionately involved in fatal crashes and alcohol-related crashes, their highway safety needs are not being met under section 402. In some cases, this situation results from the position of State governments that they have no jurisdiction over Indian reservations. In others, State governments have concluded that Indian tribes are ineligible for Federal assistance under section 402. In almost all cases, there are a wide variety of factors that complicate relationships between State governments and Indian tribes.

This amendment, in conjunction with section 4 of this bill, would eliminate these obstacles to meeting Indian highway safety needs by providing Federal section 402 funds directly to the tribes through the medium of the Secretary of Interior. Use of the Secretary as the intermediary would substantially reduce administrative costs of providing the assistance by utilizing his Department's existing manpower, expertise and long-established liaisons with the tribes.

Sections 3(b). This subsection would amend section 402(c) to require that public road mileage to be used as a basis for the apportionment under that subsection to be determined as of the end of the calendar year preceding the year in which funds are to be apportioned and be certified by the Governor of the State and subject to the approval of the Secretary. While section 402(c) provides a definition of "public roads" for the purpose of that subsection, it does not ensure uniformity among the States in either the application of the definition or the timing of the determination. The procedures that would be established by this amendment would secure for each State its fair share of apportioned funds.

Section 3(c). To insure that the States implement the standards, section 402(c) prohibits the Secretary from apportioning any section 402 Federal funds to a State that is not implementing a program approved by him. The funds which would otherwise have been apportioned to the nonimplementing States are required to be reapportioned to the implementing States. The Department believes that the withholding in all cases of all funds from a State whose program may be deficient in only one or two standard areas could be counterproductive. This subsection of the bill would improve the effectiveness of the penalty by giving the Secretary more flexibility in assessing it and by enabling the States to recoup withheld funds. The amendment would authorize the Secretary to withhold all or a portion of a State's section 402 Federal funds for the State's failure to implement a fully approved program. Thus, the Secretary could still withhold all of a State's section 402 Federal funds for its nonimplementation of even a single standard. If the State remedied its failure within a specified period of time, it would receive the full amount of funds due it. Otherwise, the withheld funds would be redistributed to the implementing States.

As amended, the penalty authority could be utilized in appropriate cases to obtain implementation more quickly and with minimal dislocation of the financial arrangements of the States' highway safety efforts. The opportunity of the States to obtain immediate benefits from adopting and implementing a fully approved program would substantially increase the incentive to conform with the requirements of section 402.

Section 4. This section complements section 3(a) by providing that for the purposes of chapter 4 of title 23, Indian tribes having recognized governing bodies that perform substantive governmental functions shall together be considered as a "State" and the Secretary of the Interior shall be considered to be the "Governor" of that State. So that the absence of a substantial income would not prevent some tribes from participating in the benefits of this amendment, the Secretary would be authorized to increase the Federal share payable where he determined that tribe could not meet its share of the costs. To ensure that the Indians receive the maximum benefit from the Federal assistance, this amendment would also require that 95 per centum of the funds apportioned to the Secretary of the Interior be expended by the tribes within their jurisdictions. Since some of the highway safety needs of the Indians may be already being satisfied, this amendment provides that the standards shall apply to particular tribes only to the extent deemed appropriate by the Secretary.

Section 5. This section of the bill would expressly authorize the Secretary to perform any of the research and development activities authorized by section 403 through the giving of grants. The use of grants under section 403 appears to be limited to the conduct of training projects for highway safety personnel. The expanded grant authority would supplement the Secretary's current authority to contract for the performance of section 403 activities. In addition to expanding the Secretary's flexibility in implementing section 403, this amendment would also increase the number of persons and firms who would be eligible to perform the research and development activities.

This section of the bill would also authorize the Secretary to transfer, where he deemed it to be in furtherance of the purposes of chapter 4 of title 23, equipment purchased for section 403 demonstration projects to participating State and local governments. This authority would be especially important where the equipment had become an integral part of a project that a State desires to continue as part of its section 402 program. An example of such equipment would be communications equipment acquired for emergency medical services demonstration projects that would otherwise have to be replaced, probably with section 402 Federal funds, if the State were to continue such services. This amendment would ensure that the participating government would retain possession of the equipment and thereby prevent dislocation of the highway safety activities dependent upon the equipment.

Section 6. This section would expressly add the National Highway Traffic Safety Administrator to the National Highway Safety Advisory Committee. Such addition would be appropriate since the National Highway Traffic Safety Administration shares with the Federal Highway Administration the responsibility for administering the Highway Safety Act.

Section 7. Pursuant to the Highway Safety and National Traffic and Motor Vehicle Safety Acts, multidisciplinary accident investigation teams have been established to conduct in-depth studies of motor vehicle crashes. The data collected by the teams are being used to develop a reliable and extensive data base concerning the causes and effects of such crashes. The data have already contributed to the identification of several of the most common vehicle defects due to either normal use or lack of maintenance. They have also contributed to the promulgation of Federal motor vehicle safety standards.

The full value of the teams, unfortunately, cannot be realized under the provisions of section 106 of the Highway Safety Act. Despite assurances by the teams that their only purpose is safety research, they have been hampered in their work by the reluctance of parties to crashes to divulge crash information. The instances in which this has occurred are numerous. In a single year, one team was unable to obtain the full or, in many cases, even the partial cooperation of parties to more than 500 crashes. This refusal generally stems from the fear of an individual or of his legal counsel or insurer that his statements to the research team might be used against him in a subsequent proceeding.

The Department believes that it would be in the interest of highway safety to protect

people who voluntarily contribute to safety research so that their very act of public spiritedness does not place them in jeopardy.

To remove the impediments to research and to protect such persons, this section would amend section 106 of the Act to provide that no information furnished the Secretary by an individual concerning a crash and no portion of any report of the Secretary relating to a crash or the investigation thereof would be admissible in any subsequent proceeding, except certain proceedings conducted by the National Transportation Safety Board and the Department of Transportation. Similar restrictions on the use of reports by the Board on any accident or the investigation thereof appear at 49 U.S.C. 1441(e).

The Department believes that enabling the teams to assure parties to accidents and their representatives that their statements will not be used against them will allay their fears. The narrow exception concerning the Board's proceedings would permit this Department to continue to aid the Board in its safety work. The exception for this Department would ensure that the teams could continue to aid the Department in its establishment of Federal motor vehicle safety standards.

Section 8. Section 202(a) of the Act requires that the annual report on the administration of the Act be submitted by March 1 of the following year. However, some of the data necessary for the report are typically not available for analysis until after the date. This information includes many types of data from State agencies, such as detailed information on crashes, and deaths and injuries resulting therefrom. In order to provide adequate time for the preparation of a complete, comprehensive report, section 8 of the bill would change the submission date to July 1.

Section 9. This section would authorize the appropriation from the Highway Trust Fund of $150,000,000 in contract authority for fiscal year 1975 for the implementation of section 402 by the National Highway Traffic Safety Administration. These funds would be available for obligation in 1974. The new authorization is necessary to continue the program for the reduction of this Nation's tragic highway crash toll.

The proposed level of contract authority was determined primarily by the evaluation of the effectiveness of the section 402 program. We have not yet developed and validated ways of cost effectively impacting the target groups in the general population that contribute disproportionately to highway deaths and injuries. Accordingly, we will continue our current level of effort through 1974. In the coming fiscal years, we will be intensifying our continuing evaluative effort to identify cost-effective measures so that we may guide the States and communities in concentrating their efforts. By late spring of this year, we will complete our analysis of the first year of Selective Traffic Enforcement Project data and the second year of Alcohol Safety Action Project data. The analysis of this data will represent the first comprehensive evaluation of these demonstration projects. By fiscal year 1975, we anticipate having gained sufficient knowledge from these and other evaluative efforts to recommend inclusion of certain measures in the State and local programs. Current indications are that these measures will be in the following areas: (1) alcohol countermeasures; (2) selective and intensified traffic enforcement and related adjudication; (3) comprehensive traffic safety education; and (4) improved program planning, administration, and evaluation.

For carrying out section 402 by the Federal Highway Administration, this section would authorize the appropriation of $30,000,000 for fiscal year 1975 out of the Trust Fund. This contract authority would also be available for obligation in fiscal year 1974 and is commensurate with the current knowledge about cost-effective safety measures.

This section would also authorize open-ended funding out of the Trust Fund for the implementation of section 403 by the National Highway Traffic Safety Administration and of sections 307(a) and 403 by the Federal Highway Administration.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 27, 1973.

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

DEAR MR. PRESIDENT: The Department of Transportation is submitting for your consideration and appropriate reference a draft bill "To amend the Highway Safety Act of 1966, title 23, United States Code, section 401 *et seq.* and for other purposes."

Since the enactment of the Highway Safety Act of 1966, the Department has issued 18 highway safety program standards to guide the efforts of the States in solving the problems of highway safety. Recently, the Department proposed to revise and consolidate these standards to increase the effectiveness of these efforts and to improve the program management capability of the States. To assist in the implementation of the programs, the Department has conducted manpower training programs, and developed and demonstrated new techniques for improving highway safety. This combined Federal-State effort is beginning to show benefits. Despite substantial annual increases in the number of drivers, vehicles and total vehicle miles, the rate of highway deaths per one hundred million miles driven has steadily declined to a record low.

The purpose of this legislation is to amend the Act to improve the Department's and the States' effectiveness in promoting highway safety.

To emphasize the need for maximizing the effectiveness of the State highway safety programs, this legislation would expressly require, as a precondition to Secretarial approval of a State program, that the program provide for extensive planning, administration and evaluation measures. This requirement would help to ensure that each State would properly synthesize its measures for implementing all of the standards into a single, cohesive program.

This legislation would amend section 402 so that section 402(a) would contain only substantive program requirements and section 402(b) would contain only administrative requirements. This clear separation of requirements by type would be accomplished by deleting subparagraph (E), relating to driver education, from section 402(b)(1). This amendment would not affect the driver education program since the requirements of subparagraph (E) have already been incorporated into a standard on that subject. A proposal to upgrade the requirements in that standard was published last year.

The Act provides that section 402 Federal funds may not be used for purposes authorized under section 403. This provision has created confusion about the intent of the statute with regard to the expenditure of section 402 funds for purposes which are authorized by both sections. To clarify the statutory intent, this legislation would expressly authorize the use of such funds for manpower training programs, and for demonstration programs that the Secretary determined would contribute directly to the reduction of accidents, and deaths and injuries resulting therefrom.

To clarify and standardize the procedures and criteria for determining the public road mileage to be used as a basis for apportioning Federal assistance under section 402, this legislation would add a requirement that such mileage be determined as of the end of the calendar year preceding the year in which the funds were to be apportioned and be certified by the Governor of the State and subject to the approval of the Secretary.

The Act requires the Secretary not to apportion any funds to a State which is not implementing a program approved by him. The unapportioned funds are to be redistributed to the implementing States. This legislation would improve the effectiveness of the penalty by giving the Secretary more flexibility in assessing it. The Secretary would be authorized to withhold all or a portion of a State's highway safety funds for the non-implementation of an approved program. The State would have the incentive of being able to receive the full amount of funds due it if it remedied its failure within a specified period of time. Otherwise, the withheld funds would be redistributed to the other States.

The problems of highway safety, like many other problems in this country, affect the American Indian disproportionately. The highway fatality rate and the percent of fatal crashes involving alcohol are above the national average. To ensure that the American Indian participates fully in the highway safety program, this legislation would make it clear that under the Act, "State" includes the Indian tribes collectively under the Secretary of the Interior as the "Governor" of that "State". As a "State", the tribes would be eligible to receive Federal funds under section 402.

This legislation would increase the Secretary's flexibility in implementing section 403 by expressly authorizing him to perform any of the research and development activities authorized by that section through the giving of grants. Presently, the giving of grants under section 403 appears to be limited to training projects for highway safety personnel.

This legislation would authorize the Secretary to transfer, where he deemed it to be in furtherance of the Act, equipment purchased for section 403 demonstration projects to participating State and local governments. This authority would be especially useful where the equipment had become an integral part of a project that a State seeks to continue as part of its section 402 program. An example of such equipment would be communications equipment purchased for demonstration projects in emergency medical services that would otherwise have to be replaced, possibly with section 402 Federal funds, if the State were to continue such services.

The Act expressly provides that the Secretary and the Federal Highway Administrator shall be members of the National Highway Safety Advisory Committee. To reflect the joint administration of the Act by the National Highway Traffic Safety Administration and the Federal Highway Administration, this legislation would expressly add the Administrator of the former Administration to the Committee membership.

Multi-disciplinary accident investigation teams, acting under present authority have had difficulty in persuading witnesses and especially parties to accidents to provide information necessary for highway safety research. This legislation would protect persons who are willing to aid the research effort by prohibiting the use of team accident reports as evidence and would thereby facilitate the obtaining of vital crash information.

The Act requires that the annual report on the administration of the Act be submitted by March 1 of the year following the year to which the report relates. However, some of the data necessary for the reports are typically unavailable for analysis until after that date. In order to provide adequate time for the preparation of a complete, compre-

hensive report, this legislation would change the submission date to July 1.

Full financing of the Highway Safety Act out of the Highway Trust Fund would be appropriate since the cost of insuring the safe operation of highway transportation is properly considered an integral part of the cost of highway transportation. Consequently, this legislation would authorize $150,000,000 in contract authority for fiscal year 1975 from the Trust Fund for the carrying out of section 402 of the Act by the National Highway Traffic Safety Administration. For carrying out this section by the Federal Highway Administration, contract authority would be authorized from the Trust Fund in the amount of $30,000,000 for fiscal year 1975. These funds would be available for obligation in fiscal year 1974.

This legislation would also authorize the appropriation of such funds as are necessary out of the Trust Fund for carrying out section 403 by the National Highway Traffic Safety Administration and for carrying out sections 307(a) and 403 by the Federal Highway Administration.

After a careful examination of this proposed legislation, the Department has concluded that no significant environmental impact would result from its implementation.

We urge the prompt introduction and early enactment of this legislation.

The Office of Management and Budget has advised that the enactment of this proposed legislation would be consistent with the program of the President.

Sincerely,

CLAUDE S. BRINEGAR.

By Mr. HARTKE:

S. 1408. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

Mr. HARTKE. Mr. President, today I introduce legislation to give Federal employees the option of choosing social security coverage.

Mr. President, Federal employees represent the single largest group of workers in the United States who have been denied the privilege of obtaining the benefits of the social security system. As the largest single employer in the United States, the Federal Government can ill afford to continue to refuse to permit its employees the same protection as afforded almost all citizens.

Mr. President, I ask that a table listing the number of Federal employees in each State be printed in the RECORD at this point.

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

Federal civilian employment by state—1970

Alabama	54,308
Alaska	14,481
Arizona	27,502
Arkansas	16,561
California	303,536
Colorado	42,314
Connecticut	20,440
Delaware	4,719
District of Columbia	192,918
Florida	69,343
Georgia	73,764
Hawaii	26,338
Idaho	8,155
Illinois	110,726
Indiana	44,447
Iowa	18,067
Kansas	22,329
Kentucky	34,685
Louisiana	27,586
Maine	15,077
Maryland	121,814
Massachusetts	63,481
Michigan	53,436
Minnesota	29,286
Mississippi	20,278
Missouri	65,028
Montana	10,292
Nebraska	15,090
Nevada	8,051
New Hampshire	5,467
New Jersey	65,870
New Mexico	25,051
New York	177,834
North Carolina	37,331
North Dakota	8,051
Ohio	96,922
Oklahoma	52,836
Oregon	24,109
Pennsylvania	137,693
Rhode Island	14,619
South Carolina	29,301
South Dakota	9,251
Tennessee	44,803
Texas	144,666
Utah	38,250
Vermont	3,653
Virginia	138,764
Washington	52,563
West Virginia	13,279
Wisconsin	25,512
Wyoming	5,186
Total, United States	2,665,093

Mr. HARTKE. Mr. President, a Federal employee should be allowed to make the choice as to whether he will come under the social security system in addition to his civil service coverage. In effect, this puts the Federal employee on the same level as a private employee since most private employees get social security coverage in addition to whatever private pension they may have.

New Federal employees would have 2 years from the date of their employment within which to file a certificate indicating their desire for such coverage. Existing employees likewise have 2 years to make such election. This election generally can be retroactive for a 1-year period if the employee so chooses and if he pays the tax due.

In addition in order that employees might have a further opportunity because of changed family or financial conditions or for other good reason to elect coverage, at the end of a 5-year period each employee should have one further chance to elect coverage—there would be 6 months to elect coverage at that point.

The employee should continue to pay the employee tax but there would be no employer's share to be paid. This follows the precedent established in 1965 when coverage was extended to 1½ million individuals who receive earnings in the form of tips and gratuities. At that time, the Chief Actuary of the Social Security Administration testified that extension of social security coverage of these 1½ million individuals was an actuarially sound solution to that coverage problem. This would be equally true of extension of coverage to Federal employees because they are, as a group, generally conceded to be superior risks in terms of insurance actuarial considerations.

This Hartke proposal is supported by the National Association of Letter Carriers, the National Association of Internal Revenue Employees, the National Federation of Federal Employees, and the American Federation of Government Employees. Its cost has been estimated at 0.025 percent of payroll or about $155 million for 1974.

This proposal is actuarially sound. It is in the interest of the employees because it permits them to make the election in their own interest and it is in the interest of the Federal Government, not only from a budgetary point of view, but also because it closes the final large gap of coverage which remains under the social security system.

By Mr. JAVITS:

S. 1413. A bill to increase the authorization for fiscal year 1974 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. Referred to the Committee on Labor and Public Welfare.

AMENDMENT TO JAVITS-WAGNER-O'DAY ACT

Mr. JAVITS. Mr. President, I introduce for appropriate reference a bill to amend Public Law 92–28 to increase the authorized appropriation for fiscal year 1974 from $200,000 to $240,000 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. This legislation was proposed by the administration to the Congress and is consistent with the President's 1974 budget request.

The original cost estimates for operating the committee, when enacted in June of 1971, was based on little actual funding experience. Since the estimates were developed it has been found that an increase of $40,000 is needed in view of recent pay increases, unexpected space rental costs, and higher than expected postage costs. The proposed changes would permit the agency to carry out the duties and functions charged by the Congress so the blind and other severely handicapped will have enhanced opportunities to become self supporting.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 352

At the request of Mr. MCGEE, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 352, the voter registration bill.

S. 368

At the request of Mr. STAFFORD, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 368, the Uniform Services Special Pay Act of 1973.

S. 609

At the request of Mr. MCGEE, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of S. 609, a bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements.

S. 648

At the request of Mr. MCGEE, the Senator from Delaware (Mr. BIDEN) and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 648, to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance the national attack on diabetes.

S. 650

At the request of Mr. PACKWOOD, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 650, to equalize Federal tax treatment of unmarried individuals.

S. 707

At the request of Mr. RIBICOFF, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 707, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

S. 1033

At the request of Mr. PACKWOOD, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1033, the Timber Export Administration Act of 1973.

S. 1199

At the request of Mr. HOLLINGS, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1199, amending the Internal Revenue Code to permit a married couple to deduct certain household and dependent care expenses when one spouse is a full-time student to the same extent that a deduction would be allowable were both spouses employed.

S. 1255

At the request of Mr. MUSKIE, the Senator from Rhode Island (Mr. PASTORE), the Senator from Massachusetts (Mr. BROOKE), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 1255, the Property Tax Relief and Reform Act.

S. 1296

Mr. GRIFFIN. Mr. President, on behalf of the Senator from Arizona (Mr. GOLDWATER), I ask unanimous consent that, at the next printing, the names of the Senator from Minnesota (Mr. MONDALE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) be added as cosponsors of S. 1296, the Grand Canyon National Park Enlargement Act.

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

SENATE JOINT RESOLUTION 21

At the request of Mr. MCGEE, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Joint Resolution 21, a joint resolution to create an Atlantic Union delegation.

REMOVAL OF COSPONSOR OF A BILL

S. 1134

Mr. HATFIELD. Mr. President, I am presently listed as a cosponsor of S. 1134, the Deep Seabed Hard Mineral Resources Act. This is an error, and I ask unanimous consent that the official record be corrected. I am not a cosponsor of this legislation.

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

ORDER FOR A STAR PRINT OF A BILL

Mr. GRIFFIN. Mr. President, due to a clerical error, section 3 of S. 1296 as introduced, entitled Grand Canyon National Park Enlargement Act, contains an error on page 2, lines 15 and 16.

The park area is described as "one million one hundred and sixty-three thousand seven hundred and sixty-five" acres, when in fact it should have read "one million one hundred and ninety-six thousand nine hundred and twenty-five" acres.

On behalf of the principal sponsor of the measure, the Senator from Arizona (Mr. GOLDWATER), I ask unanimous consent that a star print of S. 1296 be made which corrects the error by making the appropriate change.

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

SENATE CONCURRENT RESOLUTION 19—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE ESTABLISHMENT OF AN APPROPRIATIONS CEILING

Mr. BARTLETT. Mr. President, I have at the desk a concurrent resolution to establish an appropriations ceiling. I make the unanimous-consent request that it be referred to the Committee on Government Operations and at such time as it is reported by that committee, if it is reported, that it then be referred to the Standing Committee on Rules and Administration, where it would be otherwise referred.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I think I understood what the distinguished Senator's request was. I shall not object provided the distinguished Senator from Nevada (Mr. CANNON) may so object on his return to the Senate on tomorrow, or Friday, or Monday. He is chairman of the Committee on Rules and Administration, and I do not think he would have objection. This concurrent resolution would ordinarily be referred to that committee.

In view of the fact that he is not on the floor at this time, I will not object if we could have the understanding that the distinguished Senator from Nevada (Mr. CANNON), who is chairman of the committee, could void the unanimous consent if he so chose to do so. I do not think he would object, but I cannot speak for him.

Mr. BARTLETT. Would the Senator agree to this: If I could contact him by phone or otherwise and he were agreeable to this request, we could proceed with referral tomorrow or Friday?

Mr. ROBERT C. BYRD. Surely. That is perfectly all right. I would then make it clear for the record that there was no objection.

The PRESIDING OFFICER. Does the Senator from West Virginia wish to hold up the printing of that measure?

Mr. ROBERT C. BYRD. No; let the printing go ahead.

Mr. BARTLETT. My interest, of course, is to have the measure printed and be in the hands of the Government Operations Committee on Monday, where I am going to testify on behalf of it.

Mr. ROBERT C. BYRD. Yes. Again I say I do not think the Senator from Nevada would object. He is chairman of the committee and, as a courtesy to him, I would like not to object to the request on condition that the chairman of that committee, which has jurisdiction over this measure, would not object, and I do not think he would because, as I understood the Senator, after the Committee on Government Operations has an opportunity to consider the measure, and if it reports the measure, it would then be referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. That was a part of the unanimous-consent request.

Mr. ROBERT C. BYRD. With that understanding, I do not object.

Mr. BARTLETT. Mr. President, I make the request with that understanding.

The concurrent resolution is as follows:

S. CON. RES. 19

Resolved by the Senate (the House of Representatives concurring), That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE XLV

"APPROPRIATIONS CEILINGS

"1. For the purposes of this rule—

"(1) 'budget' means the budget of the United States Government transmitted to the Congress by the President pursuant to the Budget and Accounting Act, 1921; and

"(2) 'obligational authority includes loan authority.

"2. (a) The Committee on Finance and the Committee on Appropriations shall meet jointly, at the beginning of each regular session of Congress, and after study and consultation, giving due consideration to the budget transmitted by the President with respect to the next fiscal year, report as soon as practicable to the Senate a bill or joint resolution specifying the total amount of new obligational authority to be made available for the United States Government in general appropriations measures for such year.

"(b) If the amount specified in such a bill or joint resolution with respect to a fiscal year agreed to by the Senate and House of Representatives is not the same, conferees on the part of the Senate shall be appointed not later than two days after the House of Congress passing the bill or joint resolution last passes such bill or joint resolution, unless within those 2 days both Houses of Congress agree upon the same total amount of new obligational authority with respect to such fiscal year without the convening of a committee of conference. Upon appointment of conferees, the Senate conferees shall meet immediately with the conferees on the part of the House of Representatives, in such committee of conference, to resolve differences between the two Houses.

"(c) It shall not be in order in the Senate to consider any measure providing new obligational authority with respect to any fiscal year until there has been enacted into law with respect to such fiscal year a bill or joint resolution of the kind referred to in subparagraph (a) of this paragraph. The provisions of this subparagraph shall not preclude the holding of hearings or other consideration of the budget submitted by the President by any committee of the Senate, or any subcommittee thereof, or by the Senate Members of any joint committee of the two Houses, or any subcommittee thereof.

"(d) After such a bill or joint resolution has been enacted into law with respect to such fiscal year, the amount so established shall be effective for purposes of this rule unless there subsequently has been enacted into law a bill or joint resolution with respect to such fiscal year establishing a different amount. If such a bill or joint resolution has been enacted, the amount established in such subsequent bill or joint

resolution shall be effective for purposes of this rule for such fiscal year. The provisions of subparagraph (b) of this paragraph shall apply with respect to any such subsequent bill or joint resolution.

"3. (a) Except as otherwise provided in subparagraph (c) of this paragraph, all general appropriations measures, including any such measure which has passed both Houses of Congress without any differences, with respect to a fiscal year shall be committed to the same committee of conference of the two Houses. The conferees on the part of the Senate to such committee shall not meet until all such measures with respect to such fiscal year have been committed to that same committee of conference. Such conferees shall thereafter consider all such measures together at the same committee of conference, and all conference reports with respect to such measures shall be filed in the Senate at the same time. The total amount of new obligational authority to be made available for that fiscal year under all conference reports with respect to such measures shall not exceed the total amount of new obligational authority established and in effect for the United States Government at the time such conference reports are reported to the Senate. However, conference reports, providing new obligational authority in excess of the total amount of new obligational authority then in effect, may be filed if the committee of conference at the same time recommends an increase in the total amount of new obligational authority then in effect which amount, when so increased, will not be less than the total amount of new obligational authority contained in such conference reports. Such conference reports may not be considered until such total amount has been so increased by bill or joint resolution.

"(b) It shall not be in order to consider any conference report on any such measure in the Senate if such report has not been considered by the committee of conference in accordance with this paragraph. No point of order may be made in the Senate with respect to any portion of a conference report containing an item providing new obligational authority which is less than the amount passed by either House.

"(c) The provisions of this paragraph shall not apply to any general appropriations measure making deficiency, emergency, or supplemental appropriations.

"4. It shall not be in order in the Senate to consider any conference report on a general appropriations measure making deficiency, emergency, or supplemental appropriations with respect to a fiscal year if the total amount of new obligational authority provided under such measure, when added to such authority for such year already enacted into law or contained in conference reports filed but not enacted into law, exceeds the total amount of new obligational authority established and in effect for the United States Government at the time such deficiency, emergency, or supplemental appropriations measure is to be considered."

SEC. 2. The Rules of the House of Representatives are amended by adding at the end thereof the following new rule:

"RULE XLV

"APPROPRIATIONS CEILINGS

"1. For the purposes of this rule—

"(1) 'budget' means the budget of the United States Government transmitted to the Congress by the President pursuant to the Budget and Accounting Act, 1921; and

"(2) 'obligational authority' includes loan authority.

"2. (a) The Committee on Ways and Means and the Committee on Appropriations shall meet jointly, at the beginning of each regular session of Congress, and after study and consultation, giving due consideration to the budget transmitted by the President with respect to the next fiscal year, report as soon as practicable to the House a bill or joint resolution specifying the total amount of new obligational authority to be made available for the United States Government in general appropriations measures for such year.

"(b) If the amount specified in such a bill or joint resolution with respect to a fiscal year agreed to by the Senate and House of Representatives is not the same, conferees on the part of the House shall be appointed not later than two days after the House of Congress passing the bill or joint resolution last passes such bill or joint resolution, unless within those 2 days both Houses of Congress agree upon the same total amount of new obligational authority with respect to such fiscal year without the convening of a committee of conference. Upon appointment of conferees, the House conferees shall meet immediately with the conferees on the part of the Senate, in such committee of conference, to resolve differences between the two Houses.

"(c) It shall not be in order in the House to consider any measure providing new obligational authority with respect to any fiscal year until there has been enacted into law with respect to such fiscal year a bill or joint resolution of the kind referred to in paragraph (a) of this clause. The provisions of this paragraph shall not preclude the holding of hearings or other consideration of the budget submitted by the President by any committee of the Senate, or any subcommittee thereof, or by the House Members of any joint committee of the two Houses, or any subcommittee thereof.

"(d) After such a bill or joint resolution has been enacted into law with respect to such fiscal year, the amount so established shall be effective for purposes of this rule unless there subsequently has been enacted into law a bill or joint resolution with respect to such fiscal year establishing a different amount. If such a bill or joint resolution has been enacted, the amount established in such subsequent bill or joint resolution shall be effective for purposes of this rule for such fiscal year. The provisions of subparagraph (b) of this clause shall apply with respect to any such subsequent bill or joint resolution.

"3. (a) (1) Except as otherwise provided in subparagraph (3) of this paragraph, all general appropriations measures, including any such measure which has passed both Houses of Congress without any differences, with respect to a fiscal year shall be committed to the same committee of conference of the two Houses. The conferees on the part of the House to such committee shall not meet until all such measures with respect to such fiscal year have been committed to that same committee of conference. Such conferees shall thereafter consider all such measures together at the same committee of conference, and all conference reports with respect to such measures shall be filed in the House at the same time. The total amount of new obligational authority to be made available for that fiscal year under all conference reports with respect to such measures shall not exceed the total amount of new obligational authority established and in effect for the United States Government at the time such conference reports are reported to the House. However, conference reports, providing new obligational authority in excess of the total amount of new obligational authority then in effect, may be filed if the committee of conference at the same time recommends an increase in the total amount of new obligational authority then in effect which amount, when so increased, will not be less than the total amount of new obligational authority contained in such conference reports. Such conference reports may not be considered until such total amount has been so increased by bill or joint resolution.

"(2) It shall not be in order to consider any conference report on any such measure in the House if such report has not been considered by the committee of conference in accordance with this paragraph. No point of order may be made in the House with respect to any portion of a conference report containing an item providing new obligational authority which is less than the amount passed by either House.

"(3) The provisions of this paragraph shall not apply to any general appropriations measure making deficiency, emergency, or supplemental appropriations.

"(b) It shall not be in order in the House to consider any conference report on a general appropriations measure making deficiency, emergency, or supplemental appropriations with respect to a fiscal year if the total amount of new obligational authority provided under such measure, when added to such authority for such year already enacted into law or contained in conference reports filed but not enacted into law, exceeds the total amount of new obligational authority established and in effect for the United States Government at the time such deficiency, emergency, or supplemental appropriations measure is to be considered."

SEC. 3. The provisions of this concurrent resolution are agreed to by the Congress—

(1) as an exercise of the rulemaking powers of that House of Congress to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(8) with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

LAND USE POLICY AND PLANNING ASSISTANCE ACT OF 1973—AMENDMENT

AMENDMENT NO. 61

(Ordered to be printed, and referred to the Committee on Interior and Insular Affairs.)

Mr. NELSON (for himself, Mr. JACKSON, and Mr. HATFIELD) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 268) to establish a national land use policy, to authorize the Secretary of the Interior to make grants to assist the States to develop and implement State land use programs, to coordinate Federal programs and policies which have a land-use impact, to coordinate planning and management of Federal lands and planning and management of adjacent non-Federal lands, and to establish an Office of Land Use Policy Administration in the Department of the Interior, and for other purposes.

PAR VALUE MODIFICATION ACT—AMENDMENTS

AMENDMENT NO. 62

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

Mr. CHILES submitted an amendment, intended to be proposed by him, to the bill (S. 929) to amend the Par Value Modification Act.

AMENDMENT NO. 63

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

Mr. HATFIELD. Mr. President, I send to the desk an amendment to S. 929, the Par Value Modification Act, which directs the Secretary of the Treasury to

coin no more than 60 million $25 gold pieces commemorating the American Revolution Bicentennial. This represents a potential total sale value of $1.5 billion. However, as the coin would contain two parts gold to one part of such other metal or alloy as the Secretary of the Treasury deems appropriate, this would probably represent only about $1 billion in gold sales or only about 4 percent of the current market value of gold held by the U.S. Treasury.

Such an "American Revolution Commemorative" coin would represent a fitting tribute to 200 years of the continuing American Revolution—a revolution that has worked. It would dramatize the strength and wealth of the richest and most prosperous country in the world—a country that has gone from a paper currency that was once "not worth a Continental" to one where at least one coin is "as good as gold."

The "American Revolution Commemorative" coin is set at $25, so that it is within the financial reach of virtually all American families, and the number of coins to be issued is roughly equal to the number of households in the United States. The Secretary of the Treasury is authorized to limit the number of gold pieces which any one person may purchase, thus insuring that all American families may have the chance to share in this commemorative issue.

The American Revolution was a shining symbol to the world of 1776. With great pride we should settle for no less a symbol of its 200th anniversary than a gold coin. This coin, of modest denomination and available to all American families, would be a widely popular and worthy symbol that the American Revolution and its memory are still as "good as gold," and it will increase in worth and value to its holders, as has the Revolution that it commemorates.

AMENDMENT NO. 64

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

Mr. HATFIELD. Mr. President, I send to the desk an amendment to S. 929, the Par Value Modification Act, which legalizes the holding, buying, and selling of gold by any American citizen and which directs the Secretary of the Treasury to sell not less than 10 million ounces of gold per year by auction to American citizens.

My position, and those of my cosponsors, on legalizing gold ownership by American citizens is well known. I originally proposed legislation to this effect in the 92d Congress. This bill is even more needed today when it appears that there has emerged a broad consensus among American, European, and International Monetary Fund officials that gold should be deemphasized as part of the world's monetary system. Our own Joint Economic Committee's Subcommittee on International Economics has made the same recommendation. The time is now for the "sense of the Senate" to be heard on this issue when the Group of 20 of the IMF are meeting in Washington this week to consider reforming the international monetary system. As I noted earlier in a lengthier discussion of this issue, more than 70 countries allow their citizens to hold gold. Surely American citizens should be granted no less a privilege. Indeed, when the roughly $50 billion in gold held by the world's monetary authorities is allowed to be sold gradually over the years, there will be more than enough gold available for purchases by American citizens.

However, legalization of gold holdings by Americans is only half the picture of demand and supply. Increased demand alone would simply drive up the speculative price of gold to even higher, destabilizing levels—and would benefit only speculators, and Russian and South African gold sales in European markets. The other half of this equation—the supply side—also requires analysis and action. This amendment would direct the Treasury to sell no less than 10 million ounces of gold by auction annually. This represents only about 3 percent of our existing gold holdings—enough gold to sell at this rate past the year 2000. The adoption of this amendment by the Senate would indicate a "sense of the Senate," in that it believes gold should be gradually "demonetized" and play a gradually diminishing role as a part of the international monetary system. This "sense of the Senate" would reinforce the Treasury in its negotiations with other countries in the reform of the international monetary system now taking place. That is why this amendment is so crucially needed now, while the Committee of 20 are meeting in Washington.

The Senate should send a signal of its views on the future role of gold.

This amendment would have other strong effects:

First. It would tend to stabilize gold markets, in that future gold supplies—about 50 million ounces produced annually—flowing to markets would be increased by 20 percent—thus probably more than offsetting any increased demand for gold by legalization of American gold holdings. The abnormally high gold prices in current weeks only tends to shake the world's confidence in the dollar and the current arrangement of par values. The great divergence between free market gold prices—now over $90 per ounce—and the new official price of $42.22 per ounce only tends to weaken the present monetary system and the strength of the dollar. The United States alone is sitting on about $12 billion of gold—at official prices—but which is more than $25 billion at free market prices. Surely the "sense of the Senate" that the United States—as well as the IMF and other monetary authorities—should begin a gradual sell-off of the "surplus stockpile" would be a major signal that it is the dollar and not gold that is the more reliable repository as a storehouse of value.

Second. It would fight inflation and help achieve the price stabilization objectives of the administration. Prices of industrial gold use—be it for class rings, wedding bands, jewelry, dental, electronics—have more than doubled in the past 2 years. Limited gold sales would reduce these prices.

Third. It would provide jobs to the gold industry whose 1,700 firms and 65,000 employees are affected by inflated gold values and the restricted volume of production.

Fourth. It would aid the U.S. balance of payments. U.S. gold users now import between 6 and 8 million ounces—or roughly half a billion dollars. Treasury sales of 10 million ounces would probably eliminate such imports and might even provide some export earnings. At free market auction price of $50 per ounce, this is a $500 million balance-of-payments savings; at $70 per ounce, this saves—or earns—$700 million.

Fifth. Finally, for budgetary reasons, the U.S. Treasury reduces its expenditures—such "stockpile" sales would be regarded as a "negative expenditure," thus helping to keep us below a $268 billion ceiling. Depending upon the market value of gold, given the offsetting increased demand from American purchases and Treasury sales, the revenue effect should be between $0.5 and $1 billion over the next 30 years that the gold stock would persist at this gradual rate of reduction.

Above all, the holding, buying, and selling of gold, both by American citizens and the American Government, will signal to the world that gold is being "demonetized," that the dollar and other paper currencies are the better monetary standards for the world, that Americans can now be as free as others to hold and trade in gold. The Senate should ratify this commonsense view that gold should be useful to mankind above ground, and not simply a metal to dig up in one country and bury in another.

AMENDMENT NO. 65

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

Mr. NELSON submitted an amendment, intended to be proposed by him, to Senate bill 929, supra.

AMENDMENT NO. 66

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

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to Senate bill 929, supra.

AMENDMENT NO. 67

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

CONTROL OF FEDERAL EXPENDITURES

Mr. BAYH. Mr. President, I send to the desk an amendment to S. 929, the devaluation bill. This amendment would set a spending ceiling for fiscal 1974 of $268.7 billion, precisely as suggested by President Nixon. It would also grant the President the authority to reserve from expenditures such amounts as are necessary to meet that spending ceiling during fiscal year 1974, provided that he withholds funds proportionately and within specified limits in all programs and activities except nine in which withholding would not be appropriate or legal, such as interest on the debt and judicial salaries. This assures that congressional priorities are respected even if it develops that withholding is necessary.

President Nixon stated in his budget message that—

> The surest way to avoid inflation or higher taxes or both is for the Congress to join me in a concerted effort to control federal spending.

He specifically suggested that before Congress acts on the budget:

It establish a rigid ceiling on spending, limiting total 1974 outlays to the $268.7 billion recommended in this budget.

The amendment I introduce today accomplishes that goal.

Like many others across the country, Mr. President, I am deeply disturbed about the priorities suggested in President Nixon's proposed budget. As a member of the Appropriations Committee, I hope to play a role in ordering our priorities in a way which meets more human needs than the budget the administration proposed. But while I disagree with the President's priorities, I do agree with the President that the limit on our expenditures in fiscal 1974 should be the revenues which would be produced by a full-employment economy—$268.7 billion under current tax laws. I believe there is a sufficient amount within the proposed limit, if we choose priorities carefully and demand that the funds be spent effectively and efficiently in all areas, to continue and, where appropriate, to expand important programs.

I favor the $268.7 billion limit for two basic reasons, one economic and one social. First, it represents a full-employment balanced budget. If we spend significantly more than this, we will risk sparking more inflation—especially in view of the unsatisfactory weak phase III guidelines. If we spend significantly less, we will risk an increase in the already too high level of unemployment. The stimulative effect of a full-employment balanced budget is needed to combat the over 5-percent unemployment we now suffer.

Second, at this point in time it appears the full $268.7 billion may be needed to meet the legitimate domestic and foreign policy demands on the Federal Government. We can decide on that finally only after the appropriations hearing process is completed, of course, but I see no good reason to tie our hands now to another figure. I will join the fight to cut unnecessary or wasteful spending anywhere in the budget—in poverty programs or defense, in foreign aid or health—but it does not now appear likely we will be able to cut enough out of the budget to finance needed and valuable programs and still spend less than $268.7 billion. And, as I said, it would be inflationary to spend more under current tax laws. If Congress approves tax reform measures which raise revenues without affecting individual taxpayers—if, for example, we repeal the accelerated depreciation for business boondoggle as I have proposed—then those funds could be spent to meet real needs without inflationary impact. But we cannot responsibly act now in the hope that meaningful tax reform will be passed in time to affect the 1974 budget.

In detail, my amendment does the following:

Sets a spending ceiling of $268.7 billion for fiscal year 1974;

Directs the President to report to Congress by June 1, 1973, on revised estimates of full-employment revenues for fiscal 1974, so that Congress can reassess the spending ceiling, if appropriate;

Directs the President to withhold funds proportionately in all programs and activities—with the following exceptions: interest; veterans benefits, and services; payments from social insurance trust funds; public assistance maintenance grants; medicaid; social services grants under title IV of the Social Security Act; food stamps; military retirement pay; and judicial salaries—if clearly necessary to meet the $268.7 billion limit; limits to 10 percent the amount by which any one program, activity or item within any spending authority may be reduced; and provides that if the President wishes to exceed the 10-percent limitation he shall submit his proposal to Congress and it will be effective unless disapproved by either House within 60 days under an expedited procedure.

I should add a word about the grant of authority to the President to withhold funds. In my view, unilateral Executive impoundments of funds imposed, because the President no longer believes a program worth while or because of broad economic policy considerations are unconstitutional and in violation of the doctrine of separation of powers. For that reason I am a sponsor of S. 373, the impoundment procedures bill introduced by the distinguished senior Senator from North Carolina (Mr. ERVIN). But in the present situation—with inflation a serious problem, and with Congress about to reform its budgetary procedures, hopefully in time for the fiscal 1975 budget—I believe a temporary and limited grant of power to the President to withhold funds to keep spending to $268.7 billion is proper. This part of my amendment is very similar to a provision, introduced by our former colleague, Len B. Jordan, which the Senate passed last year as part of the debt-ceiling extension. It is also similar to amendment No. 51 to S. 929 introduced by the distinguished Senator from Texas (Mr. BENTSEN). But my version differs from Senator BENTSEN's in one crucial respect: while under his amendment it takes a resolution passed by both Houses to disapprove a proposed withholding in one program in excess of 10 percent under mine it takes only the disapproval of one House. To require both Houses to act affirmatively within 60 days to disapprove a large reduction in a program is to grant the President too much power to reorder priorities without congressional imput, especially in view of the fact that our early action this year will provide sufficient time for the President to suggest and Congress to make necessary adjustments as the year goes along.

Finally, Mr. President, I wish to make an obvious point. The proposal I put forward today is not a final answer to our budgetary problems. It is but a temporary measure to deal with immediate problems. Within the next year, I hope, Congress will reform its procedures so as to control spending as well as obligational authority; to get an overview of the entire budget, including contract authority and other so-called backdoor spending; and to consider fully the economic consequences of Government spending.

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

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

AMENDMENT No. 67

At the appropriate place, insert the following new section:

"SEC.—.(a) Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government, shall not exceed $268,700,000,000.

"(b)(1) Notwithstanding the provisions of any other law, the President shall in accordance with this section, reserve from expenditure and net lending, from appropriations or other obligational authority heretofore or hereafter made available, such amounts as may be necessary to effectuate the provisions of this section. In no event, however, shall such reservations be made until there is sufficient information available to indicate clearly that the figure referred to in subsection (a) of this section is going to be exceeded, and the President has submitted to Congress the reasons he has decided to impose reservations under this section.

"(2) In carrying out the provisions of paragraph (1) of this subsection, the President shall reserve amounts proportionately from appropriations or other obligational authority available for all programs and activities except for expenditures and net lending for

"(A) interest;

"(B) veterans' benefits and services;

"(C) payments from social insurance trust funds;

"(D) public assistance maintenance grants;

"(E) medicaid;

"(F) social services grants under title IV of the Social Security Act;

"(G) food stamps;

"(H) military retirement pay; and

"(I) judicial salaries.

"(3) In carrying out the provisions of paragraphs (1) and (2) of this subsection, no amount specified in any appropriations or other obligational authority for fiscal 1974 for any activity, program, or item within such appropration or other authority may be reduced by more than 10 per centum.

"(c) In the administration of any program as to which—

"(1) the amount of expenditures is limited pursuant to subsection (a) of this section; and

"(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution; the amount available for obligation (as determined by the President) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

"(d) In carrying out the provisions of subsections (a) and (b), should the President find it necessary or desirable to exceed the 10 percentum limitation provided in paragraph (3) of subsection (b), he shall notify Congress of those programs and activities for which he believes it desirable to reduce funds in excess of such 10 per centum, the amounts of such excess reductions; and the reasons for and anticipated impact of such reductions. Any such excess reduction shall be effective within the first period of sixty calendar days of continuous session of Congress after the date on which such notice is transmitted to it, unless between the date of such transmittal and the end of the sixty-day period, either the Senate or the House of Representatives agrees to a resolution stating that it does not favor that excess reduction. For the purpose of this subsection, (1) continuity of session is broken only by an adjournment of Congress sine die, and (2) 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 sixty-day period.

"(e) If the committee to which a resolution with respect to a proposed excess reduction has been referred has not reported it at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of any other resolution with respect to the proposed excess reduction which has been referred to the committee.

"(1) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same proposed excess reduction), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(2) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same proposed excess reduction.

"(f) When the committee has reported, or has been discharged from further consideration of a resolution with respect to a proposed excess reduction, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(1) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(g) Motions to postpone, made with respect to the discharge from committee or the consideration of, a resolution with respect to a proposed excess reduction, and motions to proceed to the consideraiton of other business, shall be decided without debate.

"(1) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, or the procedure relating to a resolution with respect to a proposed excess reduction shall be decided without debate.

"(h) The President shall submit to Congress on or before June 1, 1973 revised estimates, if any, of full-employment revenues for the fiscal year ending June 30, 1974."

AMENDMENT NO. 68

(Ordered to be printed.)

Mr. EAGLETON proposed an amendment to Senate bill 929.

NOTICE OF HEARINGS RELATING TO POSTAL RATES FOR SECOND-CLASS MAGAZINE PUBLICATIONS

Mr. McGEE. Mr. President, I wish to announce that hearings have been scheduled for April 2 and 3, 1973, on S. 411, S. 630, S. 842, and H.R. 4128, legislation relating to postal rates for second-class magazine publications.

The hearings will be held Monday, April 2, and Tuesday, April 3, at 10 a.m., in room 6002, Dirksen Senate Office Building. Those wishing to testify may arrange to do so by contacting Mrs. Donna Yee of the committee staff at 225–5451.

NOTICE OF HEARING ON OCEANS AND INTERNATIONAL ENVIRONMENT

Mr. PELL. Mr. President, I wish to announce that on April 17, the Subcommittee on Oceans and International Environment of the Committee on Foreign Relations will begin 2 days of public hearings on the Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage and the amendments to the 1954 Prevention of Pollution of the Sea by Oil Convention (Ex. K, 92–2) and the Oil Pollution Compensation Act (S. 841). The hearings will be held in room 4221 of the Dirksen Senate Office Building, beginning at 10 a.m.

At that time the committee expects to hear executive branch witnesses and other interested individuals. Persons wishing to testify should communicate with the chief clerk of the committee.

NOTICE OF HEARINGS ON S. 1155

Mr. PELL. Mr. President, I wish to announce that on April 16 the Subcommittee on Oceans and International Environment of the Committee on Foreign Relations will conduct public hearings on S. 1155, the United Nations Environment Program Participation Act of 1973. The hearings will be held in room 4221 of the Dirksen Senate Office Building, beginning at 10 a.m.

At that time the committee expects to hear executive branch witnesses and other interested individuals. Persons wishing to testify should communicate with the chief clerk of the committee.

NOTICE OF HEARINGS ON FOOD PRICES

Mr. JOHNSTON. Mr. President, the Subcommittee on Production and Stabilization of the Committee on Banking, Housing and Urban Affairs will commence hearings on food prices at 2 p.m. April 4, 5, 6, and 9, in room 5302, New Senate Office Building.

All persons wishing to testify should contact Gerald Allen, room 5300, New Senate Office Building; telephone 225–7391.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

James F. Companion, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the term of 4 years, vice Paul C. Camilletti, resigning.

James N. Gabriel, of Massachusetts, to be U.S. attorney for the district of Massachusetts for the term of 4 years, vice Joseph L. Tauro.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, April 4, 1973, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, April 4, 1973, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nomination:

Vincent P. Biunno, of New Jersey, to be U.S. district judge for the district of New Jersey, vice Robert Shaw, deceased.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. McCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

NOTICE OF HEARING ON NOMINATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, April 4, 1973, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nomination:

Daniel J. Snyder, Jr., of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, vice Joseph F. Weis, Jr.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. McCLELLAN) and the Senator from Nebraska (Mr. HRUSKA).

ADDITIONAL STATEMENTS

OPENING STATEMENT OF SENATOR McCLELLAN FOR SUBCOMMITTEE ON DEFENSE APPROPRIATIONS BUDGET HEARINGS

Mr. COTTON. Mr. President, on Monday, we began our hearings in the Defense Appropriations Subcommittee on the fiscal 1974 budget for the Department of Defense. The chairman of the Committee on Appropriations, the distinguished senior Senator from Arkansas, set the tone for our deliberations this year with a well documented opening statement that is valuable reading for every Senator and every citizen.

In comparing defense spending to other areas the chairman noted that:

20 years ago, defense spending was nearly double that of all other federal agencies and departments combined. Today, the other federal agencies spend a total of more than twice as much as defense.

20 years ago, defense spending was nearly double that of all state and local governments combined. Today, state and local government spending is more than double that for defense.

20 years ago, total defense manpower was nearly equal to all other public employment—federal, state and local—combined. Today, such public employment exceeds defense manpower by nearly 4 to 1.

20 years ago, about 49 cents out of every tax dollar—federal, state and local—went for defense. Today, this figure comes to around 20 cents—a reduction of 60%.

Today, the defense share of the U.S. gross national product, of the labor force, and of the federal budget is lower than at any time since 1950.

Today, defense spending has gone below prewar levels in terms of what the dollar will buy for the first time in American history—either after or during a war.

Mr. President, these are powerful facts that disprove indeed the two misconceptions that defense spending is the cause of our runaway budget and that the humanitarian concerns are being shortchanged. As it has been noted before, the priorities in the budget between human resources and defense have been almost exactly reversed since 1969—with human resources outlays rising to 47 percent of the 1974 budget while defense drops to 30 percent. In order that the entire Senate as well as the public might have the opportunity to read this excellent analysis of what the chairman has rightfully described as "the premium for America's survival insurance" I ask unanimous consent that the full statement be printed in the RECORD.

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

STATEMENT OF CHAIRMAN JOHN L. MCCLELLAN

(NOTE.—In constant fiscal 1973 prices, present defense outlays are $34.3 billion (about one-third) below the fiscal 1968 wartime peak. They have fallen sharply in each of the past 5 years, and fiscal 1973 outlays represent the lowest level since fiscal 1951.)

Today, the Senate Defense Appropriations Subcommittee begins hearings on the Fiscal 1974 budget for the Department of Defense.

The Administration has requested Congressional approval of new defense budget authority totaling $85.2 billion, with outlays during the coming fiscal year expected to reach $79 billion.

Such expenditures by any measure are an immense sum.

There can be little question that the premiums for America's survival insurance are high.

However, there are other significant facts which relate to our national defense commitment.

These facts and their supporting statistics are seldom given headlines.

They are frequently omitted in discussions of federal spending.

They are rarely cited by the critics.

They are not popular indicators of our defense posture, but nonetheless, they are true; and they especially warrant full consideration as these hearings progress:

20 years ago, defense spending was nearly double that of all other federal agencies and departments combined. Today, the other federal agencies spend a total of more than twice as much as defense. (In 1953 defense spending $50.4 billion—all other agencies and departments $26.8 billion. In 1973 defense spending $74.8 billion—other agencies and departments $174.9 billion.)

20 years ago, defense spending was nearly double that of all state and local governments combined. Today, state and local government spending is more than double that for defense. (In 1953 defense spending $50.4 billion—all state and local governments $27 billion. In 1973 defense spending $74.8 billion—all state and local governments $182.5 billion.)

20 years ago, total defense manpower was nearly equal to all other public employment—federal, state and local—combined. Today, such public employment exceeds defense manpower by nearly 4 to 1. (In 1953 defense manpower 4.8 million—all other 5.4 million. In 1973 defense manpower 3.3 million—all other 12.8 million.)

20 years ago, about 49 cents out of every tax dollar—federal, state and local—went for defense. Today, this figure comes to around 20 cents—a reduction of 60%.

Today, the defense share of the U. S. gross national product, of the labor force, and of the federal budget is lower than at any time since 1950. (6.2% of the gross national product—5.8% of the labor force, and—29% of Federal outlays.)

Today, defense spending has gone below prewar levels in terms of what the dollar will buy for the first time in American history—either after or during a war. (For example, defense outlays $82.6 billion in 1964—at 1973 price levels. In 1973 $74.8 billion in defense outlays.)

These facts refute many of the erroneous contentions and impressions about the defense budget—such as: that it continues to grow; that it dominates public spending; that it is the root of all of our economic ills; and that it is an unnecessary and exorbitant drain on our nation's resources.

These facts also disprove two other popular misconceptions—(1) that defense spending is the prime cause of the rapidly increasing high cost of the Federal Government, and (2) that civic, human resource programs have been shortchanged at the expense of defense priorities.

Since 1964 the cost of government has gone up $150 billion—from $118.6 billion to $268.7 billion in fiscal 1974. Of that total increase, only 19% or $28.6 billion is attributable to military spending. The remaining 81% or $121.4 billion is attributable to nonmilitary functions and services, such as human resources and general government.

While total federal outlays have gone up about 127% during this period, defense spending has been rising far less rapidly than any other major item in the budget—increasing by only 58% from $49.5 billion to $78.2 billion. On the other hand, social programs such as federal aid to education jumped 466% (from $1.1 billion to $6.3 billion); public assistance went up 245% (from $3.1 billion to $10.7 billion); social security 235% ($16.2 billion to $54.2 billion); and, health care and services (including Medicare and Medicaid) increased dramatically by 4,571% (from $393 million to $18.4 billion).

There is much talk about reordering national priorities. Unquestionably, some new directions and emphasis may be practical and required if we are to meet our nation's present needs and our commitment to its future. But it clearly appears from the statistics which I have just cited that the reordering of priorities has been in progress—been underway—for quite some time now.

They also indicate that we have not been maintaining a strong national defense wholly at the expense and to the detriment of urgently needed social, civic, and human resource programs. They clearly demonstrate that we have not forsaken or grossly neglected the domestic obligations of the Federal Government.

They further indicate that America has been streamlining its defense establishment—making it more efficient and effective and at less cost—so that more money can be spent on nonmilitary services and projects.

This is not to suggest that more reductions cannot or should not be made in defense spending. The long sought ceasefire in Vietnam has finally been attained. The days of pouring billions of dollars into this part of the world to support military actions—some $112 billion over the past ten years—are finally ending. The Congress can now, and I know it will, endeavor to hold the line on military spending and help move this nation in the direction of a balanced budget.

It should be noted, however, that the cessation of hostilities in Southeast Asia will not result in any extra large financial "peace dividend" in Fiscal 1974. Such dividends—reductions—have been taking place since 1968. Since then, the Department of Defense payroll has been cut by 30%—by a total of some 1,440,000 military and civilian personnel. Troop strengths will soon be at a 24 year low. Personnel and procurement have been cut by $24 billion over the past 5 years. Unfortunately, however, we have realized a net saving of only $1.5 billion from these cuts because of inflation and pay increases.

The impact of inflation on the defense budget has been enormous. Without adding or promoting a man and without buying an additional item from industry, the same programs that cost $50.8 billion in fiscal 1964 would cost $87.7 billion in 1974—an increase of $36.9 billion. Programs that cost $22.5 billion in 1954 would now cost $55.5 billion more 20 years later. Meanwhile, in terms of constant dollars, our expenditures for research and development have dropped $1.5 billion since 1964 ($10.2 billion to $8.7 billion).

For fiscal 1974, the President has requested Defense appropriations totaling $83.5 billion, exclusive of the military assistance program. This is 29 percent of his total budget of $288 billion and 48 percent of the $172 billion that will be considered by the Congress for appropriation.

This $83.5 billion also represents an increase of approximately $5.7 billion over the budget authority granted for the current fiscal year. Of this $5.7 billion increase, approximately $3.633 billion is for increases in the pay of civilian, military, and retired service personnel ($2.633 billion), and increases in the cost of goods and services ($1.0 billion). The Department of Defense and the Congress can exercise little or no control over these recently enacted statutory increases.

Congress can make reductions in other items (totaling $2.750 billion) where feasible, or advisable. They include:

(1) Legislation for a "reform" of the military retirement system, $390 million.

(2) Legislation for additional all-volunteer force programs, $150 million.

(3) Increases in various procurement programs, $1 billion.

(4) Increases in various research and development programs, $595 million.

(5) Increases in various construction programs, $432 million.

(6) Increases in various housing programs, $183 million; for a total of $2.750 billion.

In considering the 1973 Defense budget last year, we were able to recommend and to secure reductions of more than $5 billion below the President's request. We may not be able to surpass or even equal this in Fiscal 1974, but I anticipate that some realistic spending cuts can be made in the budget we are now considering without diminishing or weakening our national defense posture.

This is our purpose; and this is what we shall undertake to accomplish, as we make a careful study of the budget request submitted to us and in the further processing of this bill.

A MULTINATIONAL PROBLEM

Mr. SYMINGTON. Mr. President, as the problems incident to the value of the dollar continue to grow, one can only note with interest a recent editorial in the St. Louis Post Dispatch, entitled "A Multinational Problem."

This editorial points out that:

Multinational corporations, most of which are U.S.-owned, hold a pool of liquid assets valued at 268 billion dollars, which is more than three times the total reserves held by industrial nations in defending currency values. Thus, individual nations, including the United States, are presently in an indefinable monetary position.

I ask unanimous consent that the editorial in question be inserted at this point in the RECORD.

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

[From the St. Louis Post Dispatch, Mar. 17, 1973]

A MULTINATIONAL PROBLEM

Things are rarely what they seem. Back in the 1960s, multinational corporations were the object of home country pride and foreign courting. They were a status symbol, exemplified by the Middle East sheik who invested more money in a Coca Cola franchise than in hospitals.

Today, these global operations are increasingly viewed as ogres, feeding both on rich and poor countries. They are a symbol of avarice and the target of political leaders.

The truth, as always, is somewhere in between. Like the national corporations before them, the rise of multinationals should be viewed as a mixed blessing which would produce optimum benefits only after an international government mechanism is established to monitor them. When big business emerged in America virtually unrestricted about a century ago, people began to worry about the future of competition because of the power of the new firms and the tactics they used. The political result was enactment of antitrust laws. A similar response on an international scale is now in order.

Multinational corporations have contributed to the spread of technology and the introduction of products at mass market prices. Their success shows that humankind can overcome both natural and man-made barriers to trade. Their benefits arise in the hope that with closer integration of various countries the likelihood of violent conflict diminishes. From a selfish viewpoint, nearly 25 per cent of U.S. corporate profit now comes from foreign affiliates. The value of U.S. exports to these affiliates is rising at a faster rate than the value of other U.S. exports.

But such favorable factors are counterbalanced by a single, awesome statistic which shows the extent of power held by multinational corporations. These firms, most of which are U.S.-owned, hold a pool of liquid assets valued at 268 billion dollars, which is more than three times the total reserves held by industrial nations in defending currency values. Thus, individual nations, including the United States, are presently in an indefensible monetary position.

While governments pursue independent and often conflicting development policies, the global entrepreneurs carry on a closely integrated operation. They can move, for example, massive amounts of money from country to country in response to speculative profit easier than a single government can respond to them.

As yet there is no international strategy to develop a response. The emphasis remains on national solutions to international problems. The goals should be to protect competition from a worldwide perspective through antitrust agreements, to assure the equitable division of taxes, labor and profits, and, not the least important, to establish a system of compensation to owners of expropriated property. New rules of international conduct are needed so that the full benefits of multinational corporations will be realized. Under proper supervision, the growth of these enterprises would tend to discourage trade wars and encourage the emergence of a new global economic system.

VICE PRESIDENT AGNEW DISCUSSES THE NEED FOR FLEXIBILITY IN URBAN TRANSPORTATION PLANNING

Mr. BAKER. Mr. President, earlier this month, Vice President AGNEW addressed a luncheon meeting of the International Rapid Transit Seminar in Los Angeles.

His remarks were most timely, as he evaluated the need for greater community flexibility in meeting urban transportation needs, whether those needs involve highway construction, the acquisition of buses, the construction of a rail mass transit system, or a combination of such alternatives.

Shortly before the Vice President's speech, the Senate adopted the so-called Muskie-Baker amendment as a part of S. 502. That amendment would grant such flexibility in the use of the $850 million-a-year urban system highway program.

Mr. President, because of the significance of the Vice President's speech, I ask unanimous consent that it be included at this point in the RECORD.

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

ADDRESS BY THE VICE PRESIDENT OF THE UNITED STATES

I am particularly pleased to be with you today as you meet to express your concern over what is one of the more serious problems facing Los Angeles—and cities across the Nation—that of providing for the movement of people and goods without destroying our environment or our quality of life.

The people who settled this State were strong men and women who saw an opportunity to prosper by their own initiative and seized that opportunity. Californians are still seizing the opportunity to shape their own communities. That is the choice they made in San Francisco when they decided to build the Bay Area Rapid Transit. That is why you are assembled today—to commit yourself to the concept of rational progress through community deliberation. In a sense, the laboratory research to improve the quality of our lives is shifting from the Federal to the local level. It is shifting from Washington to communities such as Los Angeles. We in the Nixon Administration commend you for accepting that challenge—for realizing that there can be no future without a present; that there can be no ending without a beginning.

I assure you that President Nixon applauds such efforts. In his inaugural address, and again in his State of the Union message, the President called upon the American people to accept the challenge to control their own destiny and shape their own future. And that is the fundamental purpose of your meeting today. For his part, the President has pledged that substantial decision-making authority over Federal programs will be returned to the States, the local communities through their elected officials. As a former Governor and county chief executive, I endorse this policy fully. Local officials have a detailed, on-the-job understanding of their local problems. What they need now are the tools to solve these problems.

This Administration intends to assist you in every way possible. There is no place in the Nixon Administration for an omnipotent and omnipresent Federal bureaucracy which seeks to impose from Washington those decisions which can better be made on the local level. There is no place in the Nixon Administration for Federal agencies which set the goals and priorities for each community in this Nation. Indeed, there is no place in the Nixon Administration for Federal officials who lecture local officials instead of listening to them.

Rather, the role of the Federal Government is to create the flexibility, financial and otherwise, that will help urban areas to make their own decisions as to when and where and *how* they want to spend their Federal dollars. There is a delicate balance that must be achieved—a balance between the Federal responsibility to insure that the life lines of our urban areas remain open and the equal responsibility to see that Federal funding policies do not tie the hands of local officials who seek the best answer to their local problems.

We in Washington can establish general policy, based on the needs of the Nations as a whole and the resources we have to meet those needs. We can also share with you our findings garnered from the successes and failures of communities such as your own. What we cannot and will not do is strip you of the right to make decisions—indeed, the responsibility to make decisions—on matters which affect the way you live in your own community. This is a responsibility that the Federal Government must share with you. We must make certain that Federal financing and policies do not preclude good solutions you wish to implement at the local level.

This is not to say that there is no Federal policy towards transportation. Quite the contrary. This country began its surge towards economic pre-eminence when the Federal Government adopted a clear policy of encouraging an extensive railroad system. Further, there is no question that this country prospered through Federal-aid roads which brought farm products to our cities and then through our system of interconnected Federal and State highways which made the bounty and beauty of this great land available to all our citizens.

The focus of the Federal concern in transportation, however, has now shifted to our urban areas. This is where squeeze has turned to crunch; where the question is no longer how to get from A to B, but rather how to protect our communities and ourselves in getting from A to B. We must find ways to prevent the erosion of tax base caused by inner-city highways and ways to avoid smothering under a blanket of pollution, or aging perceptibly during a traffic jam. And I am not just talking about Los Angeles or the other major cities of this country; I am talking about the 264 urban areas in this Nation which contain 75 percent of our population. The transportation problem which faces urban areas today is the same in Houston, Texas as it is in Los Angeles. The problem you are meeting today to consider—how to achieve a truly balanced transportation system, a system that provides needed mobility to all our citizens, regardless of their income, age, or handicap—needs to be resolved in almost all our urban areas.

We as a Nation have come to recognize that our urban areas are complex and interrelated and that the decisions we make about one element of our urban society have ramifications throughout the entire society. For this reason, the President has proposed the establishment of a Department of Commu-

nity Development which can integrate the related factors of urban problems. He has also restructured the current Cabinet to stimulate the most sophisticated and sensitive response to our problems. Our cities and the citizens will no longer accept inefficient spending directed from Washington.

In transportation, the Federal Government and urban areas such as Los Angeles are recognizing that the automobile alone, as we know it today, is not the answer to urban transportation problems. While it is perfectly adapted to taking a family on an outing, it is clearly not the most efficient way of getting from home to work and then home again in a busy city.

The automobile is not a monster, but it will become one if we allow ourselves to become totally dependent on it for our urban transportation. We can develop more rational and efficient ways to move around in our cities, and mass transit—whether it be bus, rail, or an innovative new system—can free us from our automobile servitude.

We must provide alternatives to the automobile wherever possible. There are many people who either do not want or do not need to use their automobiles for a particular trip—who would prefer a convenient alternative. The private commuter bus cooperatives springing up in Los Angeles and elsewhere are but one indication of this growing trend.

To provide such an alternative, local decision makers must have the flexibility to use their transportation dollars to create a balanced system for their community. To this end, the President has proposed highway/mass transit legislation which would open the Highway Trust Fund to bus and rail expenditures through the establishment of a $1.1 billion urban fund; would send some Federal highway and transit funds directly to urban areas; would encourage the creation and strengthening of metropolitan area-wide institutions to plan and implement highway and transit facilities; and would permit the transfer of funds designated for controversial Interstate highway segments to other highway or transit projects which State and urban officials feel will better meet the needs the Interstate highway was to serve.

This latter point makes a great deal of sense. Highways are not an end in themselves. Their purpose is to solve the needs of a transportation corridor. If there is a more efficient and effective way, or a combination of ways, to meet these transportation needs, is it not wiser to give localities real flexibility? In our view, it clearly is.

The Senate last week acted favorably on President Nixon's highway and mass transit proposals. Only the concurrence of the House is necessary now to provide our States and localities with the flexibility they will need to achieve a truly balanced transportation system.

If there is one keystone to this Administration's philosophy of government, it is efficient and effective delivery of services to the American people. As I travel around the country, I have noticed a syndrome among local officials that you might call the "use-it-or-lose-it syndrome." It goes like this. If you have a right to a Federal dollar, you'd better use it before you lose it—whether or not you need whatever project that Federal dollar will buy. That is as logical as a bean farmer buying 2,000 pounds of beans at a supermarket because they're on sale that day. This Administration, therefore, is attempting in a number of ways to lessen the categorical dollars that must be used or lost by local governments. Our major effort in this regard is Revenue Sharing, which returns to the States and localities dollars which can be used for almost any purpose. A related effort is found in the Administration's Highway/Mass Transit Legislation which I have just described.

Along with this flexibility, however, I believe we all have to become mass transit conscious. A modern bus can take the place of 30 automobiles with less pollution. The efficiency and environmental soundness of a rail system is even more impressive. Indeed, subways are the one underground movement we can all agree to support.

But there is more to the problem than just building new facilities. We should give the same advantages to people who use mass transit as we give to people who drive, be they employees or customers. I doubt that many of you provide the same fringe benefits for your employees who commute by mass transit as you do for employees who drive their automobiles into the city. For example, one of the fringe benefits that has been given employees and customers for years is free or reduced rate parking. We have even required new office developments to include a certain amount of off-street parking at considerable added expense to developers and occupants. In the District of Columbia alone, the Federal Government subsidizes employee parking to the tune of $800,000 a month. Even now in Los Angeles, the crunch is on because new office buildings are economically unable to accommodate all the parking that is necessary. One solution might be to provide similar fringe benefits to public transit users as is now being done, for instance, for employees at the Colorado National Bank in Denver. The bank buys tokens from the Denver bus system and sells them to their employees at half price, in this case 17½ cents each. Further, the bank provides no parking facilities for its employees. The results have been impressive. Forty-three percent of the bank's employees, some 324 people, now participate in this program, an increase of 62 percent from those who rode the bus before the plan was initiated. Indeed, the bank now estimates that over 100 cars have been eliminated from the downtown area.

If advantages accrue only to those who drive their automobile, people are encouraged to continue to drive.

The reason people now drive their automobiles into town is not necessarily because they want to do so, but because there are all too often no alternatives. The great success of the shopping malls around this Nation has shown that people don't mind walking from store to store. What they do want, however, is an environment which is designed for them to walk in. They want to go where they feel they can safely take their children and perhaps even let them loose while they do some shopping. This environment exists in auto free zones and pedestrian malls—it can come about if we plan our cities with an urban sense and an urban sensibility.

What I am supporting today is not new. Indeed, in the early part of this century, Pacific Electric operated an extensive system of pollution-free trolley cars in Los Angeles. The tracks got in the way of the automobiles, however, and the system was discontinued. Paradoxically, you are now considering ways of recreating the efficiency and environmental integrity of that system at a cost of several billions of dollars. Perhaps that is an unfair oversimplification, but we have come nearly 180 degrees since those tracks were removed to facilitate automobile traffic.

We needed also the commitment of the Federal, State and local governments to fund transit as they have been funding the automobile. I was pleased to note that California has acted to free ¼ of 1 percent of its sales tax for mass transit purposes. For our part, the Federal Government will make available a billion dollars for this year alone to fund mass transit.

As community leaders, I know you will work to provide local funding also. Atlanta, you already know, is a community which realized what was needed and was willing to tax itself to meet that need. Those metropolitan Atlanta counties participating in the plan raised their sales tax by a penny per dollar with the proceeds dedicated exclusively to mass transit. The revenues accruing from that decision are approaching $4 million a month. Further, the plan has been in effect since last April, and the amount going for transit has risen as transit improvements have reinvigorated the downtown area. This is a spendid example of what I like to call a victorious circle.

In short, ladies and gentlemen, the Federal Government with the cooperation of State and local governments everywhere, is now entering the era of multi-modalism. But no program or policy can go anywhere without strong public support at the local level. This is where the hard-headed expertise of those of you who have sharpened your intellect in the world of finance can make a real contribution to the city you call your headquarters. I have cited some examples of new transportation strategies in the short time I have had today. Several, such as making transit discounts a fringe benefit for employees and shoppers, can be initiated almost immediately. Others, such as rapid rail transit and auto free zones, require further planning. Yet each of these recommendations can contribute to the solution. What is required is that you agree not only that transit is needed but that it is needed now and that you are willing to support it now.

There is no doubt in my mind that Los Angeles and its 9 million people need a mass transit system—and need it soon. What kind of system is up to you. But a decision must be made. People are ready for change. We see evidence of this in the hearings the Environmental Protection Agency has been holding over these past several weeks. We see it in the lines of traffic jamming the Los Angeles freeway. Indeed, we see evidence of it in the mothers who are organizing because their children can't play outside during smog alerts.

There is only one conclusion that can be reached. We are living in a time of change, and if we are not the architects of that change, we will inevitably be its victims. As influential leaders of Los Angeles interested in transit problems, you can mobilize community support for these proposals. As enlightened citizens, I am sure you will.

REHABILITATION ACT VETO

Mr. RIBICOFF. Mr. President, I am shocked that the President has again vetoed the Rehabilitation Act of 1972. This legislation passed the House and Senate overwhelmingly in 1972 and again in 1973.

The act would provide funding to extend and improve the Federal commitment to the rehabilitation of the physically and mentally handicapped. In Connecticut alone, vocational rehabilitation services estimated at $6.7 million in fiscal 1974 would be authorized. Another $978,000 would be available to our State for the establishment and implementation of services for the severely handicapped who are not generally included in existing programs.

Rehabilitation centers throughout the country, and especially those in Connecticut, have been instrumental in helping the handicapped to become full participants in society. Blind and crippled human beings have been helped immeasurably by the Federal rehabilitation effort.

In Connecticut in fiscal 1972, for example, some 6,458 individuals were re-

ferred to the State rehabilitation center, and 2,350 of them were completely rehabilitated. As a result, the earnings of these people rose from $1,057,500 to $9,400,000 a year after rehabilitation. In addition the self-sufficiency achieved by these people meant that disability and welfare benefits to these people and their dependents could be reduced by $838,000 in a 1-year period. Similar results can be found throughout the State of Connecticut and the Nation. All of us in Congress support economy in Government. But economies should not be made at the expense of successful health programs.

This is no time for us to turn our backs on those in America who, through no fault of their own, are handicapped. I will vote to override the President's veto of this legislation and I urge all Senators to join me.

THE EXEMPLARY PUBLIC SERVICE OF ELLIS ARMSTRONG

Mr. BENNETT. Mr. President, Mr. Ellis Armstrong, a distinguished Utahan who for the past 4 years has served as U.S. Commissioner of Reclamation, is leaving the Government on April 1 to assume the position of vice president of URS Systems Corp.

Mr. Armstrong has brought great honor to his State and a high degree of professional competence to his years of service to our Nation. He is the only man ever to have served as both Commissioner of Reclamation and Commissioner of Public Roads, a position which he held in the Eisenhower administration. Additionally, he has served in various capacities with the Bureau of Reclamation for over 23 years, and as a consulting engineer in private business for 12 years. He is also a former director of highways for the State of Utah.

Seeing Mr. Armstrong leave the Government after contributing so much leaves me with a feeling of regret. His leadership in the Federal development of water resources will be missed. But I am pleased to note that in his new position in the private sector he will continue to lend his considerable talents to the areas of water resources, pollution abatement, and energy-related services.

I wish Ellis Armstrong all the best in this new assignment, and express our gratitude to him for his exemplary public service.

ENVIRONMENTAL CHANGE CAN BE GUIDED

Mr. CRANSTON. Mr. President, efforts to halt environmental deterioration have been plagued by an unfortunate polarization.

On the one hand, many environmentalists have too often espoused a thoughtless obstructionism to any plan for growth. On the other hand, some members of the construction industry and related growth fields have attacked the environmentalists' valid concerns as woolly head meanderings of some lunatic fringe.

Neither extreme approach helps our Nation resolve its environmental dilemma.

Therefore, it was quite refreshing to read an essay in the Los Angeles Times of March 25, 1973, by Walter Shorenstein, a highly respected business executive dealing primarily in real estate and a community leader in the San Francisco Bay area. Mr. Shorenstein's approach combines a sensitivity to environmental needs with an understanding of the problems created by our unavoidable growth.

I think my colleagues will benefit greatly from Mr. Shorenstein's discussion. I ask unanimous consent that the article be printed at this point in the RECORD.

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

THE ENVIRONMENT: CHANGE CAN BE GUIDED—OUR BEST BET FOR PROTECTING THE ENVIRONMENT IS TO DIRECT GROWTH IN WISELY CONTROLLED COURSES WHICH WILL ENHANCE ALL ASPECTS OF OUR DAILY LIVING

(By Walter H. Shorenstein)

Scarcely a day goes by that we in California do not read of an effort somewhere in our state to stop new construction in the name of preserving the environment.

It may be an initiative to limit the height of all buildings in San Francisco. It may be a drive to halt a freeway connection in Los Angeles.

It may be an effort to halt resort development in a mountain area. Whatever the merits of the various causes, there is in all of them the general assumption that man-made structures are automatically inimical to the environment.

Obviously this is a dangerous oversimplification created out of the rising concern over the quality of the environment coupled with a lack of knowledge of some facts of demography.

We cannot—any more than King Canute—halt the tides of growth and change by refusing to acknowledge their existence. We can best enjoy their benefits and best remove or limit unpleasant side effects by directing growth and change in wisely controlled courses.

The demographic facts should demonstrate why absolute no-growth policies are bound to fail in urban areas. Our rising national population alone points to the need for more housing, more office space, more schools and factories. Americans are not only becoming more numerous, they are moving west in large numbers. And, they are moving to cities.

At the beginning of the 19th century, only 55% of our national population lived in urban areas; today it is more than 75%. By the year 2000, most demographers agree, nine out of 10 Americans will be citydwellers. An inexorable tide of urban population growth is coming our way. We must be prepared for it.

At home or at work; these people must have shelter. They can be accommodated horizontally in endless chains of suburbs, with consequent sacrifice of open space and the necessity to commute great distances, or they can be accommodated vertically in high-rise towers. From an environmental point of view, the choice would seem obvious.

The modern high-rise building is one of the great engineering miracles of our age, ranking in its time with the pyramids of ancient Egypt and the Gothic cathedrals of the Middle Ages. It is an extraordinarily efficient means of comfortably housing a maximum number of human beings on a minimum of precious ground. High-rise buildings conserve rather than consume open space.

It must be remembered too that the urban real estate developer has strong interest in improving the quality of the urban environment. His edifice represents a large and long-term personal investment.

Urban blight brings him rising costs and declining income. So for economic as well as civic-minded motives, the developer has a vested interest in the future preservation and growth of his city.

For perhaps different reasons, the average citizen also has a strong motive for encouraging planned improvement and growth of his urban environment.

If he works in the city, he will prefer a modern, centrally located high-rise office building because it is convenient, comfortable and close to transportation. And, of the monthly rent his company pays to occupy this building more than 20% of it is returned to the community in the form of taxes which pay for schools and hospitals and fire departments.

MAJOR INVESTMENT

Another 30% of the rent is returned to the community in wages and fees for building services. The building itself represents a major investment in local economy. About 35% of the construction cost of a modern office building, for example, goes into wages and fees. High-rise buildings provide the best means, from both the economic and the environmental standpoints, of sheltering the increases in the working population.

Let us have the courage to accept as given facts that our cities will grow and change. Let us also be resolved to allocate sufficient resources to keep our cities compatible with the environment.

High-rise buildings in themselves are not enough to do this. We must look to solutions for our urban problems that go beyond simply improving designs for roads and buildings within the old pattern of local planning.

We must have better planning, planning not on a patchwork block-by-block basis, but on a wide regional level, predicated less on institutionalizing the errors of yesterday, but instead on anticipating the much more challenging problems of tomorrow.

GREATER TRUST NEEDED

Secondly, we must have closer coordination and greater mutual understanding and trust between the private sector and government, so that the efforts of both can be directed toward the common goal of improving the urban environment, rather than dissipating energy in struggles for power leading to decisions dictated by political expediency.

We must, seriously and at once, address ourselves to the urgent problems created by the automobile in our cities. Today, more than half of the typical downtown area—in Los Angeles it's almost two-thirds—is dedicated to the automobile in the form of streets, parking lots and garages. The automotive by-products of pollution and traffic congestion long ago reached unacceptable levels.

Some cities have attempted to deal with the problem of banning automobiles from certain areas, only to find increased congestion in surrounding sections. Others, like Minneapolis and Houston, have experimented with utilizing air-rights over existing streets to provide car-free pedestrian spaces. Still others, with San Francisco as a current example, have invested heavily in mass transit.

Whatever the best solution, or combination of solutions, proves to be, it is evident that finding a means of breaking the stranglehold of the automobile on our cities is a project of utmost priority.

Finally, there is the problem created by our increasing need for electrical energy and fuel for energy production, both in absolute terms and on a per capita basis. As the population continues to concentrate in urban centers, the need for new power facilities near the centers of population becomes an ever greater economic and planning problem.

Although both face serious problems, Los Angeles and San Francisco are cities with

bright futures, perhaps the brightest of any two cities in the United States.

Complementary rather than competitive, each offering different advantages, opportunities, and life-styles, they stand in supremely strategic market positions as America again faces west, toward Asia and the entire Pacific Basin with their rapidly growing new markets for U.S. goods and services. If we in California are to realize the promise of growth without unpleasant and even dangerous side effects, we must face our problems realistically.

It will take effort to fully recognize our problems and place them in a logical scheme of priorities. It will take imagination to find the best solutions. It will take great energy and resources to implement these solutions.

But these solutions will never be imagined, the resources never assembled, the solutions never implemented, if we sit by the sea and order the tide to come no closer.

NEWSPAPER EDITORS URGE THIS COUNTRY NEEDS ALASKAN OIL

Mr. STEVENS. Mr. President, over the past 2 months a number of newspaper editors in major cities across the country have cited the immediate need for Alaskan oil. They have asked Congress to act quickly to amend the Mineral Leasing Act of 1920 and to permit the courts to decide on the major National Environmental Policy Act issue. Some have gone further and have urged, as I have, that Congress should mandate the building of the trans-Alaska pipeline now.

All are agreed that the energy crisis facing this Nation is critical.

Because these newspapers are representative of a majority of our citizens, I request unanimous consent to have these editorials printed in the RECORD.

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

[From the Birmingham (Ala.) Post-Herald, Feb. 14, 1973]

THE ALASKAN OIL FOLLIES

Were it set to music, the five-year battle over the proposed Alaskan oil line would be the worst flop since the boys at the firehouse tried to put on a Ziegfield follies without women.

After years of dickering, the pipeline project finally seemed ready to go last summer when a federal judge said he was satisfied the government had considered all possible routes.

But now a federal appeals court has overturned the judge's ruling—not because the pipeline would damage the wilderness, as some nature lovers contend, but because the right-of-way would be wider than permitted under a mineral leasing law passed by Congress 53 years ago.

"Whether this restriction made sense then, or now, is not the business of the courts," commented Judge J. Skelly Wright.

As to the basic question of whether the pipeline proposal is environmentally sound: "Not ripe for adjudication," the judge said.

So now the oil companies either can take their case to the Supreme Court or ask Congress to widen the pipeline limits in the 1920 law. To be safe, they'll probably have to do both.

How long this will take nobody knows. But if events up to now are any guide, we'll be lucky to see Alaskan oil by the end of the century, never mind the end of the decade.

Meanwhile, the energy squeeze grows tighter; there is talk of gasoline rationing this Spring, and the increasing reliance on foreign oil aggravates the nation's foreign trade deficit.

Ah, well, that's show business. Or as the boys at the firehouse might say: Things are bound to get better unless they get worse.

[From the Brooklyn (N.Y.) Bulletin, Feb. 27, 1973]

PIPELINE DELAY REEMPHASIZES PLIGHT

No matter how it looks from an ecological standpoint, one good thing must be said for the proposed Alaska pipeline. By and large it follows the shortest distance between two points to get oil to the people who need it.

Nothing so logical or direct, however, is evident in the process of deciding whether or not the 750-mile pipeline shall be built. The governmental deliberation and court litigation in this case seems to be routed through Timbucktu.

The U.S. Court of Appeals in Washington has now sent the pipeline controversy back to Congress on the strength of a law written in 1920 which says no pipeline crossing federal land can claim right-of-way more than 50 feet wide. It is doubtful that Congress in 1920 contemplated we would one day face the challenge of erecting a heated pipeline to carry oil across the desolate frozen tundra of Alaska. Engineers say there is no way this project could be carried out without exceeding that limitation.

For that matter, Congress in 1920 could not have contemplated that the tin-lizzies then on the streets and the canvas-winged airplanes then overhead would develop into a transportation system with fuel demands sending Americans to the Arctic Circle in search of petroleum. Surely it did not envision that national security, international trade balances, and the need to light and heat homes would combine to make it a national necessity to develop domestic oil resources that its 50-foot law would leave untapped.

The law is the law, however, and the Court of Appeals decision has thrust the pipeline controversy back into the political arena to be buffeted once again by the environmental lobby. What is worse, the court withheld judgment on another issue that promises even more delay. Ecologists are also demanding in court that the government consider rerouting the pipeline through Canada.

Congress can do more than make the necessary amendment in the 1920 law. It can declare that it is in the national interest to develop the North Slope oil resources in Alaska and to transport the oil across U.S. territory. It can do so with insistence that the pipeline be built with strict adherence to provisions for minimum ecological disturbance—provisions already laid down by the Interior Department on the basis of a nine-volume, 3,000-page study of the environmental impact of the project.

More than four years have passed since these Alaskan oil discoveries promised some relief for our dependence on foreign fuel sources. As one weary pipeline official commented on this latest detour in getting the new fields developed, "this country will have to make up its mind whether it wants to keep running or not." That is exactly how the issue is being drawn. The United States of America must establish energy and environmental policies based on a realistic appraisal of what it is going to take to keep our country going.

[From the Chicago (Ill.) Daily News, Mar. 10, 1973]

UNITED STATES NEEDS ALASKAN OIL

It is time for Congress to step in and speed the building of the trans-Alaska pipeline. After 3½ years of delay, the need for new supplies of oil and natural gas grows more critical each month that the deposits in the Arctic go untapped.

Frustrated by a round of court decisions blocking the issuance of right-of-way permits, the Nixon administration and several lawmakers acting on their own have introduced more than half a dozen bills in Congress to get the pipeline moving.

The latest court setback came when a federal appeals judge ruled that the 200-foot right-of-way planned for the line violated the 1920 Mineral Leasing Act. That law would limit the Alaskan right-of-way to 54 feet, which engineers say is not room enough for the construction and maintenance equipment to be used in Alaska.

The pipeline corridor's width, however, is only one matter that would be solved under pending legislation.

A major dispute has been over the pipeline's potential damage to the Alaskan wilderness. The choice is between risking some environmental harm and reaping a guaranteed payoff in added energy resources. Protection of the wilderness is no small consideration, but it should be understood that extensive technical safeguards, have been taken against the most feared occurrences—damage to the tundra's ecology and oil spills on land and at sea. In fact, the valid safety precautions mandated by the government have contributed to a near tripling of the expected cost of building the line.

A second dispute is over whether the pipeline should traverse a 3,200-mile route through Canada and end in Chicago instead of crossing Alaska The Canada route would parallel a natural-gas pipeline planned for the late 1970s or early '80s. The pipeline companies themselves, however, favor the trans-Alaska route for oil. They point out that natural gas, critically needed in the Midwest, cannot flow until after oil production begins in Alaska. To build the trans-Canada oil line first would only delay the gas flow by several years.

The economic payoffs from the Alaskan oil would be large. If the oil starts to flow about three years from now, it will come as U.S. dependence on oil imports is soaring. The President's Council of Economic Advisers estimates that over the expected 20-year life of the Alaskan field the United States would save $15 billion to $17 billion in foreign oil spending—at current prices.

Hearings on the pipeline-permit bills are under way in Washington. And on the basis of the vast store of evidence accumulated, the responsible action of Congress would be to clear the Alaska pipeline quickly with a bill specifically eliminating the legal problems that now block construction.

[From the Dallas (Tex.) Morning News, Feb. 12, 1973]

PIPELINE DELAYS

To a nation running dangerously short of oil and natural gas, the news that a trans-Alaska pipeline will not be completed before the end of 1976 at the very earliest is disappointing. The project has been fraught with delays that are no longer excusable.

Early in 1968, the largest oil field ever found on the North American continent was discovered at Prudhoe Bay, on the north slope of Alaska. Today, five years after that discovery, the oil is still locked in the frozen north.

A consortium of oil companies with north slope petroleum interests proposed building the pipeline across Alaska to bring the oil to market. Once the oil became marketable, another pipeline would be built across Canada to bring natural gas from the field to the U.S. Midwest. But those efforts were halted by environmentalists who filed lawsuits charging that the north slope environment would be destroyed.

The environmentalists' arguments were valid. The oil companies had intended to rush in and build a pipeline much as they had always been built, without taking into spe-

cial consideration the fragile Arctic tundra which the pipeline must cross.

But following the court injunction which halted pipeline construction, the oil companies spent thousands of man-hours and millions of dollars developing and testing safe technology for transporting hot oil across frozen ground. Their methods have been studied in detail and approved by the Department of Interior, and a federal district judge has ruled that the oil can be transported without damage to the tundra.

Through appeals, however, the environmentalists have persisted in blocking the pipeline. The latest snag was a ruling by an appeals court that the proposed pipeline corridor is too wide under federal law.

The Prudhoe Bay oil and gas would help to ease the nation's energy gap. But what could be more important, beginning of pipeline construction would revive the search for more petroleum deposits in that part of the world.

This nation is heavily dependent on petroleum energy and will remain so for many years. Therefore, additional domestic petroleum reserves must be found to avoid an overdependence on foreign oil. The north slope of Alaska is one of the promising areas for finding oil and gas. Further delays in building the trans-Alaska pipeline mean more delays in searching for those needed reserves.

[From the Denver (Colo.) Post, Feb. 22, 1973]

ALASKA PIPELINE SHOULD BE BUILT

The Nixon administration has met with key senators to discuss ending the legal blockade of the trans-Alaska oil pipeline. Chances appear good that a bill will be introduced soon to lift that blockage.

Such action is necessary. Of all the steps that can be taken quickly to add to the nation's oil supply in time of growing shortage the Alaska pipeline is one of the most logical.

The Alaska North Slope is a sure source of oil. Its reserve—at least 10 billion barrels—is not great in the overall U.S. picture. But it is a substantial resource and one that should be tapped. And considering the 1972 balance of payments deficit, imports of foreign crude—while essential—are not the easy alternative they once were.

We were, therefore, disappointed with the U.S. Appeals Court ruling earlier this month. The court barred the pipeline because it said the line could not be built under rules spelled out in the 1920 Mineral Leasing Act.

But since the court has ruled as it has—saying the 1920 law restricts public land right-of-way for pipelines to 25 feet width—there is a sure recourse in Congress.

The 789-mile line running south to Alaska's ice-free ports would be 48 inches in diameter, far larger than anything contemplated in 1920. The project obviously needs much more access than the 25-foot limit allows.

So the law should be changed.

The Department of Interior study of this project, released a year ago, makes the basic case for the pipeline in strong fashion. It concedes that there will be environmental damages. But it also outlines safeguards that can be insisted on as part of the pipeline authorization.

As to the alternative pipeline routes proposed through Canada, it must be recognized that Canada is by no means ready for a firm decision on a cooperative venture.

In any case, the environmental argument is diffuse. A decision against the Alaska pipeline might only increase the pressure to tackle northwest Colorado for oil shale. Or it might mean increased dependence on coal alternatives to petroleum.

Meanwhile, the noose of shortages is being tightened.

With construction time reckoned in years for projects to supplement our energy sources, it is clear that we can't delay. Giving early approval to the Alaska pipeline is required. We think Congress should act.

[From the Detroit (Mich.) News, Feb. 23, 1973]

UNITED STATES NEEDS ALASKAN PIPELINE

Should this country let a law passed in 1920, when fuel supplies seemed inexhaustible, block a major oil transportation project designed to help solve the energy crisis of modern America?

The answer is no, of course. The 1920 Mineral Leasing law should be amended, and construction should start at once on the long-delayed trans-Alaska oil pipeline.

For years the proposed pipeline has been the subject of legal challenges, hearings and studies. Last March, when the Interior Department added volume 13 to a series of exhaustive studies on the impact of the pipeline, it appeared that the quibbling might cease and the work might begin. Unfortunately, that did not prove to be the case.

Environmentalists, who have fought the project every step of the way, raised still another legal challenge. Subsequently, the U.S. Court of Appeals ruled that the pipeline cannot be built unless the 1920 law is changed. Under the existing law, the court said, the rights-of-way of the proposed project would be too wide.

To answer that objection, Sen. Ted Stevens, R-Alaska, intends to introduce the proper amendment to the 1920 law. He has already introduced a bill to authorize the construction of the pipeline and prevent further legal delay. His efforts deserve the support of every citizen and lawmaker who grasps the proportions of the energy problem.

Most of this nation's energy comes from petroleum and natural gas, but the United States does not have sufficient domestic supplies to fulfill its foreseeable economic demands and requirements of national security.

The public should be grateful for the early efforts of the environmentalists to obtain basic protective measures for the Alaska project. Now that they have assured that the greatest precautions will be taken, their obstructionism has served its purpose. To carry it further would be to place conservation efforts above critical human needs which the oil line would answer.

This country must have that oil. Let's take the final steps necessary to get it.

[From the Fort Worth (Tex.) Star-Telegram, Feb. 25, 1973]

SOLUTIONS NEEDED, NOT MORE BARRIERS

Finding an adequate solution to the mounting energy crisis is a little like disposing of an iceberg. It takes a lot of chipping away in a lot of places. Fortunately, there are some perceptive and able people working on the problem in a variety of directions.

One of them is Alaska's Sen. Ted Stevens, who has introduced a bill in the Senate to sweep away fresh barriers thrown up against completion of the 800-mile trans-Alaska oil pipeline. His action may, if it is pursued without delay in the congressional process, prevent another full year's delay in getting the $3 billion pipeline laid from the vast North Slope oil deposits to Valdez on the Gulf of Alaska.

Another year's delay not only would raise the total cost of building the line by about $250 million, but it would be another year in which the fuel shortage crisis would get tighter around the nation's throat. And it would add another year to the long wait before the nation could finally begin to use the North Slope oil—which now is estimated to comprise 20 per cent of the nation's known reserve.

Senator Stevens' action became necessary when the U.S. Court of Appeals recently held that a 1920 leasing law prevents construction of the pipeline because of right-of-way limitations. The new bill, co-sponsored by Alaska Sen. Mike Gravel, would amend the 1920 law and give a badly needed green light to a project that will contribute to easing the energy crunch.

Other things need to be done in Washington, however, and the urgency is of the same magnitude as that attending the Alaska pipeline go-ahead. One of them concerns making use of the oil reserves that lie under the Outer Continental Shelf, and another one of them concerns adjusting the government's pricing and taxing policies to provide the oil industry with incentives to continue the search for new U.S. petroleum reserves.

Chairman of the Board N. H. Wheless, Jr. of the Mid-Continent Oil and Gas Association spoke bluntly on those propositions at a recent meeting in Tulsa.

"Any further delay in adopting a program and schedule for leasing and developing the Outer Continental Shelf lands would be adding to the several years of lead time required to establish significant production capacity," he said, and added: "Three to five years will be required to develop production. Lost time in getting started cannot be made up. Any delay today in beginning would result in an equal delay in reaching full production in the late 1970s and the 1980s—when availability of domestic sources of petroleum will be of even more vital importance to the nation than it is today."

On the question of encouraging rather than discouraging the search for new petroleum reserves, Mr. Wheless told his audience, and the entire country, that the adoption of governmental policies conducive to the investment and risk-taking necessary to finding new fuel supplies is vital. And there is no question but that past governmental policy has had the effect of stifling the risk-taking incentive, not encouraging it.

"The producing segment of the oil and gas industry wants to continue to fill its essential role as the nation's principal supplier of clean and secure energy, but we must be allowed to respond effectively to the challenges facing us," Mr. Wheless said—and we hope administrative policymakers in Washington get his message, in the interest of reaching for solutions instead of compounding the problem.

[From the Indianapolis (Ind.) News, Feb. 23, 1973]

TIME TO START

It is now fairly clear that the trans-Alaskan oil pipeline will be built eventually, despite efforts by environmentalists to block it. The only real question is when.

As the result of various delaying tactics waged by lovers of the Arctic environment (some of whom we suspect have never been there), the latest estimate is that the pipeline will not be operational until 1977 at the earliest. This is most regrettable, for the nation, currently in the midst of a far-reaching energy crisis, needs Alaskan oil and natural gas well before then. The North Slope's vast reserves, the full extent of which are still unknown, are sufficient to ease the current crisis and free the United States from price blackmail being practiced by various Mideast countries. Developing them is also considered less expensive than relying more heavily on foreign imports.

A four to five year delay is also unnecessary, because environmentalists have already won most of their points. They originally pointed out that the proposed pipeline did not guard adequately against oil spills and that it would be subject to disruption by earthquakes. Since then the oil companies have spent millions perfecting the design. It is now about as foolproof as it can be made, a fact established by extensive tests conducted by the Department of Interior.

It was somewhat ludicrous in the first place to suppose that in the vastness of the Arctic a pipeline only a few feet wide would

make much of a dent on the environment. That effect is now reduced to practically zero as a result of the new design.

Continued opposition by environmentalists will not produce much by way of new safeguards. Nor will it permanently block the project. The pipeline is an economic necessity, and the time to start it is now.

[From the Kansas City (Mo.) Star, Mar. 1, 1973]

NEW DELAY ON ALASKAN PIPELINE DENIES UNITED STATES NEEDED OIL

The long-delayed Alaskan oil pipeline has run into another frustrating legal snag, and this time on a technicality unrelated to the merits of the project. The U.S. Circuit Court of Appeals in Washington, overruling a lower court, has blocked construction of the project on environmentalist groups' objections that the 146-foot right of way for the line exceeds the 50-foot allowance prescribed more than half a century ago in the Mineral Leasing Act of 1920.

The court held in effect that this restriction must be resolved by amending the law before even the environmental questions about the project can be considered, let alone a construction permit issued. President Nixon, in response, has directed his subordinates to do whatever is necessary "to get on with" the pipeline.

Sen. Ted Stevens (R-Alaska) has introduced a bill specifically to authorize the project as planned. The measure also would attempt to declare that the pipeline meets all environmental requirements, thereby forestalling further court action.

Walter Hickel, then secretary of the interior, was all set to issue the necessary permit in April of 1970 when the environmentalists obtained a federal court injunction in Washington. For the next 28 months the project sat on the shelf while the Interior Department prepared an exhaustive 6-volume environmental impact statement as required by a 1969 law.

The 800-mile pipeline was redesigned in some respects to meet assorted ecological fears that the hot oil could melt the permafrost and cause the 48-inch line to buckle, that an earthquake could cause oil spills and that the line could prove a barricade to migrating wildlife.

With the impact statement finally finished and reviewed at public hearings, the federal district judge dissolved the injunction to expedite the case on up to the Supreme Court for final adjudication. But now the right of way question poses further delay.

Already, with the design changes and inflation, the project's costs have soared from $900 million to around $3 billion. The nation's growing energy crisis, meanwhile, heightens the urgency to tap the rich Alaskan domestic oil source on the North Slope.

The administration, which has found itself compelled to ease oil import quotas during this winter's fuel shortages, does not intend to rely for the long course on oil from the Middle East nations, with their volatile politics and price-gouging tactics.

The present secretary of interior, Rogers C. B. Morton, has declared his intention to issue a permit for the line, which would carry the oil south to the ice-free port of Valdez and thence by tanker to the West Coast, as soon as the environmentalists have had their day in court.

But with this latest complication, that day grows longer—and so does the nation's waiting to enjoy the sorely needed benefits of the Alaskan oil reserves.

[From the Memphis (Tenn.) Press-Scimitar, Mar. 5, 1973]

PERILS OF PIPELINE

The Nixon administration deserves high marks for its persistent efforts to pipe oil out of Northern Alaska to an ice-free tanker port at Valdez.

U.S. Interior Secretary Rogers C. B. Morton says he'll ask Congress and the U.S. Supreme Court to remove all roadblocks this year to the 789-mile pipeline.

Congress will be asked to amend a 1920 law that severely restricts pipeline rights-of-way on public lands.

The Supreme Court will be asked to decide, once and for all, whether the pipeline plan meets environmental standards.

This may sound like a fairly simple process. But the pipeline project has taken so much flak from courts, conservationists and congressmen in the past four years that nothing is simple any more.

The most perilous thing about the pipeline is getting it approved. The dangers (real or imagined) of operating it seem inconsequential compared to that.

To argue, as some wildlife lovers do, that the line should go through Canada is not very convincing. Even more fish and caribou would be disturbed by the Canadian route than by the much shorter Alaskan route.

The primary consideration is that the nation needs Alaskan oil. Every barrel piped from Prudhoe Bay will be one less barrel we have to import from the unstable Middle East.

That alone should be enough to prod Congress and the Supreme Court into the prompt action that Secretary Morton suggests.

[From the New Orleans (La.) Times-Picayune, Feb. 15, 1973]

ARCHAIC FEDERAL ACT CAUSES TROUBLE

Again a court barrier has been thrown in front of the proposed trans-Alaskan oil pipeline and the reason proves what we have said before: The 53-year-old federal Minerals Leasing Act needs modernizing.

That Alaskan oil would help plenty. It doesn't seem reasonable that homes go unheated, industry closes down, electric companies are squeezed and transportation suffers for want of oil and its products just because the act of 1920 limits pipeline rights-of-way over public lands to 25-foot strips on each side of the pipeline.

The oil transmission line from the rich reserves on Alaska's North Slope to the ice-free port of Valdez, a tanker terminal, embraced a 146-foot right-of-way and it had approval of the Interior Department.

The United States Court of Appeals pointed to the right-of-way limit prescribed in the law and sent the case back to district court, ordering it to enjoin the secretary of interior from issuing a special right-of-way permit for laying the pipeline.

Any resemblance of a 1920 pipeline to a present high-capacity pipeline is remote. Yet the law is rigid in its antiquity.

Louisiana and other coastal states have been saying for years that the Minerals Leasing Act needs overhaul for another reason: Its terms are unfair and out of step. This is the law which provides a 37.5 per cent share of revenues from federal inshore lands for states in which those revenues are produced.

But see what has happened since 1920. There are now heavy revenues from federal offshore lands and the activity is bound to spread. Adjacent states receive no share of this money although they pick up the tab for public education, roads, health services—the whole list of governmental services—for families of workers whose employment is with the federal offshore industry.

When a home is cold or a breadwinner is out of work because his plant is down for lack of oil, an excuse that an archaic federal law stands in the way of more oil is unacceptable.

When a state is pinched to provide adequate school funds, passable roads and other services, it is galling that the same old law discriminates between states in sharing of revenues.

Question: When is the Minerals Leasing Act of 1920 to be modernized?

[From Oil and Gas Journal, Feb. 19, 1973]

A 92-FOOT RIGHT-OF-WAY BLOCKS ALASKAN OIL

The decision of the U.S. Court of Appeals on the Alyeska pipeline case is a most unfortunate verdict. It illustrates forcefully the rough road facing those striving to do something about the nation's energy shortage.

The decision, of course, is unfortunate for the Alaskan economy and for the oil companies who have millions of their stockholders' dollars tied up in dormant projects. But of far greater importance is the decision's impact on consumers of energy and on the administration's efforts to increase this country's domestic petroleum supply.

Denial of Alaskan oil indefinitely means imports of more foreign oil will be necessary at a time when the President is striving to balance the U.S. trade deficit. Price of foreign crude is bound to rise in wake of devaluation of the dollar, meaning American consumers must soon pay more for foreign oil and thus aggravate balance-of-payments woes.

The court certainly can be faulted for its narrow decision which not only sidestepped the important environmental issue but also complicated and prolonged the avenue of further appeal to the Supreme Court.

The court limited itself to the width of extra right-of-way for the actual line requested by Alyeska—92 ft in addition to the 54 ft explicitly allowed by the Mineral Leasing Act of 1920. The opinion held that the 92 ft extra could not be granted, although the Government in the past has granted temporary use permits of this nature. Alyeska was told it would have to seek relief by asking Congress to change the leasing act.

Since the ruling on the right-of-way stymies the project, the court said in the interest of speedy action—it already had taken 6 months on the decision—the majority declined to rule on whether the environmental impact statement submitted for the project by the Interior department was sufficient. This means that even if the extra right-of-way is granted on appeal to the Supreme Court, there's a good chance the case must go back for a ruling by lower courts on the environmental issue.

The dissenting opinion of Judge MacKinnon termed avoidance of the environmental issue "a monstrous refusal to perform a judicial obligation."

True—but there's no advantage now for the petroleum industry to rant against the decision or against environmentalists' legal tactics. Options are few—all tough. Either appeal, ask Congress to amend the law, or both. For the sake of forcing an ultimate decision on the issues, both options should be pursued at once.

In the final analysis, fault for the confusion and delay must rest with Congress for writing environmental laws which invite a host of capricious class-action suits and impose narrow restrictions on administrative judgment. As a result, American consumers will be denied indefinitely the use of vitally needed Alaskan petroleum.

[From the New York Daily News, Mar. 10, 1973]

GASOLINE RATIONING

Authority has been proposed for President Nixon by the Senate Banking Committee. Oil shortages have already appeared in the U.S. and we are becoming more and more dependent on foreign sources.

If we're having oil shortages why doesn't Congress do something about it, like getting the Alaskan pipeline built? Alaska could supply enough oil to stop the rise in imports until at least 1985.

But the U.S. Court of Appeals in Washington has ruled, in an environmental suit, that a 1920 law forbids rights-of-way across Federal land of more than 54 feet—and the pipe-

line needs more. So the Interior Department is asking Congress to change the law and make the right-of-way wider.

That should be done right now, so the courts could then tackle the environmental question still not settled.

The energy crisis is here. Everything possible should be done to solve it.

[From the Portland (Oreg.) Journal, Feb. 16, 1973]

OIL NATION'S LIFEBLOOD

Environmental groups which have been successful in blocking construction of the Alaska pipeline see the issue in terms of oil company profits versus protection of the Alaskan landscape.

To the Department of Interior, the state of Alaska and those industries which bear responsibility for fueling the U.S. economy, providing an employment base and heating homes, schools and all manner of public institutions, the issue is a lot more complicated than that.

The U.S. Appeals Court for the District of Columbia has stopped the Department of Interior from issuing construction permits for the huge project, based on a 1920 provision of the Mineral Leasing Act which limits the width of right-of-way for construction across public lands to 54 feet. This limitation could not possibly be met in the pipeline project. The court did not even address the issue of the adequacy of the Interior Department's massive impact statement.

The decision comes at a time when the nation is headed into both a short-term and long-term energy crisis which cannot be solved by any single approach. It was severe enough this winter that some public institutions had to be closed temporarily in the Midwest.

The nation is being warned that in the next 10 years we will be increasingly dependent on oil from the Middle East, which poses dangers from the standpoint of that region's instability, rising costs imposed by nations which know they "have us over a barrel" and our critical imbalance of payments problems.

The tapping of Alaskan oil is seen as one step to alleviate though by no means to solve this dilemma.

The nation has to do what it can to institute energy-saving programs and to continue to look for additional sources. It is acknowledged that we have ample potential energy on our own soil in enormous deposits of coal and oil shale but that at this stage they cannot be adequately tapped without unacceptable costs and environmental damage.

Scientific possibilities are on the horizon which may ultimately solve all of the nation's energy problems. They are not just around the corner.

This week Don Hodel, Bonneville Power administrator, warned that the electric power situation in this region will become worse before it improves and that the next five years will be critical. Yet we are one of the least threatened regions from the standpoint of electric power and energy sources as a whole.

The transport of oil by pipeline overland and by tanker across the seas does impose environmental damages. We repeatedly hear about the alarming degree to which the oceans have been polluted.

Yet we are terribly dependent on oil in so many of our activities that we take for granted.

It is fully accepted that the tapping and transportation of oil must be accompanied by the highest possible standards of environmental protection. Yet we haven't found a way to get along without oil, and we are not likely to within the foreseeable future.

[From the St. Louis (Mo.) Globe-Democrat, Mar. 2, 1973]

PUSH AHEAD ON ALASKAN PIPELINE

As the energy crisis grows, it becomes apparent how stupid it is for the United States to allow the stalemate on the trans-Alaska pipeline to drag on and on.

The 800-mile oil pipeline should have been built years ago. But now it is blocked once more after a U.S. Court of Appeals has ruled that the width of the right of way breaks a 1920 law that limits the right of way width across public lands to 25 feet on either side of the pipeline.

So the tapping of an estimated 40 to 100 billion barrels of oil on the Alaskan north slope still is many years away.

How ludicrous this is can be seen by the fact that this country is increasing its imports of oil by huge amounts every year—and still is critically short of fuel.

Sen. Henry M. Jackson has pointed out that last year the United States had to import 27 per cent of its oil and this year the figure will jump to 35 per cent. The nation should have a 90-day reserve of oil but has a reserve of only six days.

Only six days! No wonder there is talk of rationing gasoline this summer.

It borders on national madness to dilly-daily on the Alaskan pipeline in the face of this alarming shortage. Congress should act as quickly as possible to amend the 1920 law so the pipeline can be built.

The Department of the Interior should then grant the consortium of companies planning to build the pipeline the permit to go ahead. The alternative is to become increasingly dependent on the Middle East oil countries that continually raise their prices and continually juggle quotas to impose their demands. They literally have the United States over the barrel.

Americans who want to avoid rationing of fuel should demand that Congress and the President take action to get the Alaskan pipeline going.

[From the San Diego (Calif.) Evening Tribune, Feb. 17, 1973]

THE NEED FOR ALASKAN OIL

President Nixon's emphasis this week of a fuel shortage that threatens to become critical points out the urgent need of legislation to hurdle the latest roadblock to construction of the controversial Alaskan pipeline.

The appeals court decision, holding that present law does not permit the 200-foot right-of-way required for the 800-mile transmission of oil from Alaska's North Slope to the ice-free port of Valdez, was cheered by the conservation groups who contend that the pipeline would be harmful to wildlife and a blight to the Alaska landscape.

But the ruling also wipes out the alternative urged by the environmentalists—a pipeline across Canada to United States terminals.

Alaska's two senators, although of opposing political faiths, are agreed that benefits of the trans-Alaska pipeline to their state outweigh the disadvantages.

Republican Ted Stevens and Democrat Mike Gravel are preparing bills to get around the limitations of a 1920 federal law.

Congress, after repeated warnings of the imminent crisis in meeting this country's demands for energy, should waste no time in approving the legislation.

The United States needs the raw treasure locked beneath the frozen slopes of the Alaskan mountain ranges.

The lawmakers, divided in their views on the best method of bringing it to the refineries and the market, must insure that all options are kept open.

[From the San Diego (Calif.) Union, Feb. 18, 1973]

PIPLINE DELAY REEMPHASIZES PLIGHT

No matter how it looks from an ecological standpoint, one good thing must be said for the proposed *Alaska pipeline*. By and large it follows the shortest distance between two points to get oil to the people who need it.

Nothing so logical or direct, however, is evident in the process of deciding whether or not the 750-mile pipeline shall be built. The governmental deliberation and court litigation in this case seems to be routed through Timbuctoo.

The U.S. Court of Appeals in Washington has now sent the pipeline controversy back to Congress on the strength of a law written in 1920 which says no pipeline crossing federal land can claim right-of-way more than 50 feet wide. It is doubtful that Congress in 1920 contemplated we would one day face the challenge of erecting a heated pipeline to carry oil across the desolate frozen tundra of Alaska. Engineers say there is no way this project could be carried out without exceeding that limitation.

For that matter, Congress in 1920 could not have contemplated that the tin-lizzies then on the streets and the canvas-winged airplanes then overhead would develop into a transportation system with fuel demands sending Americans to the Arctic Circle in search of petroleum. Surely it did not envision that national security, international trade balances, and the need to light and heat our homes would combine to make it a national necessity to develop domestic oil resources that its 50-foot law would leave untapped.

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Congress can do more than make the necessary amendment in the 1920 law. It can declare that it is in the national interest to develop the North Slope oil resources in Alaska and to transport the oil across U.S. territory. It can do so with insistence that the pipeline be built with strict adherence to provisions for minimum ecological disturbance—provisions already laid down by the Interor Department on the basis of a nine-volume, 3,000-page study of the environmental impact of the project.

More than four years have passed since these Alaskan oil discoveries promised some relief for our dependence on foreign fuel sources. As one weary pipeline official commented on this latest detour in getting the new fields developed, "this country will have to make up its mind whether it wants to keep running or not." That is exactly how the issue is being drawn. The United States of America must establish energy and environmental policies based on a realistic appraisal of what it is going to take to keep our country going.

[From the Seattle (Wash.) Daily Times, Feb. 13, 1973]

TIME TO RENEW ALASKA-OIL EFFORTS

The physical difficulties of extracting oil from Alaska's North Slope under Arctic weather conditions are matched, it appears, by the magnitude of the legal problems that beset the giant North Slope undertaking.

Nonetheless, the needs of a nation facing an energy crisis and of the State of Alaska, facing bankruptcy, require the most vigorous efforts possible to surmount the legal barriers.

The United States Court of Appeals in Washington, D.C., last week sidestepped environmental questions involved in the proposed North Slope-to-Valdez pipeline and ruled that the federal government could not issue a permit for the project because of a 1920 law limiting right-of-way width.

Alaska Senators Stevens and Gravel rightly are prepared to introduce legislation to modernize that out-of-date law.

But, as all interested parties agree, the larger question of whether the government

has properly met the requirements of environmental law must run its course through the courts, including the United States Supreme Court. This process, which already has cost years of delay, should be expedited.

And in anticipation of an eventual favorable federal decision, the State of Alaska and the oil industry would be well advised to compromise their revenue differences in their own and the national interest.

It has sometimes been suggested by those uninformed as to the nature of Uncle Sam's energy crisis that the nation might be better off simply leaving the North Slope oil in the ground—as a national reserve, so to speak.

Such reasoning overlooks the fact that this country's energy problems lie primarily in the medium-term future. Over the next 10 to 15 years, the nation faces a dangerous and costly dependency on foreign oil supplies.

Beyond that period, approaching the turn of the century, advances in technology—including shale-oil, coal liquefication, the fast-breeder reactor, nuclear fusion and solar heat—are expected to open up new energy sources.

Alaska cannot wait indefinitely to cash in on its oil riches. And neither can Uncle Sam.

[From the Tulsa (Okla.) Tribune, Feb. 12, 1973]

WE'LL HAVE TO HAVE THE OIL

The U.S. Circuit Court of Appeals has blocked the Alaska pipeline from the Prudhoe oil field on the grounds that the 1920 Mineral Leasing Act stated that the allowable right-of-way for pipelines through public lands must be limited to 25 feet on either side of the pipe. The Alaska pipeline required a total right-of-way of 146 feet.

The court acknowledged that the 48-inch line couldn't be built within a 50-foot limitation and said that it was therefore forced to prevent the building of the line until and unless Congress changes the law.

The matter will be quickly appealed to the Supreme Court, but additional months of delay are guaranteed and the ecologists who don't want the pipeline built at all are delighted.

So the oil companies are in the position of having paid for more than $900 million worth of leases which they are forbidden to exploit. And America, which is running seriously short of domestic oil and is in a poor balance-of-payments position to purchase additional foreign oil must be denied access to at least 10 billion barrels of American oil for a period, at the shortest, of another three years.

The 1920 act is, of course, ridiculous by modern standards. It was passed when pipelines rarely exceeded a foot in diameter and when most of the digging was done by pick-and-shovel. No one envisioned the great energy-carriers of the present. The Soviet Union, incidentally, is completing a 56-inch line from its own Arctic.

Oddly, the narrower the working space the more potential damage to the arctic ecology. The Canadians, for example, decree that tractors and bulldozers must make a new track each time they pass over the delicate permafrost to avoid serious gullying. The narrower the allowed working space, the greater the damage.

America is approaching a moment of truth. Our appetite for gasolines and fuel oils continues to mount as does the opposition to pipelines, offshore drilling and new refineries. Next summer, gas rationing in some parts of America is a real possibility.

If we think we can keep our oil locked up and buy the difference from abroad we're going to have to work harder to sell more abroad. The American dollar is already in distress and we can't get rich printing Pancho Villa pesos. These simple facts of life haven't yet made any impression on the Sierra Club, the Wilderness Society, Environmental Defense Fund, Inc. and Friends of the Earth.

Their members may have more time to think about it when they start riding the bus out to the forests to look for firewood.

[From the Tulsa (Okla.) World, Feb. 12, 1973]

ALASKAN OIL DELAY

For the past three years the mammoth Alaskan oil pipeline project has been delayed time and again, by the opposition of environmental groups. Nonetheless, it moved slowly ahead, through a bureaucratic and judicial maze, toward a beginning of construction. But last week the endeavor ran into an obstruction, in the U.S. Circuit Court of Appeals here, that only Congress can remove in a reasonable period of time.

And, in view of the darkening fuel-supply prospect in this country, we think that Congress should get itself in a mood to do just that. This could, ideally, be a rather simple matter. What the appeals court said was that the land-use permit for the pipeline, issued by the Interior Department, doesn't conform to a 1920 federal law. Under that old statute, the limit of use by a pipeline company is 25 feet on either side of a line that crosses federal land, and Interior has gone considerably beyond that in this case.

But in this case the 25-foot limitation is patently ridiculous. The trans-Alaska pipeline would extend 789 miles, carrying heated crude oil from the Arctic North Slope southward to an ice-free port on the Pacific. It has been described as the largest private-industry undertaking in history. Certainly it would be related to national security. The construction and maintenance of such a project—its scope far beyond the visions of 1920—cannot be carried on in the width of an ordinary village street.

So, as the court made clear, all Congress has to do is grant the needed extra right-of-way. That could be done in a short space of time if Congress is troubled enough by the developing fuel crisis. But undoubtedly there will be some resistance to any such move, and not only from environmentalists. Some lawmakers strongly favor an alternative—piping the oil across Canada instead of Alaska directly to the upper Midwest. The trouble is that several more years would be required to obtain the oil that way, and time is running out. Congress should hasten a start on the trans-Alaska line, which is ready for construction, and then consider a cross-Canada artery, for which plans aren't very well developed. Both will be needed in the year ahead.

A sufficient omen for Congress should be the near-crippling fuel oil shortages that have hit some areas this winter—and a mild winter it has been in most of the major urban sectors. There's even talk of a gasoline shortage this summer. And by some estimates, this country will be importing half the oil it uses by 1985, to the severe detriment of its economy and possibly its security.

That could be offset in no small degree by the 2 million barrels a day which would flow down the Alaska pipeline. Though the environmental safeguards set up by Interior for this project aren't perfect, they are strong and can be improved upon as necessity dictates. Alaska will not be despoiled by the line, but the national interest will take a beating if construction is delayed much longer.

[From the Washington Evening Star and Daily News, Feb. 19, 1973]

ALASKAN OIL DELAY

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FISCAL AND BUDGETARY REFORM ACT

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues an editorial appearing in the Pittsburgh Post-Gazette. The editorial points out that the President is not without fault in regard to the huge national debt.

Yet it is the responsibility of Congress to see that the country is put back on the road of fiscal responsibility. Despite this responsibility, the Congress lacks an effective mechanism for viewing the Federal budget in its entirety. The editorial supports the efforts those Members of Congress who are attempting to establish a mechanism for budget analysis and program evaluation.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

TO CONTROL FEDERAL SPENDING

Had Congress heeded the warning Thomas Jefferson issued more than 157 years ago—"to preserve our independence we must not let our leaders load us with perpetual debt; we must make our election between economy and liberty, or profusion and servitude"—it would now be in a stronger position to fight its battle of the budget with President Nixon.

The warning has been ignored. Endless deficit spending, without regard for consequence, has pushed the federal debt to more than $450 billion (debt service alone in fiscal 1974 will be $26.1 billion), and the end is not in sight. This reckless performance has prompted Rep. Wilbur Mills, chairman of the House Ways and Means Committee, to observe that deficit financing is the sole basic cause of inflation.

President Nixon is not without fault in this fiscal irresponsibility. He has submitted a series of budgets calling for deficits aggregating nearly $100 billion. In an attempt to get control of the budget as a damper on inflation, however, he has tried to impose a $250-billion ceiling on spending and has been impounding federal funds and refusing to spend them, to the outrage of a spendthrift Congress.

Against that backdrop, it is encouraging to see recognition within Congress of its basic fiscal failure. It has been appropriating piecemeal without sufficient concern for aggregate spending and an impact upon the budget.

In an effort to remedy that situation, Pittsburgh's Rep. William S. Moorhead and Sen. Hubert Humphrey are jointly sponsoring the Fiscal and Budgetary Reform Act of 1973. This act would establish under the Joint Economic Committee a Congressional Office of Budget Analysis and Program Evaluation. Its major purpose, as Mr. Moorhead has testified, is to set up the structure and procedures within the Congress whereby the authorization processes would be more closely related to the activities of the appropriations committees. In short, the various committees of Congress would know what each was doing with its chunk of the budget (now more than $250 billion annually) in the hope that an overall spending ceiling could be set and observed.

Although the share of the national income that passes through the hands of the Federal Government is approaching 30 percent, Congress lacks any mechanism for considering the federal budgetary program in its entirety. That is what Messrs. Moorhead and Humphrey commendably wish to remedy.

We earnestly hope that they will succeed. If the budget is to be brought under control and inflation curbed, someone in government must exercise fiscal responsibility. If Congress won't do it, the President must.

Control of the purse strings rests constitutionally with the Congress. It should meet that responsibility. As Mr. Moorhead has said, Congress must become a fiscal participant rather than a fiscal observer.

NORTHLANDS REGIONAL MEDICAL PROGRAM

Mr. MONDALE. Mr. President, one of the victims of the administration's proposed budget for fiscal year 1974 is the excellent northlands regional medical program in my own State, Minnesota.

Largely due to the work of the northlands program—funded under the Federal regional medical program, which the budget proposes to end—the number of Minnesota hospitals with expert intensive coronary care units has increased from 18 in 1967 to more than 120 today.

Loss of the northlands regional medical program would be a tragedy for health care in Minnesota.

And the President's announced intention of ending the national regional medical program without congressional approval is yet another example of the administration's lawless disregard for the constitutional responsibilities of the Congress.

Mr. President, I ask unanimous consent that a fine article on the northlands regional medical program by Gordon Slovut of the Minneapolis Star may appear at this point in the RECORD.

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

NIXON CUTBACK DOOMS AREA HEALTH-CARE PROGRAM

(By Gordon Slovut)

The Northlands Regional Medical Program, an experiment which poured $6.5 million in federal funds into Minnesota health care projects since 1967, has been marked for elimination by the Nixon administration.

Northlands is one of 56 regional medical programs in the nation—originally conceived by the late President Lyndon Johnson as a vehicle for attacking heart disease, cancer and stroke—which the administration is scuttling.

Dr. Winston R. Miller, Northlands director, said he has been told to prepare "phase-out" plans for all Northlands projects under way.

He said he is to prepare alternate phase-out plans—one based on a complete shutdown on June 30, the other with some projects allowed to last until Feb. 15, 1974.

The best-known of scores of Northlands projects involved greatly expanding intensive coronary care units—for heart attack victims—in Minnesota hospitals and the training of nurses and doctors to run them.

In 1967, there were 18 Minnesota hospitals with special heart units. There now are more than 120. The death rate in Minnesota hospitals of persons who arrived with heart attacks fell about 10 percentage points over the period, according to one study.

Dr. George B. Martin, Thief River Falls, president of the Minnesota State Medical Association, said he strongly suspects the coronary unit program had much to do with the improved survival of heart attack victims in Minnesota.

Miller said the coronary nurse training program, started as part of the Northlands project, will be continued by the Minnesota Heart Association.

He isn't sure that many other Northlands-backed projects, such as a motorized clinic which visits doctor-less communities in northwestern Minnesota, or a research project aimed at finding out why some women in the state still die of cancer of the cervix, will be continued.

Decisions about where Northland's funds—considered "seed money" to find ways to improve health, correct the shortage of health manpower and find better ways of delivering care—were made by a 42-member board with representation from organized medicine, dentistry and other health professions, disease-oriented groups such as the heart association, business, labor and consumer representatives.

Martin said doctors were never unanimous about the worth of the program. Some liked it, some considered it a federal intrusion and some ignored it, he said.

Martin said that, on balance, the regional program was beneficial.

"In my opinion it helped better understanding between all aspects of the medical and health-care community, Martin said.

"It got the University and Mayo together, and got those two dealing with the practicing physicians. It got doctors and nurses talking to each other and it got doctors in neighboring towns talking to each other, working cooperatively."

Martin said he believes the administration's decision to eliminate the program will stick and he regrets that the program will be folded so rapidly.

The rapidity, he said, makes it difficult to find ways to carry on the Northlands-instigated projects.

According to a publication of the American Medical Association, the administration says it will drop regional medical programs because "the regionalized systems of health care, as originally envisioned in the legislation have not, in fact, been realized during the seven years of this program's existence . . . nearly all of the RMP projects overlap other grant programs."

ADM. ELMO R. ZUMWALT, U.S. NAVY CHIEF OF NAVAL OPERATIONS, INVITED TO ADDRESS A JOINT SESSION OF THE GENERAL ASSEMBLY OF SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, on behalf of Senator THURMOND and myself, I bring to the attention of the Senate a concurrent resolution passed by the General Assembly of South Carolina on March 21, 1973, inviting Adm. Elmo R. Zumwalt to address a joint session of the general assembly on Wednesday, March 28, 1973.

Although the admiral will be unable to attend, the purpose of this invitation is to recognize the authority for the establishment of a National Naval Museum at the Patriot's Point area in Charleston, S.C. This museum is one of its kind and will be a tribute to the people who have played a significant role in our naval history.

I ask unanimous consent that this concurrent resolution be printed in the RECORD.

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

CONCURRENT RESOLUTION

Inviting Adm. Elmo R. Zumwalt, U.S. Navy, Chief of Naval Operations, to address a joint session of the General Assembly at 12 o'clock noon, on Wednesday, March 28, 1973

Whereas, legislation to create the Patriot's Point Development Authority will be signed by Governor John C. West in fitting ceremonies on March 28, 1973; and

Whereas, among other things this authority is charged with the responsibility of establishing a National Naval Museum at the Patriot's Point area of Charleston County; and

Whereas, it seems only fitting that Elmo R. Zumwalt, United States Navy, Chief of Naval Operations, be extended an invitation to address the General Assembly on this memorable occasion.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring: That Admiral Elmo R. Zumwalt, United States Navy, Chief of Naval Operations, is hereby invited and requested to address a Joint Session of the General Assembly of South Carolina in the Hall of the House of Representatives at 12 o'clock Noon on Wednesday, March 28, 1973.

EDWARD STEICHEN

Mr. RIBICOFF. Mr. President, Edward Steichen, who died Sunday, March 25, 1973, in West Redding, Conn., was quite

possibly the best photographer who ever lived.

Alden Whitman of the New York Times described Mr. Steichen and his photography this way:

A humanist, he disclosed and interpreted man to man through probing portraiture; and, as a person of extraordinary sensitivity, he gave his century a new vision of flowers, trees, insects and cityscapes as well as of commercial artifacts.

Mr. Steichen's camera lens was like a painter's brush. His pictures possessed mood and emotion and, they were composed with a keen sense of design.

I can think of no more fitting way to characterize the work of Edward Steichen. He was truly a great American artist whose influence on photography was enormous. Through his pictures, he brought beauty and pleasure and new perception to people all over the world.

I had the privilege of knowing Edward Steichen. Conversing with him was enlightening and enjoyable, for his manner was genuine and totally without pretense and direct. Typical of him was this comment he made on the occasion of his 90th birthday in 1969. he said:

When I first became interested in photography I thought it was the whole cheese. My idea was to have it recognized as one of the fine arts. Today I don't give a hoot in hell about that. The mission of photography is to explain man to man and each man to himself. And that is no mean function. Man is the most complicated thing on earth and also as naive as a tender plant.

Whether he actually gave a hoot or not, Mr. Steichen's pictures did, in fact, elevate photography to a fine art. He combined the best of modern technological accomplishment with the ancient desire of the artist to entertain and instruct. He was a man very much in touch with his times and the people who lived them. We are all better because of him.

Alden Whitman's obituary of Edward Steichen appeared in the March 26, 1973, issue of the New York Times. I ask unanimous consent that it be printed in the RECORD.

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

EDWARD STEICHEN IS DEAD AT 93; MADE PHOTOGRAPHY AN ART FORM

(By Alden Whitman)

Edward Steichen, the photographer, died yesterday at his home in West Redding, Conn., after an illness of several months. He would have been 94 years old tomorrow.

The first photographs Mr. Steichen took were so disappointing they were almost his last. He was 16 years old in 1895 and had bought a Kodak with his mother's money. He made 50 exposures, chiefly of subjects about the house.

"When the film came back, I had a real shock," he recalled. "Only one picture in the lot had been considered clear enough to print.

"My father thought one picture out of 50 was a hopeless proposition, but my mother said the picture (of his sister at the piano) was so beautiful and so wonderful that it was worth 49 failures."

Brightened by his mother's cheerful attitude, the youth went on to teach himself photography, experimenting as he learned. Ultimately he became not only the country's most celebrated and highest-priced photographer but also a craftsman of genius and world renown who transformed his medium into an art. His stature was so lofty that his admirers spoke of him as "De Lawd."

A humanist, he disclosed and interpreted man to man through probing portraiture; and, as a person of extraordinary sensitivity, he gave his century a new vision of flowers, trees, insects and cityscapes as well as of commercial artifacts.

Mr. Steichen's camera lens was like a painter's brush. His pictures possessed mood and emotion, and they were composed with a keen sense of design, a heritage of his years as a fashionable painter in the manner of Whistler and Sargent.

LIKE IMPRESSIONIST WORKS

Some of his photographs resembled French impressionist paintings in their blurred softness; some, in their use of light and shadow, seemed like Rembrandt; others were utterly stark, as if they had been executed by De Chirico. Few of his pictures were dull or jaded.

"I know that to him the universe is as fresh and as strange now as it was back then," Carl Sandburg said a few years ago of Mr. Steichen, his brother-in-law and longtime friend.

Explaining his conception of his art, Mr. Steichen put it this way:

"I don't think any medium is an art in itself. It is the person who creates a work of art. It's perfectly clear that photography is different from any other medium—but that's only procedurally.

"Every other artist begins from scratch, a blank canvas, a piece of paper, and gradually builds up the conception he has. The photographer begins with the finished product. When that shutter clicks, anything else that can be done afterward is not worth consideration.

'At that point the differences between photography and any other medium stop because the photographer has brought to that instant anything any artist has to bring into action for the creative act."

In line with this view, Mr. Steichen concentrated on preparation. He once took more than 1,000 shots of a single cup and saucer as he experimented with the effects of various lighting arrangements. It was this infinite pain—and the knowledge that it produced—that gave his pictures their special quality.

His picture of Auguste Rodin, the sculptor, was a case in point. Before taking the photograph, Mr. Steichen spent every Saturday for a year studying Rodin as he walked among his works at his Paris studio; and only when he had decided on the composition he wanted did he bring his camera.

SCRUTINIZED 10,000 PRINTS

Mr. Steichen was almost as famous as a picture editor as he was as a picture taker. In 1942, in World War II, he set up the exhibition "Road to Victory" at the Museum of Modern Art in New York. He scrutinized 10,000 prints before selecting 150 that he believed reflected the quality and spirit of the American people, their land and their resources.

Ten years later, as director of the museum's department of photography, he traveled to 11 countries in search of material for the "Family of Man" exhibition. He selected 503 pictures as, he said, a "mirror of the essential oneness of mankind throughout the world." The exhibition opened in 1955 and was ultimately viewed by more than 9 million people in 69 lands. In book form, "The Family of Man" sold 3 million copies.

Outside of photography, Mr. Steichen achieved a more limited renown for his cross-breeding of plants, especially delphiniums, in which he had been interested since 1910. His delphiniums sprouted flowers so profusely that they resembled bushes rather than the usual spires. He also developed a new type of oriental poppy, more delicate and smaller than the usual flower.

Six feet tall and with wide-set blue eyes, Mr. Steichen was not a jocose person. "On looks Steichen might be taken for a priest." Mr. Sandburg wrote in 1929. "He is solemn, with grave spiritual quality; reverence is a commanding element in his make-up."

Starting in 1957, the photographer altered his visage by growing a magnificent white beard that was flecked with gray and black. It gave him the appearance of a biblical patriarch, especially when he neglected to trim it regularly.

Even as an old man he had the questing, eager mind that set him apart as a youth.

Edouard (it became Edward early in his career) Jean Steichen was born March 27, 1879, in Luxembourg, the only son of Jean Pierre and Marie Kemp Steichen. Three years later the family migrated to Hancock, Mich., where the elder Steichen worked in the copper mines and his wife had a millinery shop. Their daughter, Lilian Paula, who became Mrs. Sandburg, was born in Hancock. She survives her brother.

Edward's mother was the dominant influence in his childhood, shaping an outlook on the world that remained with him through his life. Recalling an instance of this in his autobiography, "A Life in Photography," he wrote:

"Once, when I was 10 years old, I came home from school, and as I was entering the door of her millinery shop I turned back and shouted into the street, 'You dirty little kike!'

"My mother called me over to the counter where she was serving customers and asked me what it was that I had called out. With innocent frankness, I repeated the insulting remark. She requested the customers to excuse her, locked the door of the shop and took me upstairs to our apartment.

IMPORTANT MOMENT

"There, she talked to me quietly and earnestly for a long, long time, explaining that all people were alike regardless of race, creed, or color. She talked about the evils of bigotry and intolerance.

"This was possibly the most important single moment in my growth toward manhood, and it was certainly on that day the seed was sown that, 66 years later, grew into an exhibition called 'The Family of Man.'"

After the family moved to Milwaukee, Edward left school at the age of 15 and became an apprentice in lithography at the American Fine Art Company, working up from nothing a week the first year to $4 the fourth. He added to his pay by becoming the unofficial photographer of picnics and outings. He also painted and sketched in his spare hours.

As a lithographer, the youth made his mark by creating a large Ruben's like woman reclining in the enlarged capital "C" of the slogan "Cascarets—They Work While You Sleep." The figure of the languorous lady was almost as famous as the Gibson Girl.

At the same time he was experimenting with his camera, trying to capture on film the blurred softness of a painting. To achieve a misty effect, he would spit on his lens or give the tripod a kick as he tripped the shutter. One of these out-of-focus pictures, "The Lady in the Doorway," brought him recognition as a photographer in the Second Philadelphia Salon in 1899.

A year later he was on his way to Paris, intending to study painting and to continue with photography, the latter in line with a promise to Alfred Stieglitz, a photographic pioneer, whom Mr. Steichen had met in passing through New York.

NOTED FOR PORTRAITS

Painting and photographing by turns, he built a reputation for portraiture of notables—his Rodin won a prize, and his picture of Maurice Maeterlinck, the poet and playwright, was highly regarded. Returning to New York in 1902, he became friendly with Mr. Stieglitz, opened a studio at 291 Fifth

Avenue and began doing portraits commercially.

His "most concentrated and exciting experience" was in snapping J. P. Morgan and Eleonora Duse, the actress, in less than an hour. The Morgan picture came about accidentally when a painter, finding the financier too restive for a sitting, got Mr. Steichen to take a picture from which to paint.

Using a janitor as a stand-in, Mr. Steinchen composed the picture before the banker arrived and quickly made a two-second exposure. Then he made another exposure for himself, with a different position of the hands and head that brought out Morgan's dynamic self-assertion.

Morgan liked the picture taken for the portrait, for which he paid $500, but tore up a print of the second exposure. Later, though, when he was told how wonderful it was, he offered $5,000 for it.

In 1905, Mr. Steichen, with Mr. Stieglitz, established the Photo-Secession Galleries, where art works of all mediums were shown. Through it, Mr. Steichen introduced Cézanne, Picasso, Rodin, and Matisse to the United States. But, restless and feeling stultified as a professional portrait photographer, Mr. Steichen returned to Paris in 1906 and devoted himself to painting, photography and botany at his home in Voulangis.

When the United States entered World War I in 1917, the photographer volunteered for service as an aerial cameraman with the Signal Corps. He took part in major operations in France and won both a Distinguished Service Citation and membership in the Legion of Honor. With the Armistice he returned to Voulangis and his palette.

"One morning, when I went to my studio, I found a very free copy of a flower painting I had been working on," he recounted. "It had been done by the gardener, a Brittany peasant, and it had the curious charm and direct simplicity of much primitive painting. As such, it was better than what I had been trying to do.

"I called the gardener, and we pulled all the paintings out of my studio into an open area and made a bonfire. I was through with painting.

"The wartime problem of making sharp, clear pictures from a vibrating, speeding plane 10,000 to 20,000 feet in the air had brought me a new kind of technical interest in photography . . . Now I wanted to know all that could be expected from photography."

Mr. Steichen spent three years in experimentation. His pictures became precise, filled with detail and with light and shadow. And in 1923 he signed to do portrait and fashion photography for Vanity Fair and Vogue magazines for $35,000 a year. Among those who posed for him over the years were Greta Garbo, Charlie Chaplin, Beatrice Lillie, Mary Pickford, Martha Graham, the Barrymores, Katherine Cornell, Paul Robeson and Lilliam Gish.

WORKED FOR AD AGENCY

Branching out from the Condé Nast Publications, Mr. Steichen took commissions from the J. Walter Thompson agency for advertising work. He promoted such things as mattresses, creams, silks, pills and vacuum cleaners. He was often reproached for going commercial, but he steadfastly denied any meretriciousness.

"If my technique, imagination and vision are any good I ought to be able to put the best values of my noncommercial and experimental photographs into a pair of shoes, a tube of toothpaste, a jar of face cream, a mattress or any object I want to light up and make humanly interesting in an advertising photograph," he once said. He added:

"A thing is beautiful if it fulfills its purpose, if it functions. To my mind, a modern icebox is a thing of beauty."

In 1938, however, he closed his New York studio, announcing that his work had become routine and repetitious. He did not retire, but spent more time with delphiniums ("my vital preoccupation") at his Umpawaug Breeding Farm in West Redding.

When World War II broke out, he organized a unit of photograph naval aviation operations. By the end of the war he was in charge of all Navy combat photography. He was discharged in 1946 with the rank of captain. His war experiences are recorded in "The Blue Ghost: A Photographic Log and Personal Narrative of the Aircraft Carrier U.S.S. Lexington in Combat Operations." He also supervised the film "The Fighting Lady."

For 15 years, from 1947 to 1962, he was with the Museum of Modern Art, supervising exhibitions of photography. To achieve objectivity, he virtually gave up his own work in those years. The museum honored him in 1961 with a one-man show of 300 pictures taken from more than 30,000 negatives. It later established the Edward Steichen Photography Center.

After he retired from the museum, he produced a documentary show on the plight of the farmer during the Depression. It opened in 1962 as "The Bitter Years: 1935–41—Rural America as Seen by the Photographers of the Farm Security Administration."

Mr. Steichen, even in his advanced years, never gave up photography completely. On his farm in recent years he experimented with a movie camera, filming a flowering shadblow tree. The result was a startlingly beautiful chronology of its moods and seasons.

At his 90th birthday party at the Plaza Hotel in 1969, Mr. Steichen took the floor to say:

"When I first became interested in photography, I thought it was the whole cheese. My idea was to have it recognized as one of the fine arts. Today I don't give a hoot in hell about that. The mission of photography is to explain man to man and each man to himself. And that is no mean function. Man is the most complicated thing on earth and also as naive as a tender plant."

RECEIVED MANY HONORS

He received many awards and decorations, including the Presidential Medal of Freedom, the Distinguished Service Medal and decorations from France and Luxembourg. At the end of this month he was to be honored at the Birmingham (Ala.) Art Festival.

Mr. Steichen married three times. His first wife was the former Clara E. Smith. They were married in 1903 and had two daughters, Dr. Mary Steichen Calerone, a physician and co-founder of the Sex Information and Education Council of the United States, and Kate Rodina Steichen, a writer. After a divorce in 1921, he married Dana Desboro Glover, an actress, who died in 1957. In 1960, he married Joanna Taub, a woman in her twenties.

They lived in West Redding in a Steichen-designed house on property strewn with rocks. Under one, a large perpendicular boulder, he said, he hoped to be buried.

A memorial service will be held at the Museum of Modern Art in New York at a date to be announced.

AMERICAN TECHNOLOGY OVERSEAS IS A SCARE STORY

Mr. HARTKE. Mr. President, in recent testimony before the Subcommittee on International Trade of Senate Committee on Finance, Mr. Andrew Biemiller, legislative director of the AFL–CIO unveiled the information that one of this Nation's most reliable rocket launch system, the Thor-Delta, was now in the process of being sold to the Japanese by McDonnell Douglas, a multinational firm.

From some reaction to this statement, you would have thought Mr. Biemiller had brought a skunk to the lawn party rather than supplying the committee with some useful and appropriate information as part of its inquiry into multinational concerns and their effects on the American economy. Mr. Biemiller has been accused, among other things, of muddying the Japanese-American trade waters at a time when American concerns are striving to complete successful negotiations with a most difficult trading partner; anything that disrupts American trade, in the eyes of these critics, imperils the Nation. The selloff of technology is not trade—it is an economic fire sale with no return to the Nation—only to the companies involved

Mr. Biemiller is accused of telling a "technology scare story." The fact is, Mr Biemiller has done this Nation a great service in revealing what is happening to an entire high technology, high employment industry that has been one of the mainstays of our economy. The real "scare story" is that we are sitting complacently by and excusing this action and apologizing for it while the U.S. economy is being undermined by the selloff of our production of sophisticated launch facilities, military aircraft, commercial aircraft, and private aircraft. It is not a scare story. It is a bare fact. We are selling off our aerospace technology and there is not one single denial of this fact by the State Department, the Defense Department or the companies involved. Their only response has been that this entire selloff of technology is "good for us."

There is no intent to dwell on the potential military aspects of the Thor-Delta rocket. It can be provided with a guidance system quickly and easily. That is no impediment at all. The rocket can be modified and made militarily operable. Even the Pentagon concedes that point.

But more broadly, I think that these critics of Mr. Biemiller miss the main point. That is, in our zeal to export, we should be careful about what we are exporting. And we should be particularly careful when we seek to export technologies which are a basic part of our industrial resources—and our ability to produce and expand jobs.

It is one thing to export the fruits of our technology. It is quite another to export the technology itself.

For if we export our technology, what have we to sell? If others can purchase our technology, they then cease to have any need for the goods we formerly fashioned from that technology.

That is just what has been happening, Mr. Biemiller reminds us—as I read his testimony—in our aerospace industry. Here is an industry where, we have long been told, America is absolutely supreme. We have the most advanced technology. We have the most skilled labor force in the world to operate that technology. As a result of the combination of the high technology and the high skills associated with it, we are supposedly strong in exports of the fruits of this industry.

But what is the actual case? The technology of this "vital" industry is being shipped abroad in wholesale lots. It is not just the Thor-Delta, it is an entire complex of the technology involved in the

production of military and commercial air hardware.

Developing this technology cost hundreds of millions of dollars in taxpayer funds, the education of highly trained Americans, and expensive trial and error testing. It is now being sold at a fraction of its worth.

With the selling of the technology, the highly skilled manpower which was trained and used to develop it is no longer of any need. Can anyone then wonder why aerospace workers are concerned—and rightly so—when they can see the technology which is the basis for their jobs is rapidly being sold out from under them?

When are we going to wake up to the fact that if we continue to erode our technology, we erode our ability to compete, we erode our industrial base, and we erode the jobs which depend on that base?

The implications of the accelerating selloff of technology is also of concern to specialists in the field such as Dr. Harvey Taufen, of the Hercules Corp., who recently reported that Japan has paid about $90 million a year, or about $1 per capita, "to get all the results of all the successful, proven technology in the world." As a result, "Japan's shopping has brought it the most incredible bargains in the world."

Supporting Mr. Taufen, Nathaniel Brenner, marketing director for Coates and Welter Instrument Corp., said in an article in Chemical and Engineering News last year that:

> Technology is not an aesthetic pursuit like music or poetry, but rather a commodity of commercial value, with an investment cost which can be measured, a dollar value that can be computed and a clear market advantage for those who have it versus those who don't . . . the product of this investment, like the product of the oil well or the factory, cannot be given away to foreign countries by multinational corporations or by any other channel without a clear, measured quid pro quo or the United States will suffer exactly what a corporation suffers that sells below cost for an extended period—bankruptcy.
>
> Anyone who is naive enough to believe that the Japanese or British governments permit foreigners to license their processes as freely as the U.S. does ours has simply never tried to negotiate these transactions.

Mr. President, this is why we urge a new look at our present trade practices for the clear and present danger that they are.

CHILD ABUSE

Mr. MONDALE. Mr. President, on Monday and Tuesday of this week the Subcommittee on Children and Youth, of which I am chairman, held hearings on S. 1191, the Child Abuse Prevention Act.

I was both touched and angered by the testimony presented to the subcommittee. I was touched by the personal story of a reformed child abuser who has now devoted her life to working with other parents who have the same terrible problem of being unable to control their anger against their children. And I was angered and disappointed by testimony demonstrating the disorganized, callous way that the Federal Government has dealt—or more accurately, not dealt—with this problem in the past.

It is gratifying to see that the hearings—coming at a time when more and more horrifying cases of child abuse are being reported in the media every day—are stimulating public discussion of possible solutions to this problem.

I ask unanimous consent to insert in the RECORD at this time Colman McCarthy's thoughtful analysis, "Suffer the Little Children," which appeared in the Washington Post on Monday; articles from the Post and the Washington Star-News describing the testimony presented at the subcommittee's hearings.

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

SUFFER THE LITTLE CHILDREN

Adults have been beating, torturing and killing their children ever since we supposedly became a little higher than the animals. Only lately, though, is anyone asking why we do it and why can't we prevent it. Social scientists, lawyers, psychiatrists and a few parent groups have been seriously studying the derangement for the past 10 years. As an important part of this discussion, hearings on child abuse were opened yesterday by the Senate Subcommittee on Children and Youth. We have had attention on the subject before, but we still stumble along to solutions, never surefooted about whose responsibility it is to think about the unthinkable.

As with the crime of rape, exact figures on child abuse are unavailable. Dr. C. Henry Kempe, a Denver pediatrician who directs the National Center for the Prevention and Treatment of Child Abuse and Neglect estimates some 60,000 cases were reported last year. The unreporteds are unknown. Occasional child abuse cases reach the courts—it is odd how seldom we think of children as having legal rights—and the trials are reported by the press. A common impression from these accounts is that the murdering or battering adults are fringe cases, exceptions to the happy rule that most parents are naturally loving. Actually taken to an extreme, certain seemingly normal styles of child-raising can easily lead to violence. Two Denver psychiatrists working with Kempe, write: "There seems to be an unbroken spectrum of parental action toward children, ranging from the breaking of bones and fracturing of skulls through severe bruising to severe spanking and on to mild 'reminder pats' on the bottom. To be aware of this, one has only to look at the families of one's friends and neighbors, to look and listen to the parent-child interactions at the playground and the supermarket, or even to recall how one raised one's own children or was raised onself.

"The amount of yelling, scolding, slapping, punching, hitting and yanking acted out by parents on very small children is almost shocking. Hence we have felt that in dealing with the abused child we are not observing an isolated, unique phenomenon, but only the extreme form of what we would call a pattern or style of child rearing quite prevalent in our culture."

* * * * *

Writes James Delsordo, a Philadelphia social worker: "They obviously cannot help themselves. The abuse of their children seems to be rooted in an overflow of their own frustration, irresponsibility and lack of belief in themselves and anything else. In such cases, the possibility of the family remaining intact is remote. The parents are generally vacuous, pleasure-seeking and devoid of guilt, except for periods of extreme remorse and self-pity. They make promises easily and plead with the case-worker for 'one more chance.' Most parents respond poorly to formal psychotherapy."

Is child abuse preventable? Specialists like Kempe—regarded as a pioneer in the field—believe so. In "Helping the Battered Child and His Family." (Lippincott) Kempe writes that only 10 per cent of America's battering parents are too mentally ill to be helped while a child is in the home. The other 90 per cent may be helped. He sees changes in the traditional social agencies as essential. For one thing, welfare departments often make a parent feel uncared for, exactly the feeling that is passed onto the child through a brutal beating. Kempe and his associates say that a violent parent suffers from a "deprivation of basic mothering—a lack of the deep sense from being cared for and cared about from the beginning of one's life." At Kempe's center in Denver, a child protection team includes pediatricians, psychiatrists, social and welfare workers and a nurse.

It is not true that the busing parents are found only among the uneducated and poor, though—as in other crimes—these are often the first to be hauled into court. Violent parents are in all parts of society. Dr. Sidney Wasserman of the Smith College School of Social Work says: "How easy it is to deny that within all of us lies a potential for violence and that any of us could be unreachable. What is more repugnant to our rational 'mature' minds than the thought of committing impulsive, violent acts against a helpless child? We tell ourselves that the primitive, untempered instincts responsible for such acts could not erupt in us. But stripped of our defenses against such instincts and placed in a social and psychological climate conducive to violent behavior, any of us could do the "unthinkable.' This thought should humble us; perhaps we are not battering parents only because conditions do not lead us to commit 'unnatural' acts."

In addition, treatment includes Families Anonymous, a program similar to Parents Anonymous. The latter has chapters in some dozen states and was founded in California by a former child abuser (a woman known as Jolly K.). Parents Anonymous chapters are not only for those who have beaten their children but for those who have not but are bewildered—as so many parents are—by the puzzles of child rearing. (Information about PA is available from Jolly K., National Parent Chapter, 2009 Farrell Avenue, Redondo Beach, California 90278.)

Although everyone knows that children's atrocities are occurring, even getting them reported is a challenge. A 1967 survey showed that a fifth of some 200 physicians said they seldom or never considered child abuse when examining an injured child; even if they had a suspicion and were legally protected to report it, a fourth said they would not. In "A Silent Tragedy," a book to be published in May by the Alfred Publishing Company, Peter and Judith DeCourcy argue that "the first requirement for helping abused children is an adequate reporting law. Such a law should protect the often frightened person making the complaint; therefore, anonymous complaints should be accepted. Investigations of all complaints should be made immediately . . . Reporting should be mandatory for any person who knows of child abuse or neglect . . ."

In the end, many child abuse cases involve parent abuse also; the optic nerve of reform easily sees the battered body of the child, but the disturbed personality of the parent should be sighted also. To protect children before they are abused is the ideal, rather than only after. But until aid is offered to potentially dangerous parents—as Dr. Kempe, Jolly K., and others offer aid—helping abused children will mostly be catch-up work. Families, meaning mothers, fathers and children, deserve better.

TOUGHENED CHILD ABUSE BILL PLANNED

(By Martha M. Hamilton)

Reacting to photographs of scalded, charred, beaten and abused children treated at Children's Hospital here, Sen. Walter F. Mondale (D-Minn.) promised yesterday to strengthen his own bill for dealing with the problem of child abuse.

Mondale watched, distressed, as members of the Children's Hospital child abuse team recounted the histories of the Washington area children, whose photographs were vivid testimony on child abuse.

The abuses were "the most nauseating, disgusting" he has encountered in nine years in the Senate, Mondale, chairman of the Senate Subcommittee on Children and Youth, told the Children's Hospital team.

The Children's Hospital group catalogued what they called weaknesses in the District of Columbia's procedures for dealing with child abuse as well as documenting the problem with slides and case histories.

They showed Mondale photographs and told the stories of:

A 4-month-old boy, admitted to Children's with brain damage caused by blood clots, who died about four months after being admitted. The photograph of the baby showed his body stretched out and rigid, his fists clenched and legs extended. He was breathing but not much else, Dr. Annette Heiser, director of the child abuse team, said.

His brother subsequently was admitted to Children's. The brother, who later recovered and was placed in a foster home, was unconscious and covered with both old and new bruises. "He had old sores on the back and several on the abdomen, which appeared to be healed cigarette burns," Dr. Heiser said.

Under the District's existing law, there is no legal procedure to assure that the brothers and sisters of a child who is identified as "abused" are safe, she said.

A child who the police had determined was not abused and who was scheduled to go home on a Friday but developed a fever and had to be detained. The next day the child's brother was brought to the hospital dead on arrival as a result of a beating. "Because of the system the first child was going to go back to the home," Dr. Heiser said.

"There should be a means for handling a conflict between a medical diagnosis and a police judgment," she said, "Either a third party . . . should become involved or the law should provide some means of holding a child solely on a medical judgment until a multi-disciplinary evaluation can be made of the family."

Reporting of child abuse cases is improving, the Children's group said, but needs improvement. Of about 150 cases reported last year, about 100 of those were reported from Children's where special procedures have been developed, Nan Huhn, a lawyer for the city said.

Members of the child abuse team were sharply critical of a proposal by the department of human resources to break up a centralized, highly specialized unit of social workers who deal with neglected and abused children in the District.

The Mondale proposal, which would cost about $90 million over five years, would expand the federal role in dealing with child abuse and focus more directly on the problem, creating a National Center and a National Commission on Child Abuse and Neglect.

[From the Evening Star & Daily News, Mar. 28, 1973]

CHILD ABUSE: PROBLEMS AND PREVENTIVES

MONDALE EYES TOUGH BILL

(By Martha Angle)

With a short but shattering slide show, a team of specialists from Children's Hospital yesterday brought home the problem of child abuse to a Senate subcommittee.

As many in the darkened hearing room diverted their eyes, images of brutally tortured children flashed across the screen while Dr. Annette Heiser recited the case histories of their abuse.

Cigarette burns, fork puncture wounds, scalded skin, broken limbs, whipping scars, "charred lower extremities"—were among injuries suffered by infants or pre-teen children at the hands of their parents and guardians.

"I have seen some pretty rough things in my nine years in the Senate, but this is the most nauseating thing I have ever seen," said Sen. Walter F. Mondale, D-Min., as the slide presentation ended.

"To think that we don't have any comprehensive system for saving these children from this kind of inhumane brutality and torture seems utterly beyond belief," Mondale added.

"We're going to do something here," he promised the Children's Hospital team. "We're going to pass a strong bill, and after this presentation it's going to be a lot stronger than I originally planned.

Mondale is sponsor of legislation to provide $90 million in federal grants over a five-year period for prevention and treatment of child abuse, to require states to draw up comprehensive plans for such programs, and to create a National Center of Child Abuse and Neglect to serve as a research and information clearinghouse on the subject.

Stephen Kurzman, assistant secretary of Health, Education and Welfare, yesterday told Mondale's Senate Labor and Public Welfare subcommittee the Nixon administration is opposed to his bill, believing the problem of child abuse should be handled at the state and local level.

Kurzman said HEW is already planning to institute some of the programs outlined in the Mondale bill, and will have spent about $231 million over a four-year period ending next year on child abuse research, prevention and treatment.

Mondale challenged Kurzman's spending figure, and Dr. Robert H. Parrott, director of Children's Hospital here, said that "if indeed $231 million has been made available, very very little of it is getting through to the District of Columbia."

Last year, he said, Children's Hospital handled about 100 of the 150 child abuse cases reported in the District "and we estimate there are three times that many occurring each year but going undetected." Other hospitals have been slow to recognize the problem and identify cases of child abuse, he said.

Other members of the Children's Hospital team said they have noticed a sharp increase in District child abuse cases this year, largely because doctors and others are becoming more conscious of the problem and better at recognizing abusive symptoms.

At their own initiative—and with no funding support—pediatricians, nurses, social workers and psychiatrists at Children's Hospital have formed a special team to handle cases involving abused children, testimony showed.

But team members said their efforts are severely hampered by a lack of personnel and funding, legal limits on the degree to which outsiders may intervene in a family situation, the absence of a central registry of child abuse reports, excessive caseloads of social workers who attempt to follow up on children who have been returned to the home and a host of other problems.

SPORTS EXPO FOR YOUTH

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues in the Senate a significant proposal for a constructive recreational program in the Washington, D.C. metropolitan area on behalf of disadvantaged youth.

Known as Sports Expo, this program will use ongoing clinics in the development of athletic skills to enable young men and women to have a sense of achievement where otherwise they might have known only disappointment and failure—developing those characteristics of self-confidence and the desire to achieve competence in their chosen vocations, that are so important in their later lives.

Sports Expo is a nonprofit endeavor of BilJac Associates, a small black-owned business consultant firm located in Alexandria, Va. I am advised that already a distinguished advisory panel has been formed to aid the organization of this important demonstration project—including Mathew Guidry, of the President's Council on Physical Fitness and Sports; Samuel Jones, at Federal City College; Calvin Rolark, president of the United Black Fund; Robert V. Donahoe, executive director of the UGF in the District of Columbia; Charles Taylor, at American University; Dr. Herman Tyrance, at Howard University; George I. Rose, assistant secretary for employment and social services, State of Maryland; the Honorable SHIRLEY CHISHOLM; James Ward, a vice president in the Marriott Corp.; William Jaimeson, Interracial Council for Business Opportunities; the Reverend David Eaton; and Miss Lucy O'Neil, presently associated with Sports, Inc.

Mr. President, I ask unanimous consent that a prospectus on Sports Expo, submitted to my office by Mr. William S. Hardy, president of BilJac Associates, Inc., be included at this point in the RECORD.

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

SPORTS EXPO

Recreation for Personal Development has been sponsored as a non-profit endeavor of BilJac Associates., Inc., a small black-owned business concern. The initial project is Sports Expo. Sports Expo will operate on the premise that negative social trends can be reversed if Americans accept responsibility for each other.

PROJECT OBJECTIVES

To develop in youth through sports interaction with professional and academic athletes a sense of social awareness within the socio/economic systems and to equip them to deal successfully within the system rather than without.

The clinics will create a positive environment for youth in which a good self-image and the will to succeed can be developed. Replacing a damaged self-image is a slow and painful task. It is possible on an individual level, however, to provide building blocks of small successes and accomplishments which will eventually make up a positive self-concept. We are striving for each youth to believe "I am somebody".

To encourage positive social behavior through providing a channel of constructive personal development.

MOTIVATION

One way in which young people have traditionally learned leadership and self worth is through participation in sports. Sports have also provided an escape beyond the nar-

row confines of a limiting and debilitating environment.

The development of this interest in sports can offer an avenue for acquiring personal discipline and confidence often atrophied by unrewarding school experiences and the discouragement of poverty and racism. Therefore, for the more than 100,000 disadvantaged school-aged youth living in Washington's inner city area, professionally conducted sports clinics are not only a natural response to youth's interest in both organized sports and leisure time activities, but also a viable vehicle for personal development.

Sports Expo believes that young people living in Washington's inner city areas—and elsewhere across the country—do not need pity. They need help in developing their valuable potential. They are often open to counsel from adult athletes, particularly those who share similar backgrounds.

METHOD

The machinery of Sports Expo is really very simple: successful adults will use sports as a means to develop the potential of youth who need encouragement to learn to live useful lives. Clinics in football, baseball, basketball and track—and later in tennis, golf, bowling and gymnastics—are planned in response to local interest.

However, no program of the magnitude envisioned for Sports Expo can go into operation untested. It is only good business to employ first a pilot project as part of the continuing long range planning. A series of model clinics will be held beginning in March and running through mid-June to refine the teaching approach and techniques used by the athletes and to insure a logistically smooth operation when Sports Expo goes into full swing this summer.

Some 20 professional athletes and 20 college and high school athletes and instructors will participate in the model project. Over 1,000 boys and girls will benefit. A series of three day football, basketball, track and baseball clinics will be held using donated facilities at Howard University and other available facilities. The professional and academic athletes will be assisted by volunteers from area colleges and high schools, community centers and recreation departments as well as from the YMCA and the Police Boys Clubs.

Clinics will meet from 2 to 4 hours each evening. While intended primarily for teenagers, other family members may attend. Each clinic will concentrate on a specific sport and will be limited to approximately the first 75 youth who register. Clinics will require a minimum of 50 trainees.

Daily programs will follow a tight, discipline-promoting schedule. Each session will begin with a film and illustrated lecture on some aspects of the sport under study. A structured play or application period will follow. Participants' efforts to apply what they have learned will in turn be recorded on video tape for "instant replay" and further instruction in small groups.

Emphasis on accomplishing assignments repeatedly will help build the participant's confidence in his own abilities. During each session agility drills will be taught to help trainees continue their physical conditioning after the clinic has ended and to allow for further successes.

A cleanup period followed by a nutritious training meal will end the session. The meal will allow more time for personal interaction between trainees and staff. It will also insure against the likelihood that many of the youth would not have a proper meal awaiting them at home.

An obvious purpose of the "living laboratory" situation will be to provide evidence that this project can effectively fulfill its objectives. Also, awareness of *Sports Expo* needs to be generated in inner city neighborhoods, while businessmen and corporations in the Washington Metropolitan Area must be alerted to the program and its aims. The model project is primarily intended as a time of evaluation and planning which will result in a definite proposal of the nature to solicit suffcient funding for a long term program.

FINANCE/ADMINISTRATION

How will *Sports Expo* be financed? Through the tax deductible contributions of civic minded organizations and individuals. The immediate need, of course, is for seed money to finance the model project. A minimum of $60,000 and a maximum of $91,000 are needed to cover expenses of the model project.

While initial salary costs are provided by BilJac Associates, it is intended that eventual donations will relieve the firm of this burden. In no way will BilJac Associates, Inc., derive financial benefit from *Sports Expo*.

Although many expenses will be nominal due to donated equipment, facilities and meals, a cost of approximately $57–$87 per participant is projected for the demonstration period, depending upon the length of particular clinics. Expenses will be accrued in the areas of fees paid to professional and academic sports personnel to insure their participation and by such items as transportation, insurance, publicity, etc.

However, the model project is only the beginning of *Sports Expo*. During the primary project an advisory board will be formed of both individuals and organizations. A membership of approximately 35 is projected, the members to represent a cross section of business, social and political concerns. Responsibilities of the Board of Advisors will be financial as well as advisory.

JAYCEES DRIVE FOR SCHOOL LUNCH PROGRAM

Mr. McGOVERN. Mr. President, I recently became aware of a remarkable new development in the fight to end hunger and malnutrition in America. Two young men, Mr. Robert Benedict, national Jaycees director for improved child nutrition, and Mr. David Jones, associate director, visited with me in my office to describe their nationwide drive to bring school lunches to millions of needy children.

Mr. Benedict and Mr. Jones explained that they were focusing on the problem of some 18,000 schools around the country that do not have the facilities to provide lunches to children. As they explained their program to me, they plan to encourage Jaycee chapters throughout the Nation to survey the needs of these schools, to develop community support for school lunch programs in these schools, and then to bring these needs, supported by hard evidence, to the Department of Agriculture to provide the funds to buy the equipment.

Mr. President, I want to make sure that when the community-level efforts of the Jaycees bear fruit, that the Federal Government will be in a position to respond to the requests of these local communities. For that reason, the staff of the Select Committee on Nutrition has analyzed the administration's budget request for school equipment funds. This analysis shows that $16.1 million has been requested for fiscal year 1974 for equipment—the same amount as was requested for the last fiscal year. The Congress has authorized $40 million. This $16.1 million will help modernize 5,000 schools, but will only provide new facilities for 1,300 of the 18,000 schools that need facilities.

I believe that the Congress needs to carefully examine the administration's budget request in this light, and hopefully provide increased funds to fulfill the efforts that the Jaycees are going to make.

Again, I want to commend Mr. Benedict and Mr. Jones for their great leadership in this area, as well as the national Jaycees.

AN END TO THE USE OF DES

Mr. RIBICOFF. Mr. President, on March 20, I released a memorandum prepared by the FDA's Director of Veterinary Medicine Review, which revealed that there are at least 18 potentially cancer-causing substances being used in food animals. For practically all of these, inadequate testing methods exist for the detection of residues of these substances in human food.

Of all the substances discussed in this memorandum, the one which is most clearly linked to cancer is diethylstilbesterol—DES—an estrogenic growth hormone used by meat producers in food animals to stimulate their growth. In August 1972, the FDA announced that use of DES in the feed of animals intended for human consumption would be prohibited after January 1, 1973. The FDA took this action after it had been shown that DES caused cancer in test animals and that residues of DES were present in the tissue of animals slaughtered for meat. Action was taken only after several Members of Congress, as well as environmental and health groups, had repeatedly urged the FDA to ban DES; a lawsuit had been filed by the National Resource Defense Council to have DES taken off the market; and a bill had been introduced in the Senate to accomplish by further legislation what the administrative process had failed to do by enforcement of existing law. That bill, S. 2818, passed the Senate on September 20.

The FDA's action, though long overdue, was inadequate to protect the interests of consumers. It failed to do so in two respects: the FDA permitted the continued use of DES, a known carcinogen, in animal feed for several months, a procedure which the GAO has determined to be illegal, and it failed to prohibit—even on an interim basis—the injection of DES into food animals. At this time, DES may still legally be used in food animals by implanting the hormone in the animals' ears, despite the fact that recent research reveals that this method, too, results in residues of this carcinogenic drug. DES implants had been used extensively prior to the ban on DES in animal feed and it is reasonable to expect that implants will be used much more widely now that the ban on DES in animal feed is in effect.

At the time DES was banned from animal feeds, FDA announced that the implants would be permitted to continue, because there was no evidence of DES residues from implants in slaughtered carcasses. The reason why no residues had been found is by no means reassur-

ing: in spite of the known problems concerning DES, neither the FDA nor the Agriculture Department had tested the carcasses of animals implanted with DES for residues. The FDA did not suspend implants on an interim basis while testing of animals implanted with DES proceeded. Instead, it left the public potentially at risk pending the results of future tests.

Now, months later, results of tests on implants have begun to appear. An FDA progress report dated December 18, 1972, shows that "FDA scientists have concluded that there is no question" that DES residues were present in the liver and kidneys of steers slaughtered 30 and 60 days after implantation. The report indicates that additional studies are in progress on steers to be slaughtered 120 days after implantation. It was announced in December that results of these studies would be available in mid-March. Now we are told that they will not be available until the end of April.

The FDA statement of December 18 indicates that "if any residue of DES is found in liver or kidney 120 days after implant, all approval of DES for this use will immediately be withdrawn." While I am pleased that the FDA appears ready to act once it has been conclusively proven that the public is being exposed to carcinogenic residues, I find it regrettable that it is taking so long to accumulate the data for decision, and that consumers must continue to bear the risk of exposure in the interim. By the time FDA and the Department of Agriculture decide whether to ban implants, at least 8 months will have passed since DES was banned in animal feed.

There are at least four reasons why DES or any other carcinogenic substance—actual or potential—should not be permitted to be introduced into food animals:

First, the danger of low-level residues;

Second, the inadequacy of the Department of Agriculture tests;

Third, the impossibility of enforcing regulations requiring a long withdrawal period; and

Fourth, potential harmful effects even if no residues are present.

1. DANGER OF LOW-LEVEL RESIDUES

Both FDA and the Department of Agriculture agree that DES is a carcinogen and that no residue of DES should be permitted in meat.

There is no way of determining what is a "safe" amount of a carcinogen. There does seem to be some relationship between carcinogenicity in animals and carcinogenicity in human beings. But the precise relationship varies with different substances and different species and is usually indeterminate. Because a given amount of a carcinogen may produce radically different effects in different species and different organisms, it is possible that carcinogens which at a given level produce tumors in animals could produce tumors in human beings at drastically lower levels. There is no assurance that a carcinogen—even in minmal amounts—will not cause ill effects in human beings.

In addition, it is difficult to determine a definite relationship between a given substance and human cancer. Because cancer may take from 10 to 20 years to appear and because we do not know enough about the precise mechanism of the disease, it is extremely difficult to establish conclusively a causal relationship between a particular substance and its cancer-causing effect.

Therefore, where a substance poses a potential threat of carcinogenicity, it is only prudent to avoid the presence of residues in the food supply in any amount. It is impossible, however, to determine that absolutely no residue of a substance remains. The determination that no residue exists is only as accurate as the sensitivity of the test used. If the required test is sensitive enough to measure residues—for example, at 25 parts per billion—and no residues are found, there is no assurance that residues below that level are not present. No matter how sensitive a test is used, it will always be possible that some residues will be present below the detection level. Thus, a zero tolerance level is a fiction. A de facto tolerance level is effectively set at the sensitivity of the test used. Thus, DES residues may be present at levels that the tests used cannot detect, and there can be no assurance that the presence of such residues is not a danger to the public health. The only proper course of action is to prohibit the introduction of DES in food animals in any form.

2. INADEQUACY OF DEPARTMENT OF AGRICULTURE TESTING DATA

As I have mentioned previously, the Department of Agriculture is currently performing tests to determine whether DES residues remain present in cattle 120 days after implantation. If no residues are found, the FDA is apparently ready to promulgate regulations permitting DES implants, provided that steers are not slaughtered until 120 days after implantation. Even if the Agriculture Department tests show no residues, however, I am not convinced that these tests would constitute sufficient proof that DES residues would not be present in an appreciable number of animals slaughtered after a 120-day withdrawal period.

Only eight steers implanted with DES are being tested under the 120-day withdrawal period. Given the wide variation in metabolic response in different animals, a showing of no residues in only eight animal carcasses would be far from persuasive evidence that residues would not appear in an appreciable percentage of cases.

3. IMPOSSIBILITY OF ENFORCING REGULATIONS REQUIRING A LONG WITHDRAWAL PERIOD

Even if a fully adequate test showed that no residues remain in animals after a 120-day withdrawal period, however, it would be impossible to enforce a regulation requiring such a lengthy waiting period before slaughter.

DES implants are administered at thousands of different locations. Even if a Department of Agriculture inspector were present at each of these locations to observe the implantation, a method of identifying the cattle implanted on a given date would have to be devised to assure that none could be slaughtered until 120 days had elapsed. The establishment of such an inspection program is beyond the capability of the Department of Agriculture.

Under the Delaney clause (21 U.S.C. 348(c)(3)(A)) no animal drug which causes cancer in man or animals may be used in food animals unless the Secretary of Health, Education, and Welfare prescribes regulations which will result in the absence of residues under testing procedures he shall establish and if it is reasonably certain that such regulations will be followed in practice.

The FDA and the Department of Agriculture have maintained that random testing of meat samples can be an adequate substitute for direct supervision of the implants. I do not believe that such testing could become an adequate regulatory tool. There are three reasons for this belief.

First, the tests performed by the Department of Agriculture to determine whether DES residues are present are extremely sophisticated and difficult to perform accurately. While Department of Agriculture specialists operating under ideal laboratory conditions may be able to use this test to produce accurate results, it is highly doubtful that it could be adapted for use in the field by less qualified technicians. This test is not likely to become a practicable regulatory tool.

Second, this test involves implantation of animals with radioactive material to make possible identification of residues. There is a substantial question whether the public would be well served if it had to tolerate meat that had undergone radioactive treatment in order to assure that no cancer-causing residues are present. The test itself, if used on food animals, seems to pose unacceptable risks to public health.

Third, and most important, the monitoring of meat samples involves inspection of a relatively small number of carcasses. The vast majority remains uninspected. Inspected carcasses represent only a fraction of 1 percent of the total animals slaughtered for food. A meat producer who violates a regulation requiring a long withdrawal period, therefore, runs only a minimal risk of having DES residues in his product detected.

I believe that a regulation establishing a 120-day withdrawal period would be unenforceable and not "reasonably certain to be followed in practice," as the law requires. If this is so, the Secretary is under a legal obligation to withdraw new animal drug approval for DES implants. I call on him to do so, regardless of the results of the current tests.

4. HARMFUL BIOLOGICAL EFFECTS EVEN WHERE NO RESIDUES REMAIN

Even if it could be shown that no DES residues are present after a 120-day withdrawal period, that a practicable regulatory test to detect all residues existed, and that regulations establishing a 120-day withdrawal period were reasonably certain to be followed in practice, there would still be strong reasons for banning DES.

A carcinogenic substance may induce harmful biological changes in an organism even if no residues of the substance remain. The results of a study by French

scientists have shown that, even where no DES residues remain after slaughter, animals which had eaten the meat of cattle implants of DES had become infertile. The study indicated that consumption of the meat of such cattle "may have an unfavorable effect on the reproductive functions of consumers." The effect of DES on human fertility has been confirmed by the FDA's recent decision to allow use of the drug as a "morning-after" contraceptive. I am not satisfied that the safety of DES would be conclusively shown even if it could be established that no actual residues were present in slaughtered carcasses.

The Canadian Government recently took action to ban DES both in animal feeds and through implants. It should be emphasized that the Canadian food and drug authority did not base its action on the presence of residues in meat. It concluded that DES could present a significant potential health hazard through biological changes induced in muscle tissue even where no detectable residues were found.

Canada is a meat-exporting country, and the meat industry is an important element of the Canadian economy. The Canadian Government would not have taken this action if it did not believe that DES presented substantial public health problems. The Government's action had the full support of the Consumers' Association of Canada.

It is time for FDA and the Department of Agriculture to cut the bureaucratic redtape and take decisive action to protect American consumers from the needless exposure to the risk of cancer.

Twenty-two governments have already taken action to ban totally the use of DES in livestock. American consumers are entitled to expect that their Government will act as effectively to protect them from potential hazards to their health.

MINNEAPOLIS TRIBUNE OPPOSES NIXON PLAN FOR MEDICARE, MEDICAID CUTBACKS

Mr. HUMPHREY. Mr. President, an excellent editorial in the March 27 Minneapolis Tribune makes a strong case against the cutbacks in medicare and medicaid that President Nixon has proposed.

The editorial points out that the administration is trying to justify the cuts by arguing that they can be made up out of the higher social security benefits Congress voted for older Americans last year. However, as the editorial goes on to say:

Social security was not increased in order that medicare and medicaid could be reduced. It was increased to meet the increased cost of living.

President Nixon failed last year in his attempt to limit the social security increase to 10 percent instead of the 20 percent approved by Congress. Now he is trying to get that money back from older Americans through the back door.

Fortunately, however, he has been effectively thwarted by the Senate. I have joined with 51 other Senators, led by my distinguished colleague from Minnesota (Mr. MONDALE), in introducing a concurrent resolution putting the Senate formally on record in opposition to the proposed cuts in medicare and medicaid. This resolution (S. Con. Res. 18), supported by a majority of the Senate, makes it clear that the cuts have no chance of passing and that this threat to the financial security and the health of older Americans has been lifted.

I ask unanimous consent that the Minneapolis Tribune editorial be printed at this point in the RECORD.

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

FIGHTING MEDICARE CUTBACKS

Although President Nixon failed in his attempt last year to trim down the new Social Security increase, his Medicare and Medicaid proposals this year could veto all or much of the increase for many elderly Americans. Under the proposed cutbacks, the administration would have the patient pay the full bill for the first day of hospitalization (instead of just $72 of the bill now), then 10 percent of the cost between the first and 61st days (this portion is now free). Those patients with doctor-bill coverage would pay the first $85 of the bill (instead of the present $60) and 25 percent of any amount over that (up from 20 percent). Dental care and other "low priority" services under Medicaid would be dropped.

These cutbacks would wipe out the Social Security increase (which averaged about $29 a month) for any Medicare recipient in a lengthy stay in the hospital, and would take a big chunk out of the increase even for a minimum stay. For example, the average daily hospital cost in Minneapolis is about $115. Using a much lower national average figure of $70. Sen. Walter Mondale, who is fighting the cutbacks, said that under the Nixon proposal a three-week stay would cost at least $200 and a 60-day stay a minimum of $500. Mondale figures the administration proposal would result in Medicare recipients paying out an additional $1 billion a year from their own pockets.

Defending the administration proposal, Caspar Weinberger, secretary of health, education and welfare, said the average stay in the hospital, about 12 days, would cost the Medicare recipient about $105. Even this, we feel, is too much for a recipient whose income from Social Security (the national average for a single person is less than $2,000 a year) is already below the poverty level.

To defend Medicare cutbacks on the grounds that patients can pay more because of the Social Security increase, as the administration did last month, seems to us to be a subversion of the intent of Congress. Social Security was not increased in order that Medicare and Medicaid could be reduced. It was increased to meet the increased cost of living. The elderly sick should not have this increase taken away from them. We hope Mondale and the other congressmen fighting the cutbacks meet with success.

GENOCIDE CONVENTION WOULD NOT ENDANGER U.S. COMBAT SOLDIERS

Mr. PROXMIRE. Mr. President, opponents of ratification of the Genocide Convention often cite as a danger of the convention the alleged possibility that U.S. combat soldiers could be tried and punished by the courts of an enemy country. For example, my esteemed colleague from North Carolina, Mr. ERVIN, contends that the convention would "make soldiers punishable for serving their country in combat" as the fifth of his objections to the convention presented in a recent speech. I am continuing my rebuttal of those objections.

There is an unspoken assumption in this objection, and recognition of this assumption vitiates the force of the objection. The assumption is that the Genocide Convention would subject servicemen to criminal proceedings that would not be possible at the present time. In fact, this is not the case. The example from very recent history, the war in Vietnam, is most persuasive on this point. If, for example, the North Vietnamese wished to try American servicemen, they had all the possibilities of doing so under a convention already in force and ratified by this country, the Geneva Convention of 1949. One provision of that convention is the requirement that countries punish for war crimes and extradite for such crimes to one another. If, therefore, the North Vietnamese wished to try American servicemen for war crimes, they could do so without the Genocide Convention, which adds nothing to that power. The charges most likely to be brought against servicemen would be under the Geneva Convention and not under the Genocide Convention.

In addition, no objective observer could reasonably construe the proper actions of a combat soldier as being done with the intent to exterminate a people as a whole, and the presence of such an intent is a requirement for a true finding of genocide under the convention.

It may be argued, of course, that a foreign enemy would disregard all of these provisions. In this case it would be abusing the convention and hence breaking it; this is not an objection that any law or treaty can countenance.

Another protection built into the convention is the safeguard against improper extradition. If genocide were alleged against American servicemen who had already returned to America, an American court would have to find that the evidence was sufficient to justify bringing a charge of genocide before allowing the extradition. In addition, the United States would be obligated to extradite only in accordance with extradition treaties in force.

I believe the United States should ratify the Genocide Convention immediately to reaffirm our standing among nations dedicated to world peace and order.

THE FACTS ABOUT THE F–15 FIGHTER PLANE

Mr. GOLDWATER. Mr. President, on March 18, the Washington Star-News published on its front page an article designed to sabotage and undermine the F–15 fighter plane development program through a series of dramatic and sensational but unsupported allegations.

The article in question was written by Mr. Orr Kelly of the Star-News who has systematically attempted to cast suspicion upon Defense Department programs vitally needed for the security of the United States.

Mr. President, I want to point out that the F–15 fighter is sorely needed. It is

the only Air Force fighter plane now in the development stage. Its development is being closely watched by the Senate Armed Services Committee and other committees of the Congress who are charged with responsibility for military matters.

The story by Mr. Kelly creates the impression that the Defense Department is busily attempting to cover up a 21-percent increase in the cost of the F–15 and is hiding the fact that the F–100 engine being developed for the F–15 has had 52 undisclosed major breakdowns in its hardware.

At the conclusion of my remarks, I shall include in the record a fact sheet answering in detail Mr. Kelly's allegation. But for immediate purposes, let me say that no phase of the F–15 development has been hidden from me or my colleagues nor have there been 52 major breakdowns in the hardware of the F–100 engine. In the Pratt and Whitney development of the F–100, several design deficiencies have cropped up, just as they do in the development of any engine for a new aircraft. Each of these deficiencies has been effectively and systematically corrected and no one or group of these deficiencies could accurately be called "a major breakdown."

My concern, Mr. President, is with the overall impression created by this news story. To the casual reader, it seems to say that the Defense Department is squandering the taxpayers' money on a useless aircraft and attempting to hide the true situation from the Congress. This is certainly not the case and the fact sheet I shall present will bear me out. And I would just like to say, Mr. President, that I will continue to counter these unfounded stories aimed at the Department of Defense and the development of new and needed items of hardware for the military every time they crop up, whether the author happens to be Mr. Kelly or someone else.

I ask unanimous consent to have this fact sheet printed in the RECORD.

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

[Fact sheet on Washington Star & News article]

F–15 COST IS HIDDEN

(By Orr Kelly)

CHARGE

A secret Defense Department Study shows a 21% cost increase on the F–15. This has been kept from Congress.

FACT

A parametric study by the Cost Analysis Improvement Group (CAIG) of the Office of the Secretary of Defense was accomplished in 1972, using a broad data base from past aircraft development programs. The results of this analytical effort were approximately 21% higher than the present Selected Acquisition Report (SAR) figures.

COMMENT

The SAR program estimate bases are negotiated contracts at target, negotiated options with not-to-exceed ceilings, cost tradeoff studies at program go-ahead, unique management controls and a sophisticated performance measurement system that permits validation of the program estimate. The SAR estimate is now over three years old with 85% of the development program funded and still on budget target. Additionally, the SAR values are substantiated within 2–3% by an Air Force Independent Cost Analysis (AF/ICA), validated by the Aeronautical Systems Division of the Air Force Command. This Air Force ICA has been examined and indorsed by the Air Force Auditor. Since the SAR is the DOD best estimate of costs, internal estimates considered in the process of arriving at the SAR estimates are not normally distributed.

CHARGE

The F–100 engine being developed for the F–15 has had 52 hitherto undisclosed major breakdowns in its hardware.

FACT

The developmental testing of the Pratt & Whitney F–100 engines has identified several design deficiencies, each of which has been systematically and effectively corrected. These have neither been major in scope nor have they been secreted by the contractor or the Air Force.

COMMENT

The identification of design deficiencies and performance inadequacies is a fundamental element in the development of all hardware, but it is particularly key in the area of aircraft engine development. To expect the test and qualification of an engine not to identify such deficiencies would be both impractical and unrealistic. The assertion that those technical problems identified to date in the F–100 engine program are "major breakdowns" is not documented in fact. Additionally, the Air Force has been open with both the press and the Congressional staff in discussions of all significant test results of the F–100 engine program.

CHARGE

The CAIG estimate has set off a bitter dispute within the Pentagon.

FACT

The existence of both the CAIG and the Air Force ICA has been thoroughly discussed between OSD and the Air Force without conflict.

COMMENT

The only dispute that is evident as a result of the CAIG and ICA difference is one of academic merit. The proponents of each method indorse the analytical basis and fundamental assumptions of their model. The differences in the conclusions of the two approaches have led to the recent and ongoing efforts to combine the merits of each, and thereby, hopefully to develop an improved model from which to work.

CHARGE

Some of the early production models of the F–15 will be equipped with engines that have not passed military qualification.

FACT

Engine qualification is currently scheduled to be completed by May 1973, and the first production aircraft is not due for delivery until November 1974.

COMMENT

The very conservative F–15 program approach of "fly-before-buy" has provided sufficient program flexibility to insure that such unwarranted risk need not be taken. Even with the delay experienced to date in completing engine qualification, the F–100 engine will be fully qualified at least a year before installation in a production aircraft.

CHARGE

Recent decision to proceed with production of the F–15 was a significant departure from the "fly-before-buy" concept.

FACT

The F–15 program has always maintained adherence to Mr. Packard's interpretation of the "fly-before-you-buy" concept. Explaining this approach to a Congressional Committee, Mr. Packard said: "In my mind, fly-before-you-buy means having an acceptable level of confidence that we know what we are doing before we move ahead . . .".

COMMENT

Both the experience gained in the F–15 flight test program and the overall engine test program have generated the necessary level of confidence to proceed with the FY 1973 production of 30 F–15s. Production configured engines are currently flying in some RDT&E aircraft. The F–15 has bettered all of the current DCP thresholds except two.

CHARGE

There are F–15 associated costs hidden as other efforts to minimize the total F–15 costs.

FACT

There are on-going development efforts such as the GAU–7A 25 mm gun and the Tactical Electronic Warning Systems which, if successful, will have application to the F–15 aircraft.

COMMENT

The management decision to develop such high risk subsystem as the GAU–7A and TEWS outside of the F–15 program was, in no way, an effort to hide funds expended. Costs associated with these efforts have been reported to Congress and have in every case been clearly identified as having potential application to the F–15, as well as other aircraft.

CHARGE

When the engine cost went up $552 million, $522.8 million was deleted in needed spares, in an effort to offset the cost increase.

FACT

The engine cost increase of $552 million was a net increase cost projected from the repriced engine contract after deletion of the Navy F–14B engines. Subsequently, in May 1972, DOD directed a change in reporting cost on the SAR report. This change was applicable to all SAR reports and in no way related to the F–15 engine costs. Previous SAR documents included a last page titled, "Additional System Costs" which included a wide variety of cost categories such as (1) Modifications, (2) Component Improvements, (3) Modification Spares, (4) Replenishment Spares, (5) Common AGE, (6) Common AGE Spares and (7) War Consumables. The revised reporting eliminated all costs categories except (1) Modifications and (2) Component Improvement. The effect of this direction was to reduce the total dollar value of "Additional System Costs" reported by approximately $520 million.

COMMENT

The increase in engine cost was appropriately reflected within the total system acquisition cost of the F–15, and was properly reported in the main body of the SAR. The reduction in reported "Additional Systems Costs" prompted by the DoD Directive does not impact the reported system acquisition cost.

CHARGE

F–15 program includes a $15.5 million spin inhibitor system designed to solve a serious problem.

FACT

The F–15 does not have a spin problem and there is no spin inhibitor system either existing or envisioned.

COMMENT

The F–15 design has displayed such a resistance to spin that difficulties have been encountered in attempting to spin the 3/8 scale F–15 spin model. The assertion of a spin problem in the F–15 aircraft is unfounded.

SOCIAL SERVICES—THE HUMAN DIMENSION

Mr. MONDALE. Mr. President, in recent weeks a large number of my colleagues and I have joined in vigorously

protesting new regulations proposed by the Department of Health, Education and Welfare regarding Social Services.

We have tried to emphasize the severe and tragic impact these regulations would have on individuals currently benefiting from day care programs, alcohol and drug abuse programs, day activity centers for the retarded and other programs currently made possible through Social Services.

It is one thing to talk in Washington about the statistics involved, but it is quite another to see first-hand the individuals who needs these programs so desperately. I had the opportunity last week to visit a day care center in Minneapolis and talk with working mothers who depend on that center to keep themselves and their children off the welfare rolls. It is a sobering experience to visit one of these centers while HEW's sword of Damocles is threatening the self-reliance of those who use it; I strongly recommend such a visit to anyone who doubts the value of the Social Services program.

It is the human dimension of Social Services that makes this entire matter so urgent and so important, and yet it is that same human dimension that has been lost in the new HEW regulations. This week there appeared in the Minneapolis Tribune an article by Sam Newlund which dramatizes as effectively as any article could precisely what effect these regulations will have on a 4-year-old girl in Minneapolis. I highly commend the article to my colleagues and I especially commend it to Secretary Weinberger, who has it within his authority to reverse the proposed regulations.

Mr. President, I ask unanimous consent that the Minneapolis Tribune article be printed at this point in the RECORD.

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

PROPOSED U.S. RULES KEEP CITY GIRL, 4, FROM DAY-CARE CENTER URGED BY DOCTOR

(By Sam Newlund)

A proposed set of controversial federal rules has spurred a national uprising among human service advocates.

The proposed regulations also mean quite a bit to Tracy Ybarra, a frisky Minneapolis 4-year-old who lives at 3647 N. 6th St.

The rules aren't in effect yet. They are supposed to begin April 1. That date may be extended, and the regulations may be softened.

But for Tracy, the uncertainty means that she can't attend a day care center which a child psychiatrist said she needs.

Tracy, the dark-eyed, gregarious daughter of Mrs. Shirley Ybarra, was referred to the Northeast Child Development Center, 1929 2nd St. NE., by Dr. Joel Finklestein, a child psychiatrist at the Minneapolis Clinic of Psychiatry and Neurology.

Mingling with other children at the day care center, Finklestein said, could help solve Tracy's behavior problems. He said the problems include temper tantrums and "screaming as in fear with night terrors."

Tracy was struck by a car while crossing a city street last year. The shock, the psychiatrist said, may have worsened her emotional troubles.

The child is barred from the day care center because of a highly controversial set of regulations issued Feb. 16 by the Department of Health, Education and Welfare (HEW). They have the effect of severely limiting eligibility and federal support for a wide range of social services under current federal aid matching programs.

Besides day care, the regulations affect such services as alcohol- and drug-abuse programs, day activity centers for the retarded and homemaker services for the elderly.

For the most part, the rules limit services to welfare recipients. Tracy and her divorced mother are welfare recipients (Aid to Families With Dependent Children). But because Mrs. Ybarra is not working or undergoing job training, their status as welfare clients does not make them eligible.

Under the old rules, Tracy would be eligible as a "special needs" child. This means that an allowable reason for day care is not just to allow a parent to work or train, but to give the child a prescribed educational experience because of physical or emotional problems.

But the new rules, among other things, remove the "special needs" category of eligibility. Tracy, therefore, fits none of the eligibility pigeon-holes of the new rules.

At the center where Tracy would have gone, 32 of the 55 children now enrolled would be denied service by the regulations, according to Morris Manning, day care center director.

On a state level, the Department of Public Welfare estimates that the regulations would remove half of the 4,000 Minnesota youngsters now in federally aided day care centers.

"There is no question," Dr. Finklestein said, "that day care centers are marvelous adjuncts for people who need this kind of care." To have Tracy "out of the home and to bring her in contact with more children," he said, could have been "a corrective emotional experience."

Manning said the center is full now, but that Tracy would have been high on the list except for the new regulations.

The regulations were issued, according to HEW Secretary Caspar W. Weinberger, in an attempt "to bring some order out of what was promising to become a chaotic situation."

It was apparent, he said, that without "strong effort at the federal level, the expenditures by states for social services would soar out of control."

But there still is confusion. The April 1 effective date of the regulations may be extended, according to the best guess of knowledgeable Congressional sources.

Weinberger also has hinted that HEW may back off on at least one rule which does not allow private contributions to be counted as part of the matching money used to attract federal aid for social service programs such as day care.

Meanwhile, in a direct challenge to the Nixon administration's rules, Democratic lawmakers have introduced legislation which would nullify many of the changes.

Mrs. Eddie Hertzberg, coordinator of the Greater Minneapolis Day Care Association, listed 34 city day care centers which receive federal aid. All but 10 of them, she said, have federal aid for all of their enrolled children.

Private day care in the Minneapolis area, Mrs. Hertzberg said, costs from $25 to $38 a week.

PUBLIC HEALTH PROGRAMS

Mr. DOMENICI. Mr. President, all too often, in our eagerness to address the major issues encompassed in a legislative proposal, we overlook some important side issues which may have serious unintended consequences. I am pleased that the distinguished Senator from Idaho (Mr. CHURCH) was able to foresee the possibility of such a situation in regard to S. 1136, a bill passed by this body yesterday.

This bill, which would extend the authorities of various health programs from June 30, 1973, until June 30, 1974, is far-reaching legislation, affecting as it does most health-care institutions and personnel across this entire Nation. As such, the detrimental effect of unintended consequences would be very great indeed.

In view of recent judicial rulings, it is conceivable that the allocation of Federal assistance to health-related activities involved in S. 1136 would be conditioned on the recipient institution requiring doctors and other health-care personnel to participate in abortions and sterilization procedures. Senator CHURCH's amendment simply provides that Federal assistance contained in S. 1136 could not be conditioned on any requirement and that personnel will not be penalized for refusing to participate in abortions and sterilization procedures.

WOMEN EQUALITY GROUPS FIGHTING CREDIT BARRIERS

Mr. PACKWOOD. Mr. President, earlier this month, I joined with Senator WILLIAMS in cosponsoring S. 867, a bill to eliminate discrimination in the extension of credit to women.

I am certain that this issue will engender considerable debate, some heated and some enlightened. However, I am equally certain that, when all of the evidence is in and the arguments have been presented, there will be but one conclusion that can be reached: Women and men similarly situated should have equal access to consumer credit channels.

From time to time, we have all been advised of examples of "improvements" adopted by credit-extending institutions in their treatment of women. We are presumably expected to digest these trends and become complacently satisfied with the progress that has been made. In short, I suppose we are expected to recite that over-used cliche—"You've come a long way, baby!"—and be done with it. I cannot accept that attitude.

It is simply for this reason that I have joined with my colleague from New Jersey in urging the Congress to approve S. 867. We have, indeed, gone a considerable distance in overcoming discriminatory barriers to women in their efforts to secure equal status with men in credit transactions. We have not yet gone the full distance however. We must not relax our vigilant efforts one iota until we have succeeded in eliminating any and all considerations of the sex of the applicant in the process of securing consumer credit.

In yesterday's edition of the New York Times, Ms. Marilyn Bender published an excellent review of the problems women face in their efforts to secure credit. Also contained in this article is a summary of the efforts that have been taking place, the actions that have been taken, and the proposals that are being considered—all directed at eliminating sex discrimination in the extension of consumer credit.

I highly recommend this article for the consideration of my colleagues and ask that it be printed in its entirety in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

WOMEN EQUALITY GROUPS FIGHTING CREDIT BARRIERS

(By Marylin Bender)

A revolt against what many women and civil rights lawyers perceive to be sex discrimination in the extension of credit is gathering momentum.

Under the slogan "Give credit to a woman where credit is due," the assault takes two forms: a search for legal redress and well-publicized pressure tactics against the business community.

Some barriers are buckling more quickly than expected with support from politicians seizing "a nice clean issue, not abortion" (as one feminist put it), and from retailers and bankers aware that the female 53 per cent of the population dominates the consumer economy. There have been these developments:

Sex discrimination in the granting of credit is under attack in bills pending in both houses of Congress and at least half a dozen state legislatures including New York's. The first state law specifically banning sex discrimination in credit and insurance transactions was just passed in Washington.

The community property law was amended last year in the State of Washington to makes wives equal managers of the property. A lawsuit soon to be filed in United States District Court in Louisiana will challenge "the arbitrary designation of the husband as sole manager of the community property." Such changes would give creditors additional protection and have profound implications for women's credit opportunities in the eight community property states.

The National Commission on Consumer Finance, which held hearings on the subject last May in Washington, D.C., recommended in a recently released report that states review and amend laws that inhibit the granting of credit to women.

Hearings by state commissions have since been held in Pennsylvania, California, Idaho and New Hampshire and by the Federal Deposit Insurance Corporation. Government investigations have been started in Wisconsin, Virginia, Missouri and Michigan.

The Center for Women Policy Studies in Washington, D.C., has received a grant from the Ford Foundation to study the problem.

The National Organization for Women has produced a manual for groups wanting to set up a credit project. Two to three dozen NOW chapters already have.

Such projects by women's groups in Dallas, Minneapolis and St. Paul and Baltimore against department stores and other retail grantors of credit have made it easier for women to open charge accounts in their own name. The Baltimore Credit Bureau Inc. agreed to set up independent credit records for women.

"Discrimination in credit deprives women of participating in the major American way of life and denies them equal access to the same opportunity men enjoy," asserts Barbara Shack, director of the women's rights project of the New York Civil Liberties Union. Like many other experts in this new area of civil rights, she acknowledges that reluctant merchants and lenders do not act necessarily out of male chauvinism.

Many are intimidated by the confusion surrounding the legal property rights and liabilities of women in the United States.

Still, three areas of inequitable treatment have clearly been identified in the hearings, investigations and surveys: retail credit, mortgages and bank loans. Women have "second class status" in stores and banks, according to the most thorough survey on the subject of women and credit, which was published last month by the Oregon Student Public Interest Research Group, an offshoot of Ralph Nader's consumer movement.

CLASS DOES NOT MATTER

That status cuts across age, race and economic class, although those of child-bearing age, the separated and divorced and those who most need credit to survive, show the greatest bruises.

Mrs. Eddlene Bloom of Oak Park, Mich., who was divorced last November, has sole title to a new Volvo, to a home valued at $38,000 more than $30,000 income in alimony and child support, and a savings account of $3,000 in the same bank where she and her former husband had a joint checking account for 10 years. She also works part-time.

Yet last January when she applied to the J. L. Hudson Company for a charge account, she was asked for the names of her former husband and her lawyer. "Just to be safe, so we can verify your ability to pay," she was told. She received the charge plate, marked Ms., in two weeks. Last month, though, her application for a Master Charge account through her bank was turned down.

What disturbs Mrs. Bloom and other divorced women is to be "automatically" classified as a credit risk. "For years, I handled all the bills for the household," she said. "I am the one who insured our excellent credit rating, except that it turned out to be 'his' not 'our.'"

Indeed, while the married woman "is a nonperson when it comes to credit." as Representative Bella Abzug, Democrat of Manhattan, has said, the divorced or separated woman runs into what the Oregon study terms "the catch 22." The store will not extend credit "because the credit check will frequently find that she has no credit rating at all. The entire credit history belongs to the husband." The report recommended that wives be given separate files in credit bureau records.

ALIMONY OFTEN DISREGARDED

Many credit managers and lenders refuse to consider alimony or child support as income, moreover, because they do not regard it as a steady and certain source.

On the other hand, they are also reluctant to count the salary of the young working wife.

Take the case of Paul Wintjen, 27, of Milford, Del. and his wife, Marjorie, 25. Last year they were told their combined income of $14,000 a year was too low to qualify for a Veterans Housing Administration mortgage with which they wanted to finance a $19,-900 house with a 10 per cent down payment.

Mr. Wintjen was earning $9,500 a year as manager of a fast food restaurant. The bank refused to count the $4,500 salary of Mrs. Wintjen, a hospital technician. However, the bank lending officer suggested that one half of her income would be computed if she would submit a medical certificate of sterilization. If her husband were to have a vasectomy, though, her income would not be counted "because you can still get pregnant."

Mrs. Wintjen bitterly reflects that "my income is counted 100 per cent by the state of Delaware and the United States Government for income taxes."

Proof of inability to bear children has customarily been demanded of young wives by bankers, who seem to regard the age of 38 as the frontier of safety. They are also biased in favor of nurses and teachers (as opposed to secretaries and assemblyline workers) on the theory that they are likely to go promptly from childbirth back to the job because their services are so much in demand.

A survey by the United States Savings and Loan League showed that 72 per cent of 421 banks queried said they would ignore part or all of a working wife's income. Only 28 per cent said they would count all of it.

Since 1965, the Federal Housing Administration's official policy has been to disallow a young wife's income only if she has no definite record of employment. In 1971, the Federal National Mortgage Association (Fannie Mae) repealed its guidelines of counting 50 per cent of a wife's gross earnings.

But the present determination of whether the joint income is likely to continue has been criticized by women's rights groups as being too subjective. And even when guidelines are loosened, they say, word does not necessarily filter down to the loan officers in the field.

Particularly vexing to women's rights groups is what they view as the inconsistency of credit policies as well as the "wide gap between policy and practice" (as the Women's Equity Action League found in its Dallas project).

In February, 1972, the St. Paul Department of Human Rights tested 23 banks by sending a man and a woman with identical credentials to apply for a $600, 18-month auto loan. Both were 24 years old, married, earning $12,000 a year as research analysts and the sole support of their student spouses. Both had good credit histories. Thirty-nine per cent of the banks revealed discrepancies in their loan policies (such as requiring a cosignature only in the case of the female), and nine banks were found to discriminate.

Most of the practices used in extending credit "are based on outmoded assumptions about the status and role of women in society," said Senator Harrison A. Williams Jr., Democrat of New Jersey in introducing his credit discrimination bill.

He pointed out that nearly 43 per cent of the female population worked and more than 44 per cent of married women living with their husbands were employed. Three out of 10 married women with children under 6 are in the labor force.

Feminists argue that there is no valid evidence to support the assumption that women are bad credit risks. A 1941 study by David Durand for the National Bureau of Economic Research offered statistical proof that women were better credit risks than men. A few more recent studies, as summarized in the Oregon report, either confirm this or conclude that marital status is not a reliable determinant of credit worthiness.

Title VII of the Civil Rights Act of 1964, which introduced the sex discrimination ban into Federal law, is addressed to employment. There is no Federal law or constitutional court interpretation to protect women in credit transactions. Some feminists argue that the Equal Rights Amendment, if ratified, would be a powerful tool against credit discrimination.

In Congress, three bills introduced by Mrs. Abzug would bar discrimination by sex or marital status in federally-related mortgage transactions, by federally insured banks or by creditors through an amendment of the Truth in Lending Act. A bill by Representative Margaret Heckler, Republican of Massachusetts, is also drawn to cover consumer lending.

Senator Williams's bill is broadly written to extend the Consumer Credit Protection Act. It also contains a provision for individual suits in a civil action, with damages equal to the amount of credit refused.

STATE LAWS DEFINITIVE

It is in state law, however, that property rights are defined and that creditors try to cover their risk. The Married Women's Property Acts, prevailing in 42 states, give women the right to contract in their own names. However, state laws also make husbands responsible for their wives' support. The ambiguous word "necessities" is often stated in connection with support and it gives some creditors pause.

In 11 states, there are some limitations on the liability of a wife for the contracts she signs and creditors fear she might disclaim her obligation.

So it is that creditors ask for information about a husband's income or demand his cosignature because they want double protection in collecting the debt. "They have no

right to it," says Mrs. Shack, of the New York Civil Liberties Union. She advises women who refuse to give it that they are within the rights, in New York at least. Furthermore, Mrs. Shack says, creditors should realize that the wife's earnings are free from her husband's claims so "she is really a better credit risk than he."

In the eight community property states, the wife is supposed to own half the property acquired after marriage. But until amendments like the one passed last year in Washington, the husband is sole manager of the community property.

Recent attempts to write a ban on sex discrimination into state or municipal law have usually proceeded on oblique courses. Washington has just passed the first law that flatly gives the right to engage in credit transactions without discrimination by sex or marital status.

CONSCIOUSNESS STRESSED

Most other efforts have been directed toward amending a public accommodation law to include a sex discrimination ban and then have a court or agency construe a bank or a retail store as a public accommodation. Such a bill just passed the New York State Assembly. Mrs. Shack has also filed a complaint under a sex discrimination ban in the state human rights law relating to loans for housing, land or commercial space. A bill signed and passed by the New York City Council is similarly related to housing.

Ira M. Millstein, a New York lawyer who served as chairman of the National Commission on Consumer Finance, is one of those who believe that legislative change is not the most important tactic.

"A lot of women are still not aware they should be entitled to credit," he said. "Until they are conscious that a woman with income is a person entitled to credit, period, that marital status shouldn't interfere, that she should be judged as any wage earner for better or worse, what good will it do to put another law on the books?

"As soon as women start stamping their feet and raising hell and getting to the right person in the credit granting office, it will get done," he declared.

BEWARE PHASE III

Mr. MUSKIE. Mr. President, I commend to my colleagues an article written by Gardiner Means, former economic analyst and fiscal adviser to the Truman administration. Writing in the Washington Post "Outlook" section on February 18, Mr. Means point out that because of faulty diagnosis of the causes of inflation, the administration's planned stagnation of 1969–70 turned into a recession. According to Mr. Means, the inflation we were experiencing then—and still labor under—arises from price and wage pressures in concentrated industries. He terms this phenomenon "administrative inflation," in contrast to standard "demand inflation" or "reflation" which is part of economic recovery. He warns that phase III "may turn out to be so weak that it will allow substantial administrative inflation."

I ask unanimous consent that Mr. Means' article be inserted in the RECORD.

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

BEWARE PHASE III

(By Gardiner C. Means)

(NOTE.—Charts referred to in text not printed in RECORD.)

While Congress complains that the White House has been usurping its powers, the peril in the economic field is that Congress might give President Nixon a blank check for Phase III of his anti-inflation program—a plan that may well put more people out of work without curbing rising prices and further weaken confidence in the dollar.

The dangers in Phase III arise from a faulty diagnosis of the forces creating today's inflation. The Nixon administration, which appears ready to repeat its earlier mistake of relying heavily on monetary and fiscal policy, is still treating inflation as if it were the result or aftermath of too much money chasing too few goods, a textbook inflation stemming from excess demand. But in the past four years there has been no excess demand. Indeed, in the past 20 years, when prices rose 50 per cent, there was only a year and a half, during 1967 and 1968, when there was excess demand.

Rather, most of our price increases have come from two quite different types of inflation, both of which are operating today.

INFLATION IN RECESSION

The first, which is our major problem, arises from the exercise of market power. It can be initiated by business managers in an effort to widen profit margins. It can be caused by labor leaders seeking excessive pay increases. In either case, it is an "administrative" inflation that does not rely on classic supply-demand forces.

Such inflation can occur whether employment is full or less than full, and whether we are in a recession, as we were in 1969–70, in stagnation, as in 1971, or in a recovery. In any of these periods administrative inflation can show up in price rises for autos, steel, machinery and other products of the concentrated, less competitive industries.

The first clear case of an administrative inflation occurred in the 1950s. From 1953 to 1958, the wholesale price index climbed 8 per cent (see Chart 1 on Page B4) at the same time that manufacturers idled an increasing portion of their production capacity and joblessness became excessive. What we had, in short, was simultaneous inflation and recession, something impossible, according to the textbooks.

It is clear that the major cause of the wholesale price was a 36 per cent boost in steel prices and substantial price increases in steel-using industries; together, these accounted for more than half of the wholesale advance. Subsequent information has also made it clear that the steel price boosts involved a considerable widening of profit margins.

REFLATION: A GOOD THING

The second inflationary force we are experiencing today is the "reflation" of prices that occurs in periods of recovery, which explains part of the recent rise in food prices.

In a recession, flexible prices such as those for food, cotton and hides tend to fall sharply. But administered prices, especially in the less competitive industries, tend to fall little. In a recovery, the reverse tends to happen: Prices for food and other flexible items tends to bounce back the most, while prices in the steel, auto and other concentrated industries tend to rise the least.

This is precisely what happened in the Depression and post-Depression period (see Chart 2), and price data collected from buyers by the National Bureau of Economic Research show that it also happened in the recession-recovery cycles of 1957–58 and 1960–61. It is similarly involved in the current recovery from the 1969–70 recession.

Reflation is a necessary part of the recovery process and should be considered a good thing that helps restore balance in both prices and employment. During the Depression, for example, joblessness hit almost entirely in the concentrated industries whose prices had fallen the least; the later job recovery also came mostly in these industries. What happened was that rising demand during the recovery lifted the more sensitive market prices while it increased employment in the concentrated industries whose prices were least sensitive, thus restoring the pre-Depression price balance and full employment.

The current reflation thus should not be interfered with. The big problem today is to prevent or minimize administrative inflation. And it is the failure to recognize that we are faced with administrative inflation, and the failure to apply the lessons of the past, that constitute the current danger.

DISMAL FAILURES

On two past occasions, the effort to treat administrative inflation by measures designed to control demand inflation resulted in dismal failures.

In 1957, the Federal Reserve Board sought to control the administrative inflation of the 1950s through a tight money policy that more than halted the growth of the nominal stock of money and produced a 10 per cent drop in the real stock of money. This precipitated the recession of 1958.

The failure of this effort arose from the fact that, while a tight money policy can control demand inflation, it cannot control an administrative inflation. This was acknowledged in 1959 by the chief economic adviser to the Federal Reserve Board, Woodlief Thomas, who noted that "Recent discussion of the influence of administered prices, stimulated by . . . the Kefauver Committee, has made a significant contribution to a better understanding of the problems of inflation and fluctuations in economic activity and employment. This contribution is in pointing out that there are unstabilizing forces in pricing actions of the private economy—on the part of both labor and management—that cannot be effectively controlled or corrected by government actions in the area of fiscal and monetary policies."

The Nixon administration's first attempt to control inflation, beginning in 1969, was also a complete failure due to faulty diagnosis.

On taking office, President Nixon announced that prices and wage rates would be left to the free market and inflation would be controlled by fiscal and monetary means. A large budget surplus, based on the Johnson surtax, was maintained throughout 1969, and so tight a money policy was adopted that expansion in the money stock was halted. There was no excess in demand. Yet in 1969 the wholesale price index rose 4.8 per cent, more than twice the rate of the years from mid-1965 to the end of 1968.

In his 1970 Economic Report, the President tried to explain this price rise by saying, "The inflation unleashed after mid-1965 had gathered powerful momentum by the time this administration took office a year ago." He called the growth of total spending "the driving force of the inflation" and outlined a program to "slow down the rapid expansion of demand."

The program was to take the heat out of the inflation by creating 2½ years of stagnation. Economic growth was to be halted to mid-1970, followed by two years in which the gross national product was, by plan, to be kept some 30 billion below the economy's estimated potential. This called for putting an additional 2 million people out of work so as to increase the unemployment rate to about 6 per cent.

ADMISSION OF FAILURE

This brutal plan was successful in creating stagnation (see Chart 3). The continued budget surplus became a restraining force and the money stock, measured in constant purchasing power, was reduced. Real demand declined, industrial production started down in the summer of 1969, and unemployment increased as planned. By the end of 1970, the objective of 6 per cent unemployment had been achieved.

But stagnation did not prevent inflation.

The reason is simple. The driving force of the inflation in 1969 was not "the growth of total spending." Rather, the President had unleashed the forces of administrative inflation by rejecting the price-wage guideline principle. The inflation in the 1969–70 recession was entirely administrative inflation, the kind of inflation that Woodlief Thomas had said could not be controlled by fiscal and monetary measures.

The administrative character of this inflation-in-recession is easily shown by examining the main sources of the rise in the wholesale price index (see Chart 4). The great bulk of the price increase during the recession was contributed by the concentrated industries. In the more competitive industries, prices went up little or went down. The only exception was the fuel and power index, which rose 11 per cent, largely because of the scarcity of pollution-free fuels.

The dismal failure of this program was acknowledged by the August, 1971, price-wage freeze after it had already cost the country nearly $50 billion in lost GNP and promised more loss until reflation could restore full employment. No apology was given to the millions who suffered unnecessary unemployment or to the stockholders whose profits were reduced.

KENNEDY'S GUIDEPOSTS

Now, with the new emphasis on monetary and fiscal policy and with the weakening of price and wage controls in Phase III, it looks as if the Nixon administration is about to repeat these same errors. This is all the more disturbing because we have had importantly successful experiences in the control of administrative inflation, the Kennedy guideposts and the Nixon Phase I and II, which point the way toward an effective program.

The Kennedy guideposts directly faced the problem of administrative inflation. When the program was being drafted in 1961, unemployment was above 6 per cent and the problem was recognized as one of preventing administrative inflation while expanding demand through fiscal and monetary measures to achieve full employment.

The Kennedy program was both an outstanding success and a partial failure. Its success was in holding down administrative inflation while achieving full employment. By the fall of 1965, unemployment was down close to 4 per cent. Labor had adhered to the wage guideposts so closely that the labor cost per unit of manufacturing output was down 3 per cent. Management had not adhered as closely and industrial prices rose a little. This in itself was not serious and might have been corrected. Nearly full employment had been achieved with an annual rise in the wholesale price index of only 0.6 per cent.

But this goal had been achieved at the expense of a serious distortion in the relation between prices and wage rates because the guidepost program took no account of the *reflation* rise in the more competitive prices, which was appropriate to recovery. The increase in demand which reduced the unemployment rate from over 6 per cent to 4 per cent could be expected to raise the average of farm prices and other flexible market prices substantially and produce only a small increase in the most administered prices, thus bringing a moderate increase in prices and living costs. Yet the wage guidepost took no account of this appropriate rise in living costs.

NO DEMAND INFLATION

Because of the failure to include a cost-of-living factor in the wage guidepost, the program suffered a partial breakdown. By 1965, the rise in living costs had absorbed more than a third of labor's legitimate productivity gains and had significantly widened profit margins.

When this unfairness became obvious, labor refused to play ball and forced wage increases larger than the increases in productivity. Management, striving to maintain the widened profit margins, passed along the increases in labor costs. This struggle lifted the wholesale index by another 3.5 per cent from mid-1965 to mid-1967 and brought wages and profits more nearly into line with each other.

Even with the partial breakdown of the wage guidepost, full employment was maintained throughout 1966 and 1967, and the rise in the wholesale price index from mid-1961 to mid-1967 was only 6 percent—just a little more than the reflation that could have been expected in moving from more than 6 percent unemployed to the 3.8 percent reached in 1967.

In no part of this period is there evidence of demand inflation. Farm and other sensitive market prices rose rapidly until relatively full employment was reached, but they were little higher in mid-1967 than in mid-1965. Most of the rise in those two years was administrative as labor sought to recover from the unfairness of the wage guidepost.

It seems likely that, with an appropriate living-cost provision in the wage guidepost, the full reflation could have been accomplished by 1965 with negligible administrative inflation, and full employment could have been maintained without further inflation.

THE NIXON PROGRAM

The Nixon guidelines program, initiated in August, 1971, after the failure of the stagnation policy, also directly faced both the need to control administered prices and the necessity of reflation.

The guidelines introduced in Phase II were a distinct improvement over the Kennedy guideposts in three respects. The wage guideline included a factor for the cost-of-living rise that could be expected from reflation, and the price guideline focused on containing profit margins, which allowed businesses to increase profits by producing more but not by increasing prices relative to costs. Finally, Phase II was backed by authority to exercise controls.

Phases I and II were quite successful in preventing administrative inflation. In the first 15 months to November, 1972, the weighted index for the six most concentrated industrial groups of Chart IV went up only 2.2 percent, while that for the three mixed groups went up 3 percent, mostly because of the scarcity of pollution-free fuels. Both of those increases could be expected as a part of the reflation accompanying the partial recovery. The cost-of-living factor meant that the non-farm labor cost per unit of output increased, but by less than 1.5 percent.

On competitive prices, special developments led to price increases exceeding those to be expected from reflation alone. A severe drought in Texas and the destructive corn blight in 1970 broke the cattle cycles so that less meat and fewer hides were available in 1972. Then drought in other parts of the world forced up grain and feed prices and, in turn, produced abnormally high prices for hogs, poultry and eggs, and also caused a further increase in beef prices.

Next summer, as the effects of these abnormal developments pass, food prices could be expected to fall if there is no further recovery. With a complete recovery to full employment, the reflation can be expected to be completed without much further rise in food prices, particularly if farm production is allowed to expand.

A FAIR DEAL

Phases I and II have also been substantially fair to both labor and capital. In the last half of 1972, the division between capital and labor of the income generated by non-financial corporations has been almost exactly the same as that in 1969 and as that in the eight years of the Eisenhower administration. While profits per unit of output have gone up faster than the compensation to labor, interest costs per unit of output have gone up less, so that the total compensation to capital and to labor have risen together.

The success of Phases I and II in preventing administrative inflation suggests the need for retaining this type of program until reflation is complete and full employment is achieved.

But instead of perfecting the controls over administrative inflation, the Nixon administration persists in returning to the myth of a momentum from demand inflation and emphasizing fiscal and monetary restraints. Thus, the President's 1973 Economic Report, after recognizing the existence of nonclassical inflation, attributes it to momentum from the preceding demand inflation, saying: "Inflationary expectations and behavior left over from the country's experience since 1966, even though reduced in 1972 from previous heights, have not been completely eliminated."

The demand inflation arising from the Vietnam war was indeed real, but it did not start until mid-1967. In calendar 1966, the federal budget was in essential balance, and in the first half of 1967 there was practically no increase in the wholesale price index. But with the economy already at full employment, rapidly increasing military needs could be expected to produce an excess in demand and a demand inflation unless other demand was restricted.

THE JOHNSON SURTAX

This danger of demand inflation was well recognized by the administration, and in January, 1967, President Johnson recommended a 6 per cent surtax to be effective by mid-1967. The Congress failed to act. The President repeated his request in the summer of 1967, raising the requested rate to 10 per cent. Again, in January, 1968, the President repeated his request.

It was not until mid-1968 that the surtax finally passed, a year and a half too late. By that time, demand inflation had carried the wholesale price index up at an annual rate of 2.2 per cent from its mid-1967 level, with the increase approximately equal for competitive and administered prices.

The surtax brought the federal budget into essential balance by the last quarter of 1968 and insured a substantial surplus in 1969. It seems probable that, if the surtax had been passed in early 1967 and the guidepost policy stressed, full employment could have been maintained without either demand inflation or serious administrative inflation. As it was, the prime source of the 1967–68 demand inflation had been removed by the end of 1968.

Actually, there was no excess demand when President Nixon took office and little momentum from the preceding year and a half of mild demand inflation. And today one cannot take seriously the claim that a year and a half of demand inflation in 1967–68 at the rate of 2.2 per cent a year could engender such a momentum that, with no excess in demand in 1969, wholesale prices would rise 4.8 per cent and that four years later, with a recession in between, momentum from the earlier inflation is still the problem.

THE DANGERS AHEAD

Because of this faulty diagnosis and the President's willingness to use unemployed workers as an instrument of policy, there are serious dangers in the Phase III program he announced last month.

The first danger is that fiscal and monetary policy will again be used in an effort to prevent an administrative inflation that it cannot control. This would create more unemployment without reducing the pressures producing administrative inflation. The appropriate level of demand in the economy will not have been reached until full employment is attained and maintained. A restrictive fiscal and monetary program can prevent demand inflation, but

it cannot prevent the arbitrary lifting of prices and wage rates in the less competitive industries or achieve price reductions where costs have gone down.

The Phase III guidance program may turn out to be so weak that it will allow substantial administrative inflation, regardless of Mr. Nixon's "big stick" in the closet. The profit margin provisions have already been weakened to the point that there would be room for considerable administrative inflation even if the guidelines were consistently adhered to. And the administrative inflation is likely to be greater still because the pressures for adherence have been greatly relaxed.

The last danger is that the employment goal will be too niggardly. Even apart from human considerations, each extra 500,000 persons employed can produce an extra $6 billion or $7 billion of production, while the resulting wages, profits and taxes can provide a corresponding market.

In the light of all this, it is vital that Congress refuse to simply renew the Economic Stabilization Act expiring April 30. A mere renewal, leaving it entirely up to Mr. Nixon to use this crucial authority as he wishes, would be an abdication by the Congress of its responsibility for basic policy and another transferral of vast power to the White House.

A NECESSARY NUISANCE

Rather, Congress should make mandatory the price guidelines of Phase II for all corporations controlling assets, or having yearly sales, of more than $500 million. To enforce this policy, Congress should create an interim wage-price guidance board equivalent to the President's Cost of Living Council, thus making that unit accountable to the Congress as well as to the White House. Businesses with assets or sales below the $500 million cutoff should operate under voluntary guidelines unless the wage-price board finds that mandatory controls are necessary.

The wage guidelines should parallel those for prices: mandatory for workers in corporations with assets or yearly sales of more than $500 million, voluntary for others unless the wage-price board decides otherwise.

Nor should Congress stop there. The legislation should make Congress' intent specific and clear on several other fronts:

It should adopt 4 per cent unemployment as the interim goal for the end of 1973 and 3.8 per cent for the end of 1974.

It should recognize that some reflation is to be expected in moving from the present level of employment to the interim goals.

It should approve the principle of a full employment budget—a budget that would balance at the interim employment goal but operate with a deficit when unemployment is more than the interim goal and a surplus when unemployment is less than the interim goal.

It should direct the Federal Reserve Board to adopt a "full employment monetary policy" under which it would expand the monetary stock to that level estimated as necessary to support the interim job goal but not to an extent that would result in excess demand and demand inflation.

In passing such legislation, Congress must be aware that while controls are a nuisance to both management and labor, that nuisance would be small compared to the "nuisance" the President was willing to impose on individuals by putting 2 million people out of work in his earlier attempt to control inflation.

The Congress should also recognize that some distortions can be expected in the economy as a result of prolonged price-wage guidance (though the President's 1973 Economic Report was not able to report any significant distortions to date or any other significant costs of the guideline program). But such distortions as may develop in the next two years are likely to be insignificant compared to the distortions that would arise with administrative inflation. And the costs are likely to be insignificant compared with the advantages of a quick return to full employment.

Such an interim program should allay the fear in foreign quarters of run-away inflation in the United States and give ample time to develop a more permanent program to maintain full employment without administrative inflation.

NASA AND THE DREAMS OF OUR YOUTH

Mr. MOSS. Mr. President, the Committee on Aeronautical and Space Sciences has been conducting hearings for some weeks now on the NASA authorization bill S. 880.

Those of us in the Congress who are concerned about fiscal responsibility sometimes become so engrossed in our needs to cut this and trim that to reach a mechanical balancing of the budget that we sometimes fail to see the necessity of providing hope for our youth.

If the United States is to maintain its leadership in education, scientific programs and technology, new drections must be sought to coalesce the drive and dreams of the young. Such a program takes vision and courage.

This point has been brought home to me recently by a letter which I have received from a student in the masters program in physics at the Louisiana Tech University.

I ask unanimous consent that this thought-provoking letter be printed in the RECORD.

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

LOUISIANA TECH,
Ruston, La., January 31, 1973.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SIR: This letter is from a concerned citizen speaking out for NASA. Since you serve on the space committee, I have a plea to make to you. Thus, I now call for your attention.

NASA has been taking a beating from the President and the Congress for the past few years. I feel that the time has come for it to stop. Before I relate my own experience, let me tell you about my background.

I was born in Houston, Texas on October 5, 1949. I have attended school since the age of five. This May I will graduate from Louisiana Tech University with a Master of Science degree in Physics. I have worked every summer since high school and am presently a graduate assistant. This has been done to pay my way through college. I have worked hard to get to this point, and I am ready for the job market upon graduation. But, that is the problem—what market?

This past summer I applied to NASA's summer program at MSC in Houston. However, this program was dropped due to a lack of funds. But summer jobs are always hard to come by.

This past October NASA came to this campus interviewing for permanent jobs. Only sixty jobs would be given, but there was a chance that I might secure one of them. Well, I waited; but I never did hear from them. Last week I called Houston. I was then told that I was to be offered a job; but the President had cut the NASA budget by some $200 million. I am angry; hence this letter is being written. What good is a committee; if one man can control all of its planning and work?

I am tired of scientists and engineers existing for and when the government needs them. We are professionals, not light switches to be turned off and on when needed. The power crisis is now upon us. The government, after delaying the needed research, now wishes to bring about a solution. The solution being to hire the scientists and engineers needed to bring about the desired result. Then, as in the past, they will be fired; for that is part of the cycle, too.

I cannot accept this fate. Give us a little respect. Do not take the cut in funds for NASA. If the people do not understand NASA, inform them of its activity and usefulness. Its science is for peace, not war. Remind them that a President committed us to the moon by 1970, which caused the sharp rise in monies needed to get there, not NASA. NASA was the means to the goal. How many advances have come from space research? How many more will come. I want to help; but I am limited by what? Money? How can a country grow without an imagination in its future? Only you can give the country what it needs; and thus, you must decide on my future and that of many others.

Let me now take the time to thank you for listening. I must be heard; for the disappointment in my heart is deep. America seems not to be the future of tomorrow, but the great of the past. You can only hurt the country by not keeping NASA strong. Please, help!

A concerned citizen,
RANDALL J. MILLER.

CABLE TELEVISION

Mr. KENNEDY. Mr. President, last week I had the pleasure of addressing a group of participants at a legislative conference of the National Cable Television Association. It was the first public opportunity I have had to discuss my thoughts on some of the issues surrounding this most complex and challenging field, and I would like to share some of those thoughts with my colleagues. I thus ask unanimous consent that the speech I delivered on March 21 be printed in the RECORD.

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

ADDRESS BY SENATOR EDWARD M. KENNEDY

When we look into the future we see dramatic and revolutionary changes in the reception of information and all forms of communications. Data transmission, personal communication, educational training, public participation in the political processes, entertainment—all of these should be easier, faster, and more convenient in the years ahead.

Our newspapers will be delivered not to our doorsteps but by facsimile reproduction. Mail will be speeded by electronics. Our wives will do the shopping by remote control and pay our bills by pushing buttons. Advanced professional training, as well as elementary education, will be available at bedside. Even the opinion pollsters will reach into our households electronically to sample our views.

And when we turn the television knob from channel to channel, there will be new images: a city council session, a Spanish language program, chamber music, a garden society lecture, silent movies, even high school sports. By activating the little black box on top of the set we will be able to see, for a nominal price, first run movies, Broadway shows, and sports spectaculars.

How much of this is fantasy? How much is fact? The reality of these glimpses into the future lies with successful expansion of cable television. We do not know for certain that a cabled household will participate in

more than a token sampling of this electronic magic. But we do know for certain that without broadband, two-way communications made possible by the coaxial cable, households of tomorrow will receive substantially less.

For each family, CATV can magnify and intensify the impact of television. And this impact already is tremendous. The average television set runs about seven hours a day. Pre-school children, according to studies, spend from 22 to 25 hours a week watching television—perhaps more time than they spend with their fathers. For these reasons, cable TV should have a constructive and enlightening influence on these impressionable viewers, as well as upon their communities. But if the "blue sky" promises remain unfulfilled, cable will just be expanding the vast wasteland that gives boob tubes and idiot boxes their nicknames.

Despite the many obstacles which have stood in the way of development, cable systems continue to expand. More and more cities are being wired each month. In Massachusetts, where the federal freeze on full cable expansion was followed by a year's moratorium imposed by the State CATV Commission, over one-third of all homes are in communities covered by cable systems or which have granted franchises for their development. Nationally, in the past five years the number of wired households has more than doubled, reaching an estimated six million. In the past year alone, since the Federal Communications Commission lifted the lid on cable development, over 2,200 applications for certificates of compliance have been received from cable developers. 800 of these already have been issued. Some projections of future growth suggest that, under favorable conditions, 26 million homes will be wired by cable in the next five years.

Can a better climate be developed for cable TV? This industry has become one of the most controversial topics in recent years. Cable operators are finding it necessary to contend with a formidable array of forces.

The industry had already committed close to a billion dollars in capital investments—twice that of the broadcasting industry. Requirements for the next ten years may reach $15 billion. A large number of shareholders and investors must be convinced of cable TV's potential before the industry's external financing needs can be met.

Local governments, of course, have always had the basic responsibility for regulating cable systems. Each mayor and city council has special concerns and requirements which must be allayed or satisfied before a franchise is issued. State governments are getting involved, and systems must contend with these too. Yesterday, for example, the Massachusetts CATV Commission published detailed procedural regulations governing issuance of franchises.

Here in Washington—where you have assembled this week to evaluate these trends, and to try to hasten CATV development—you face three separate battle fronts. There is the Office of Telecommunications Policy in the White House, whose Director vacillates between praising CATV as "the biggest potential source of diversity" and condemning it as "basically a parasite of the broadcasting industry." OTP should be issuing its report on cable television any day now. We are all anxious to see what it has to say.

Next, there is the Federal Communications Commission, sometimes off again, sometimes on again, with seven Commissioners seeming to espouse at least twice as many viewpoints, who concurred long enough to tentatively agree on a slightly open door policy for cable TV.

Third, there is the Congress, which is perhaps as perplexed by—as it is concerned about—cable development, and which must follow its past pattern of inaction on CATV with an effort to resolve some of the substantial remaining issues facing your industry today.

Telephone companies have their own interests to protect, and haven't stopped trying to flog new cable developers with their telephone poles to insure that protection. Community and minority groups want a piece of the action too, and their desires should not be taken lightly.

Finally, there are the broadcasters and the program producers, two special-interest groups having the most to lose and the most to gain from cable expansion.

The FCC stated as its basic objective, in its February 12, 1972, Report and Order: "to get cable moving so that the public may receive its benefits, and to do so without jeopardizing the basic structure of over-the-air television."

There seems to be a strong feeling that the full potential of cable television will not be reached unless it gets a "television-signal oriented" start. But television signals don't emerge from trees; they are produced by the broadcasting industry. And they reach the viewer without direct charge to him.

I am sure that some of you may take a "broadcasting be damned" attitude towards your rival industry; no doubt that feeling is sometimes mutual. But I believe, however, that there remains a substantial public interest in maintaining the viability of broadcasting. It provides free programming of almost universal reach—something cable cannot do in the foreseeable future. It is not my belief that the public will accept lightly the prospect of having to pay in the future for what it is now getting free. It may be that control of distant signals and restrictions on siphoning will have to be adjusted—even on a market by market basis—in order to protect broadcasters against economic disaster. One of the FCC's rules clearly provides for this. But in making these adjustments, we should bear in mind the FCC's own observation, and in the the language of the FCC, be "guided by the standard of what will best serve the public interest and not by a desire to protect any industry from the impact of new technology."

To producers of television programming, the name of the game is copyright protection. The ink on the pages of the Second Circuit's opinion in *CBS* vs. *Teleprompter* is hardly dry, and already the distant-signal opening given cable by the FCC last year has been slammed shut, and worse! The court has fired a salvo into the halls of Congress as indicated in the concluding language of the opinion. It reads:

"We hope that the Congress will in due course legislate a fuller and more flexible accommodation of competing copyright, antitrust, and communications policy considerations, consistent with the challenges of modern CATV technology."

Copyright revision legislation will soon be introduced which will deal with the rights and liabilities of cable television systems. Surely one of your objectives when you meet tomorrow with your elected representatives is to make something happen in this area without undue delay. As a member of the Judiciary Committee, I will have the opportunity to participate directly in the development of this legislation. Those of us charged with decision-making will be guided above all else by the extent to which you can demonstrate the value of the services you will be rendering the public. Thus your industry in large part can by its own actions play a major role in the shaping of its future.

Let me expand further on this thought. I know, for example, that you will want to take a hard line before Congress and the FCC on copyright liability and anti-siphoning rules. Inflexibility on these points, however, can only prolong and accent two criticisms of your industry: that you want something for nothing, and that you want to sell to the public something that is now getting free. Your opponents are saying, these things, and saying them persuasively. Let me quote from the Comments before the FCC of Maximum Service Telecasters:

"Logically it would seem that CATV systems would have much greater economic motivation to develop and provide both attractive, original programming of their own and the new non-program communications services they promise if their success were dependent on their ability to do these things rather than on artificial and unfair exploitation of outside signals."

Cable proponents seem on occasion to be selling government decisionmakers a philosophy of "let us expand now, and we will provide service later." I believe, however, that you will find that your willingness to provide more services to the public *now* will result in governmental responses that will make cable a good investment and allow it to expand even faster.

It seems to me that the time is now to turn some of cable's billion dollar investments from stringing more wire to the development of enriched programming and broader consumer services. To say that there is no money in this approach may prove to be a shortsighted attitude and eventually a major contribution to the industry's own undoing. For, between the chicken of growth and the egg of service, Congress and the public want to see evidence that the American people will in fact be best served by public policy decisions fostering cable's growth.

Cable system origination in New York City and the ATC agreement with minorities in California serve as outstanding models of cable's immediate potential. Elsewhere there is more promise than progress. Both government and cable interests must work together to insure that "blue sky" promises not give way to barren desert performance, where cable offers the best, makes the most, and then provides the least. Innovation and diversity imply something new and different; if all that cable brings into our homes are additional channels of movies and sports, then the public will find itself the victim of a bait and switch scheme of incomparable proportion, and government will respond accordingly. We are all aware that the rules of this game will constantly change in response to the performance of the players, the impact on opposing teams, and the reaction of the fans.

With confidence in the ability and willingness of cable television to realize its potential and without any lessening of support for free and independent broadcasting, we can commit ourselves to a national policy supporting as rapid and universal development of CATV as possible. We can move towards coordinating federal programs to support demonstration uses of cable for government purposes, including education, health, environmental protection, and the like. We can even consider government supported research for translating technological potential into actual public benefits, and government underwriting of financing of systems in marketplaces where private development would be impractical and uneconomical.

The door to cable development has indeed been set ajar, and I am sure that your industry will cross the threshold responsibly. Congress and the public will then respond to open that door more fully, so that we all might ultimately realize the potential of one of technology's most powerful weapons against ignorance and isolation.

SENATOR CHURCH'S AMENDMENT ON ABORTION

Mr. EAGLETON. Mr. President, because my presence was required in committee sessions yesterday, I was unable to participate in the floor debate on the Church amendment to S. 1136, the Pub-

lic Health Service Act extension. I did vote in favor of the Church amendment and want to take this opportunity to express my views on it and on the subject of legalized abortion.

As an individual and as a member of the U.S. Senate, I have consistently opposed legalization of abortion. During consideration of the Family Planning and Population Research Act of 1970 (Public Law 91–572), I was instrumental in barring the use of Federal funds for abortion as a method of family planning.

I was very much surprised by the recent decision of the Supreme Court outlawing State restrictions on the performance of abortions during the first 3 months of pregnancy. I think this was an improvident decision but, in any case, it is clear that the Constitution precludes any Federal legislation, other than a Constitutional amendment, intended to override the Court's decision.

What is clearly permissible, in my view, is legislation of the kind that I joined with Senator CHURCH in sponsoring and which was adopted by the Senate yesterday. This measure would prohibit the imposition of any requirement, as a condition or consequence of Federal aid to health care institutions, forcing individuals or institutions to participate in abortion or sterilization procedures contrary to their religious or moral beliefs.

The Supreme Court grounded its decision on a "right of privacy" that is nowhere expressly stated in the Constitution. However, the first amendment to the Constitution clearly states a right of every individual to freely exercise his or her religious beliefs. We know that participation in abortion or sterilization procedures is contrary to the religious and moral beliefs of a great many Americans. I believe it is fitting and proper that their freedom of conscience—their right to adhere to the tenets of their religion—be protected by Congress.

As was pointed out in yesterday's debate, there have been court decisions in Montana requiring the performance of sterilizations in Catholic hospitals based on the finding that these hospitals have received public assistance, including Federal construction funds under the Hill-Burton Act. It is my earnest hope that the legislation adopted yesterday by the Senate will be enacted into law and operate to remove the legal basis for any such court orders in the future. In the event that S. 1136 goes to a conference committee, I would hope to be named a conferee, as a member of the Senate Health Subcommittee. In that case, Mr. President, it will be my intention to exert my best efforts on behalf of the retention in the final bill of this freedom of conscience provision regarding abortion.

U.S.-LATIN AMERICAN RELATIONS

Mr. MUSKIE. Mr. President, I have been increasingly concerned in recent years by a deterioration in U.S.-Latin American relations. U.S. policy—or non-policy—has verged on indifference. I believe it is time to reassert the best traditions of a good-neighbor policy toward Latin America. The opportunities for strengthening the political and economic ties between our two hemispheres are great. In cooperation with the nations of Latin America, we must come forward with a set of initiatives which will put U.S.-Latin American relations back on a healthy, cooperative path.

Sol Linowitz, former U.S. Ambassador to the Organization of American States, has recently written an article setting out several constructive steps that the United States might take to improve our relations with Latin America. I believe Ambassador Linowitz' article deserves careful study, and I ask unanimous consent that it be printed in the RECORD.

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

LOOK, MR. PRESIDENT, LATIN AMERICA IS ON THE MAP, TOO

(By Sol M. Linowitz)

Not long ago the *Jornal do Brasil* (a not unfriendly Brazilian newspaper) ran a cartoon that shows President Nixon standing before a globe of the earth contemplating Europe, the United States, and Asia. In the next panel, Nixon, crouching down, peers in astonishment at South America and exclaims: "Look, there's a map on the underside, too!"

The cartoon's implications are painfully clear: To Latin Americans, President Nixon is the first U.S. President in this century who has prided himself on his mastery of world affairs, yet has had literally no policy for Latin America. Other Presidents during the past seventy years, whether their goals were regarded as constructive or jingoistic, at least seemed to have some clear idea of what they wanted to accomplish "south of the border." Theodore Roosevelt had his Big Stick and Gunboat policies, replete with territorial-imperative chest pounding. FDR launched the well-meaning, paternalistic Good Neighbor policy. And John F. Kennedy created the Alliance for Progress, which was later furthered by Lyndon B. Johnson. But the Nixon administration has seemed rudderless in this area, and Latin Americans speak bluntly of the Nixon "non-policy" toward Latin America.

Ironically, the relationship between the United States and Latin America inherited by the Nixon administration was basically a healthy, cooperative one.

There were, of course, problems and quarrels. But under the Alliance for Progress, Latin America had managed to achieve an annual average of 2.4 percent real per capita growth. This was exactly one decimal point below target, but far better than might have been expected during the 1960s, when the area's terms of trade and income from export commodities suffered badly. During that decade the United States contributed over $8 billion in bilateral aid and was responsible for much of the $6.5 billion in loans from international institutions such as the World Bank and the Inter-American Development Bank. The Latin Americans themselves, moreover, put up at least 90 percent of the capital required to fuel development and built up a sizable infrastructure of public-works projects and social programs.

One of the Alliance's crowning achievements was in export expansion and diversification—which is the critical bone of contention between the United States and Latin America today. Under the Alliance, Latin America moved away from the wasteful import-substitution policy that had been its mainstay during the 1950s, and concentrated instead on diversifying its exports. However, toward the end of the decade, Latin American leaders realized that further success in this program would require the United States and other countries of the developed world to tear down the trade barriers to Latin American-manufactured exports. It was at this stage that President Nixon stepped onto the scene.

Then came two striking developments in U.S.-Latin American relations: the Rockefeller mission to Latin America and the Latin American meeting that produced the document called the consensus of Viña del Mar.

In late January 1969, Nixon announced that he was sending Gov. Nelson Rockefeller—a former Co-ordinator of Inter-American Affairs, long known for his deep interest in the area—on a fact-finding mission to a dozen Latin American capitals. Rockefeller surrounded himself with highly respected experts from a wide range of disciplines and embarked on a whirlwind tour of Latin America. Some skeptics asked whether still another study was in fact necessary, but when it came out, the Rockefeller report did demonstrate the importance of Latin America for the United States objectives, and recommended significant action. The President accepted the report, and Latin Americans waited to see whether he would act on it.

Meanwhile—at precisely the same time as the Rockefeller mission—there was a meeting of CECLA—the Special Coordinating Committee on Latin America, which consists of all OAS members except the United States. The purpose of the meeting was to coordinate the Latin American position within the Alliance, and the conferees agreed on a statement issued as the consensus of Viña del Mar.

The consensus covered a good deal of ground, ranging from international financing to the transfer of technology and the role of foreign direct investment; and from tariffs and quotas to the prices of commodities on the world markets.

Specifically, it asked that the United States eliminate tariff and non-tariff barriers on goods from the developing world and that it champion Latin exports by helping secure similar treatment for them in other developed markets. The CECLA group also sought greater financial cooperation that would allow recipients of aid to set their own priorities with no strings attached to the foreign aid they received.

Few national leaders in their first year in office have had such clear guides as the consensus and the Rockefeller report by which to formulate a foreign policy for a region. Yet for some inexplicable reason, the major Latin American policy statement, on October 31, 1969, the President indicated his awareness of the key problems, and then to the great disappointment of Latin Americans did very little about them.

The Nixon proposal for Latin America, as outlined in the October speech, was known as Action for Progress in the Americas; its ideas were meant to be the backbone of the Nixon policy for Latin America. On the face of it, the program seemed to offer highly positive concessions to Latin America in four key areas.

First, with respect to trade preferences, the statement said that the United States would urge other industrialized countries to agree on a uniform, nondiscriminatory system toward developing countries. The system would be very generous, with no ceiling on preferential products that Latin America felt it could sell to the United States; and the United States would be prepared to go ahead with preferences for Latin America on a number of products if Europe and Japan could not be persuaded to go along on a more general trade preference for all developing countries.

A second point was the untying of U.S. AID (Agency for International Development) loans. It was emphasized in the policy statement as a significant step forward. What was not underscored was the fact that while AID recipients would no longer be tied to U.S. sources alone, they would be free to purchase manufactured imports with AID funds only from sources within Latin America.

A third and slightly related point was the promise to move toward increased multilateralization of U.S. aid for Latin America.

The program's last key point concerned the need to "deal realistically with governments in the inter-American system as they are." The President conceded that each nation had a right to decide whether or not it wanted foreign private investment. Without threatening countries that might choose the path of expropriation, the President quietly warned that such action might seriously affect investor confidence.

Latin Americans accepted these key policy positions with a sense of hope, which has over the months turned to cynicism and disillusionment.

One major setback to Latin American confidence in the new program came on August 15, 1971, when the Nixon new economic game was announced. The plan placed a 10 percent surcharge on imports to protect the U.S. balance of payments, and Latin America found itself lumped in with the other exporting areas. Many commodities that make up the bulk of Latin American exports were excluded, and White House spokesmen pointed out that only 22 percent of Latin American exports would be affected by the surcharge. However, they missed two important points that did not escape Latin Americans: First, the exports affected were fast-growing manufactured products, which Latin producers had worked long years to be able to manufacture for successful marketing in the United States. Second, Latin America's dollar-trade deficit with the United States had exceeded a billion dollars the previous year; and Latin Americans understandably felt that they should not be penalized in the same category as the European, Japanese, and other exporters who had contributed to the balance of payments predicament of the United States.

Quite clearly, the President had missed an extraordinary opportunity. He could have said he recognized that Latin America was not a factor in U.S. economic problems and could have absolved the area from the added burden of the surtax. Having failed to do so, however, he could no longer blame a protectionist Congress (as his administration had been doing) for the failure to live up to his commitment on trade preferences for Latin America.

The predictable result was to unite Latin America firmly against the United States. Even such strange bedfellows as Brazil and Chile were able to get together with other Latin American countries in an emergency CECLA meeting in Buenos Aires that condemned the U.S. action and explored possible sanctions against the United States. A belated decision (made after the CECLA affair) to roll back the 10 percent AID cut failed to overcome the resentment and hostility that had been aroused.

The promised multilateralization of aid also proved to be a disappointment to the Latin Americans. At the beginning of last year, President Nixon issued a statement that appeared to increase politicization of multilateral aid channeled through the Inter-American Development Bank and the World Bank. He warned that all U.S. aid—including that funneled through multilateral institutions—would, in the absence of special circumstances, be cut off from countries that expropriated U.S. investments without prompt and adequate compensation.

Other statements exacerbated the situation. While still secretary of the treasury, John Connally stated in an interview: "The United States can afford to be tough with Latin Americans because we have no friends left there anymore." Later, as good-will ambassador to Latin America, Connally warned Venezuelans that "the United States has the power to export prosperity or poverty to any country in the world to which it chooses to do so."

Against this background it is quite clear that the Nixon non-policy toward Latin America has had one effect: It has united Latin America in opposition toward the United States and its surrogates—the hundreds of subsidiaries of U.S. corporations spread throughout the region. On other issues it has helped set Latin American leaders against each other in their efforts to vie for leadership of the region precisely at the time when the nations of Latin America should be working solidly together for development of the continent.

Neither the United States nor U.S. private investment in the area has benefited from this non-policy toward Latin America. Therefore, what we now need—and need badly—is a cohesive policy for Latin America that will take into account the hemisphere's special requirements and desires. And this challenge presents the new Nixon administration with an extraordinary opportunity at a pivotal moment.

What should be the ingredients of such a policy? Here are a few suggestions:

1. *Define U.S. goals in the hemisphere, and spell out just as clearly what the United States expects of others. Then stick to these commitments.*

There is no need of studies and analyses that make clear what our approach should be and how we should go about it. What we need—and desperately—is to recognize that clarity, like charity, must begin at home. To talk about "partnership" at a time when there is not even a constructive dialogue is neither realistic nor constructive. To be effective, a partnership must begin at the top—with the President. There must also be a genuine commitment on the part of the President, which in turn is reflected throughout the administration.

2. *Move the Alliance for Progress toward a second stage, in which it would really be directed on a multilateral basis, with goals mutually defined.*

We have long since passed the time when the United States can attempt to direct the destiny of Latin America. It is now necessary for all sides to participate in setting up goals and guideposts. The consensus of Vina del Mar and the recommendations of the Rockefeller commission can be important guides in establishing common objectives. The United States should indicate its readiness to join in developing such common goals.

3. *Use existing inter-American institutions to conduct as much of our governmental business with Latin America as possible.*

The OAS and the Inter-American Development Bank are two established organizations in which the United States can place its trust in dealing with the area. Both are staffed with dedicated international civil servants who are seeking to develop the region and who can speak both the language of the United States and that of Latin America. We should make clear our confidence in, and respect for, such inter-American institutions.

4. *Once the United States has agreed to the principle of multilateralism, we should assure that decisions with respect to multilateral aid are truly multilateral.*

As is true with any corporate board of directors, the role of the board of a multinational institution is to set overall standards and leave everyday management to the professional managerial staff. The same should apply in the case of international lending institutions. It would be helpful in this regard if Japan, European countries, and others were to join such institutions as the Inter-American Development Bank in order to assure that they are truly multilateral and not dominated by the political influence, express or implied, of the United States.

5. *Open up the U.S. market to Latin American products to the greatest extent possible and in a way that will truly benefit interhemispheric trade.*

One idea worth exploration would be for the United States to allow Latin American products to come in free of all duties and quotas to the extent of the almost $2 billion trade surplus it has with the region. There is no reason why a nation as powerful as the United States must make its mark at the expense of its developing neighbors. To make the formula more acceptable to Congress, the United States could insist that Latin nations reduce their barriers against U.S. exports to the degree they benefit from increased exports to the United States.

6. *Help rekindle the fire of economic integration.*

During the first eight or nine years, regional integration worked well, but it has since been stymied in its growth. Both LAFTA (Latin American Free Trade Association), which includes all of South America plus Mexico, and the Central American Common Market have run into difficult times. At the presidents' summit meeting in April 1967, a Latin American common market was the leading item on the agenda. The United States could help revive interest in it by offering to become a nonreciprocal member—which would open up its markets—but not insist on the same from Latin Americans. A major market outside the area could be the stimulus that regional integration needs to set its export goals high and to develop the way to reach them.

7. *Make clear the nature of the relationship between the U.S. government and Latin American subsidiaries of U.S. parent companies.*

If the U.S. government has a responsibility for helping American companies in conflict with foreign governments, then it must also be prepared to be responsible for companies that conduct themselves badly in a particular country. The United States could insist that American companies follow a specific code of conduct of responsible international companies that would state what rights companies should be able to expect when dealing internationally, and what duties to the host country they have in return. If a U.S. company is wronged under such a code, then the U.S. government could, in good conscience, step in to make this known to an international tribunal, while avoiding any unilateral action.

8. *Accept the idea that Latin American countries—like other countries of the world—have the freedom to determine their own political, social, and economic systems on behalf of Latin Americans and in a Latin American way.*

The United States must learn to understand and accept the fact that differences exist among people and their ways of looking at things. And it must learn to adapt to these systems when they pose no intrinsic danger to the United States, and to avoid hostile knee-jerk reaction when disagreement occurs.

There is, of course, no guarantee that such policies will entirely abate hostility and tension. But they could begin to change the climate and move us back to a spirit of cooperation, rather than conflict. The need has never been greater, both in our own interest and in the interest of hemispheric progress and world peace.

RESOLUTIONS OF THE MAINE STATE LEGISLATURE

Mr. MUSKIE. Mr. President, I have recently received two resolutions passed by the 106th Legislature of the State of Maine. These are: First. Joint Resolution Memorializing Congress for the Purpose of Amending the United States Constitution Relative to Abortion; and second. Joint Resolution Memorializing the President and Congress of the United States To Obtain a Full Accounting of POW's and MIA's.

On behalf of my colleague, Senator HATHAWAY, and myself, I ask unanimous

consent that these resolutions be printed in the RECORD at this point.

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

JOINT RESOLUTION AMENDING THE U.S. CONSTITUTION RELATIVE TO ABORTION

We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Sixth Legislative Session assembled, most respectfully present and petition your Honorable Body as follows:

Whereas, medically and scientifically a human embryo or fetus exists as a living and growing human individual from the moment of conception; and

Whereas, the moment of birth represents merely an identifiable point along the course of human development and not the beginning of human life; and

Whereas, respect for human life has been a hallmark of civilized society for millennia; and

Whereas, the Maine Legislature has supported and shown concern for the life of the unborn child by rejecting all attempts to liberalize, modify or change the State's abortion law; and

Whereas, the United States Supreme Court by decision has ruled against the unborn; and

Whereas, the Maine Legislature wishes to establish and define the rights of the unborn; now, therefore, be it

Resolved: By your Memoralists, that the United States Congress propose an amendment to the Constitution of the United States to read:

1. As used in the Fifth and Fourteenth Articles of Amendment to the Constitution of the United States, dealing with the deprivation of life, the word "person" shall apply to every human being regardless of the stage of his biological development.

2. Nothing herein shall prohibit any state from adopting such laws as are necessary to preserve the life of the expectant mother.

3. Congress and the several states shall have the power to enforce this amendment by appropriate legislation; and be it further

Resolved: That certified copies of this resolution be immediately transmitted by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States Congress, to each Member of the Maine Congressional Delegation and to the Legislatures of each of the several states attesting the adoption of this resolution by the One Hundred and Sixth Legislature of the State of Maine.

JOINT RESOLUTION TO OBTAIN A FULL ACCOUNTING OF POW'S AND MIA'S

We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Sixth Legislative Session assembled, most respectfully present and petition the President and Congress of the United States, as follows:

Whereas, the North Vietnamese and their allies have not as agreed, satisfactorily accounted for all prisoners of war or persons missing in action; and

Whereas, the recent list of 555 prisoners of war released by North Viet Nam in response to agreement, does not include names of 56 known prisoners of war and is considered no more accurate than their earlier lists; and

Whereas, the United States Government has received the names of only 7 of 317 servicemen known to be missing in Laos; and

Whereas, the tragedy of leaving American prisoners behind previously experienced in Korea must not be repeated; and

Whereas approximately 1,400 families must not be abandoned to live in torturous anxiety as to the whereabouts of their loved ones; now therefore, be it

Resolved: That we, your Memorialists, respectfully recommend and urge the President and Congress of the United States to consider the feeling of this State expressed in the foregoing preamble as well as those of the Nation and to do everything within their power to obtain a satisfactory and complete accounting of all prisoners of war and persons missing in action; and be it further

Resolved: That the Secretary of State be directed to transmit forthwith suitable copies of this Memorial to the President of the United States, to the Speaker of the House of Representatives and the President of the Senate of the United States Congress and to the Members of said Senate and House of Representatives from the State of Maine.

THIRD ANNIVERSARY OF SOUTH VIETNAM'S LAND-TO-THE-TILLER PROGRAM

Mr. PACKWOOD. Mr. President, it was 3 years ago yesterday that President Nguyen Van Thieu promulgated the land-to-the-tiller law in South Vietnam, and announced that this basic reform was to be carried out over a 3-year period. By the end of those 3 years, the goal was to distribute some 2.5-million acres—half the cultivated land in South Vietnam—to 800,000 tenant farmer families.

The underlying goal, of course, was to deal with the basic land-based grievances of this impoverished, majority portion of the rural population—grievances which had led to substantial support for the Communist Vietcong just as similar grievances had produced crucial peasant support for revolutions in Russia, China, and Cuba and for other 20th century upheavals.

Yesterday was the third anniversary of the land-to-the-tiller law, the day for which the original goals were set. It therefore seems highly appropriate to examine what the actual achievements have been. Today, 1,850,000 acres of landlord-owned lands, and 450,000 acres of government-owned lands have been distributed, altogether 2.3-million acres, out of the original goal of 2.5 million. They have been distributed to a total of approximately 750,000 families out of the original goal of 800,000 families. Over 150,000 more families are in the process of receiving title to additional lands. Landlords are receiving fair compensation.

Thus, rare for a reform program of such scope and magnitude—assuredly even in this country, let alone in South Vietnam, in the midst of a war—the original land distribution goal has been more than 90-percent fulfilled. If one counts the further land now in the final distribution process, the goal has indeed been 110-percent fulfilled.

This has, in fact, constituted one of the most sweeping and effective programs of social and economic reform in postwar Asia rivaling fully the land reforms of Japan, Taiwan, and South Korea. For the first time, it has given the South Vietnamese peasant, over 5 million people in the 750,000 households that have now received their land, a real stake in their society.

While the land reform has been going on, rice production has increased by one-third. While it has been going on, Vietcong recruitment has dropped from the range of 5,000 to 7,000 men, recruited each month from the South Vietnamese countryside, to fewer than 1,000 men recruited each month. A recently-published report by Control Data Corp., carried out for the Agency for International Development, which was based on more than 900 random-sample interviews with Mekong Delta peasants, has shown an accompanying, dramatic shift in peasant attitudes and allegiances toward the government in Saigon.

The British used land reform against the Malaysian insurgency. The Venezuelans used it against Castroite guerrillas in the early 1960's, and the Bolivians found it was virtually 100-percent successful as a means of heading off the appeal of Che Guevara. Such land reforms did not cost a single life. They did not kill a single man, woman or child. But, again and again, they have resolved the basic, deep-seated grievances which had led, or were leading, an impoverished peasant population toward massive violence. And one may add to this list the land reforms of Japan, Taiwan, and South Korea, and those also of Iran and Mexico, each and every one of which has given great impetus to agricultural production and to overall economic development. Several of these, too, may have headed off massive political violence.

Unlike the countries which I have described, the old governments of Tsarist Russia, pre-1949 China, and Batista's Cuba did not learn the lesson in time: They were unseated by revolutions which relied predominantly on the support of a landless peasantry.

In South Vietnam, it is tragic that the lesson was not learned earlier. But it was, at least, and in fact, learned. When the Thieu government does something bad, let us say so, loudly, and clearly. But when it does something good—when it helps 5 million of its most impoverished, most aggrieved citizens toward a better life and toward personal dignity—let us also say so, again loudly and clearly.

And let us not lose this precious lesson for the future, or fall into the trap of thinking that the only possible attitudes toward the peasant populations who together constitute 70 percent of the population of the third world are attitudes of total neglect or massive violence—total neglect of their awesome poverty, massive violence as a response, if that poverty makes them prey to those who organize for revolution. For the third world, there is a third alternative: the alternative of humane, consistent support for programs that will ameliorate the poverty of the hundreds of millions who till land that they do not own themselves, desperate and hungry; the alternative of programs that, through providing them with a real stake in their society, will give an assured motivation to increase food production, and a solid reason to eschew massive bloodletting.

Such programs will not only help mightily to prevent future Vietnams, in which millions would surely die, just as 7 million or more have died already in the great peasant-based revolutions of the 20th century, but they will also provide the only base which has really worked for consistently increased agricultural production, sparked by the

knowledge that increased production redounds to the farmer's benefit, not to the landlord's.

President Thieu has carried out a massive land reform program. That was wise and well done. This body supported President Thieu, with appropriate financial and technical assistance through the foreign aid program, in carrying out that land reform. The direct and indirect support cost has been equal to far less than a single week's cost of the war.

Let us hope that the lessons learned from Vietnam—as to the passion and power of peasant grievances and the urgent need for programs that will address such grievances in time—will not be lost upon us, or upon our friends around the world. It would only compound the tragedy of Vietnam, if a lesson that were bought so dear, were lost almost before it was grasped.

So, I may say honestly to President Thieu, that while very far indeed from agreeing with all the policies of his government, I recognize that one very humane and very positive, and very successful policy is that of land to the tiller, and for this broad and dramatic success, I believe the South Vietnamese are to be congratulated.

SOCIAL SERVICES—THE PEOPLE SPEAK

Mr. McINTYRE. Mr. President, I am deeply concerned over the proposed regulation changes affecting the State social services programs, conducted under title IV–A and other titles of the Social Security Act. The impact of these changes would be a drastic curtailment of Federal support for these vitally needed social services. And without this Federal support many of the services simply could no longer be provided.

Many of us have talked about the new regulations in terms of their symbolic value, as indicating a policy direction the administration is setting out to implement. And much is said about this trend toward self-help and local initiative and away from reliance on the Federal Government as the prime mover in solving social problems. The debate over this trend is an important one and one that I hope the Congress will give its full attention to in the months ahead.

Today, however, I want to talk about these proposed regulation changes in more particular terms. I want to turn our attention away for a moment from the overriding significance these changes represent, and look directly at the individuals caught up in this controversy.

A public meeting was held recently in my State of New Hampshire to gather together as many of these people as possible. They represented every facet of the social services program—from the mothers whose children receive day-care services to those receiving help in mental health centers to those who run these programs and administer the social services funds.

I feel that hearing their stories is crucial to any real understanding of the issue. Take, for example, the situation faced by Camp Mayhew in Bristol, N.H. This is a year-round program for disadvantaged boys to try to provide for them those normal boyhood experiences they have missed. The camp has been able to expand its program from an enrollment of 10 boys in 1969 to 66 this past year. If the new regulations go into effect, they would only be able to provide services for 18 to 24 boys in 1973, based upon their private income.

Or take the situation the North Conway, N.H., day-care center is facing. This center cares for 44 children and gives many mothers the opportunity to work instead of just living off welfare. With the new regulations they face a deficit of $8,300 and will be forced to close in early 1974. And another program in Berlin, N.H., which provides professional counseling and therapy for adults, will also be forced to close its doors.

Mr. President, I know that our resources are not unlimited, that we must set priorities in Federal spending. The Congress realized last fall that spending for the social services program was too open ended and was creating a crisis in the Federal budget. This is why we adopted the $2.5-billion ceiling for the program—to prevent abuses and to require States to more carefully order their priorities.

This action was necessary. But the new regulations, I feel, go too far in restricting the program. The material that I would like to share with my colleagues today illustrates this in the way which I feel is the most persuasive—this is the human side of the story. These people know the real impact of these changes, and we should listen carefully to what they have to say.

Therefore, Mr. President, I ask unanimous consent that the statements of many of those who met in Concord, N.H., on March 10, to protest the proposed changes in the social services program, be printed in the RECORD at this point.

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

BERLIN, N.H.,
March 9, 1973.

To: State Congressional Delegation.
Subject: Proposed changes in Social Service Rules.

I am Dale True, a resident of Berlin N.H., Pastor of the United Church of Christ and the United Methodist Church in Berlin, and a member of the Board of Governors of Holiday Center, a non-profit social agency serving adults of the Berlin area. The Center provides professional services for persons needing counselling, therapy, referral service in the field of mental rehabilitation; provides opportunity for social contact for the lonely, forgotten, and people with problems or handicaps; provides encouragement for self-development through experiences of learning, art, crafts, and other cultural experiences; and helps fulfill the need to be of service to others as well as helping develop a feeling of being wanted and giving a sense of worthwhileness to individuals. About one-half the members are over 60 years old.

During the period July 1, 1971 to July 1, 1972, approximately 3600 people used the Center a total of 11,950 times. During February, 1973, 191 members and 384 guests used the Center a total of 1423 times.

There is no question in the minds of the staff members, members of the Board of Governors, many professionals in the area, as well as the people using the Center that the services rendered by Holiday Center are fulfilling a vital need for many people in the Berlin area. If the operation of the Center was terminated, it would be a severe loss to the community. A major part of our funding is from funds provided through Title IVA and most of the matching funds provided locally are donated private funds through United Fund.

We protest the action of the Department of Health, Education and Welfare in proposing new regulations which would drastically effect our social service agency, in all probability requiring that the Center be closed.

The citizens of the Berlin area who need these services deserve a better break than having a door closed in their faces.

We respectfully appeal to our New Hampshire Congressional Delegation to do all in its power to prevent the implementation of the proposed new HEW regulations.

DALE TRUE,
Board of Governors, Holiday Center, Berlin.

STATEMENT OF BEN ADLER

Mr. Chairman, Members of the Committee: My name is Ben Adler, and I am Director of Services for the Aging in Manchester.

We are currently providing service in the areas of recreation, nutrition, health, transportation and employment. Manchester, being a mill city, its older inhabitants being former employees of mills, number 11,000 plus.

Seventy five percent of those over 60 live within a ¾ mile radius of downtown, in solitary rooms, with primitive or no cooking facilities. Because of their former employment, they are forced to live off minimum, yes minimum social security and have not been able to save any money to draw on during these aging years.

Our department is committed to two areas; one, the identification of these aging through outreach, and the referral of the problem through cooperation with every agency in the city providing service to the aged. Either the service is brought to the person or the person is brought to the service.

Within the department there are employment opportunities for the aging; this has also led to other job opportunities in the community. The coordination of services, the avoiding of duplication of service, the provision for an outlet for sale of their handmade articles, creation of recreation areas to prevent social atrophy and depression, the alleviation of housing problems, the geriatric diagnostic clinic, homemaker services, and basic feeding program are not luxuries—they are necessities and must be continued.

Keeping our aging as independent and at home as long as possible, is much cheaper than institutionalization and much healthier for all society. Thank you.

CAMP MAYHEW: A CAMP FOR DISADVANTAGED BOYS OF NEW HAMPSHIRE, NEWFOUND LAKE, BRISTOL, N.H.

Camp Mayhew is a full year around program for culturally and/or economically disadvantaged boys from New Hampshire, ages 10–12. The program has three components:

(1) A four week residential camp session on Mayhew Island, Newfound Lake, New Hampshire, consisting of:

(a) Red Cross swimming program.

(b) Day hiking and overnight camping.

(c) An athletic program including volleyball, softball, basketball, baseball, canoeing, sailing and ropes course.

(d) An introductory environmental studies program designed around the natural setting and resources of Mayhew Island and Newfound Lake. Weekly sound and color nature films are used to supplement this program.

(e) The usual camp program of barn fires, singing, story telling and arts and crafts.

(f) A Work Hour Program in which boys are given "real work" to be performed (trail clearing, wood chopping, light carpentry, painting, etc.) thus, gaining introductory instruction in tool use. Such work earns "Mayhew Money" which is all that can be used in the camp store. (Through this mechanism we hope to teach the rudiments of saving and monetary planning, as well as to instill a "Work Ethic.")

(2) A year around follow up by the director with each boy which usually consists of three visits, one at his school, one with his family and one for a small group outing.

(3) The placement of our qualified graduates in private summer camp programs under full scholarships.

Camp Mayhews' intensive athletic-camp skills program of instruction is used as a vehicle for developing within 72 socially and/or economically disadvantaged boys from New Hampshire those normal boyhood experiences of which they have been deprived. Mayhew also offers these boys the chance to be a winner, to enjoy strong male influences and affection and the unhindered opportunity to develop their sense of self worth.

With these goals in mind the college-aged staff at Mayhew are selected for their genuine desire to help boys, their competency in athletic/camp skills and their commitment to the Mayhew Philosophy. This, coupled with the directors experience as a teacher, coach and guidance counselor, enables Camp Mayhew to perform in an area of social welfare where little has previously been done. Boys within low income or welfare families generally do not have the opportunity to germinate and experience success in a natural environment far removed from the distractions of modern day life. Mayhew provides this opportunity.

Mayhew can and does alter *minor* behavioral and emotional problems which some of its boys have, but is not equipped to work with boys who have records of deep-seated emotional and behavioral problems.

What kind of boy should Mayhew serve? A boy who needs and is able to respond to: strong male affection, competent instruction in athletic skills, the enjoyment of competition, the satisfaction of using his abilities to their maximum potential and most importantly, a boy who still has the capacity to make positive changes in his outlook and approach toward becoming a better citizen.

The Camp Mayhew program has an annual budget of approximately $40,000 which provides for full tuition scholarships of $550 each for 72 boys. Our funding is from four sources:

(1) Federal Grants which are routed through the New Hampshire Division of Welfare for Title IVa funding. In 1972–73 this consisted of $4000 from the Manchester Model Cities Agency which was matched for $16,000.

(2) Private grants which again are routed through the New Hampshire Division of Welfare for Title IVa funding. In 1972–73 this consisted of a $1,250 grant from the Pearson Trust which was matched for $5,000.

(3) A Community Sponsorship Program in which service groups (Lions, Rotarians, etc.) and business concerns make tuition gifts for boys from their community. Last year Mayhew had 8 sponsors who contributed half tuition for 8 boys for a total of $2,000.

(4) Private solicitation in and out of the state of New Hampshire. Last year approximately $9,700 was contributed.

How will the title IVa regulations affect Mayhew?

(1) There now exists confusion over whether any grant from the Model Cities Agency would be match granted. This would cause a decrease of our program in Manchester of 40 boys to 4 boys.

(2) The cut-off of donated funds as the States share in claiming Federal matching funds would cost us the loss of two or three initiating grants. At present, we have negotiated for such funds with the New Hampshire Charitable Trusts, the Groton School Camp Association, the Manchester Housing Authority and several United Funds. The loss of tuition is estimated to be at least $8,000. This would cause a decrease in the number of boys from other parts of New Hampshire of 20 to 5.

Thus Camp Mayhew, which has built its enrollment from 10 boys in 1969 to 66 boys in 1972 would only be able to provide services for 18–24 boys in 1973, based upon our private income and pledges.

Since its inception in 1969, Camp Mayhew has provided its services to the State of New Hampshire at no cost to the State and small cost to Federal agencies.

STATEMENT OF JACKIE HOWE

Ladies and Gentlemen: My name is Jackie Howe. I represent the North Conway Day Care Center of which I am the director. I am here to express my concern over the new regulations for the Title Four A funds. We care for a total of forty four children of which seventeen are from one parents homes; mothers working rather than being on welfare. Our fees are based on federal guide lines as established for the free lunch programs. This year we raised $5,391 for Title Four A matching funds, a receiving $16,173.

Our community has deep concern for these programs as evidenced by a new $152,000 multi-purpose building built by private funds under the leadership of a church. We also are now developing a sheltered workshop building program. The total programs care for 120 children each day seventy five percent of them are low income.

My own program has already received for next years budget private gifts of seven hundred dollars, organizations gifts of $1,000 dollars and revenue sharing funds of five thousand dollars. We have pledges of fifteen hundred dollars more from a local church and plan fund drives as well. This from a community of about twenty five hundred to three thousand people. I feel our people have responded well and reached a saturation point.

Cutting our budget from forty one thousand to thirty one thousand for 1973–1974, with all our efforts we face a deficit of eight thousand three hundred dollars and will be forced to close in early 1974 as all our funds under the new regulations cannot be matched. The closing will not only have deep personal tradgedy but will place several mothers on welfare and leave rooms and equipment useless.

HOMEMAKER SERVICE PROVIDES A CHOICE

(Statement of Henrietta Charest, Director-Supervisor, Sullivan County Homemaker Service)

Homemaker/Home Health Aides are employees trained in the skills of homemaking, who provide care in the home, to families and individuals during periods of stress or crisis. They are neither maids nor nurses. It might be said that they are women giving the kind of care a relative might give if the need arose.

The Homemaker/Home Health Aid Agency makes individual considerations concerning the placement of a Homemaker, fees charged, length and hours of service. All Homemakers have on the job supervision. Specifically many of these women now have gainfully rewarding, classified occupations in the labor market that they never had before, thereby enabling them to supplement family incomes, reduce or eliminate welfare needs, obtain future Social Security coverage for their later years, and obtain promotional advancement within this field.

What will happen in Sullivan County and around the state, if this kind of service is not available? Choices will simply *not* exist. It is the Right in most cases, of every human being, to decide whether or not to enter an institution, either permanently or temporarily. But if the option is non-existent then the whole discussion of Rights becomes academic.

The following two cases are fictitious and intended only to indicate the kinds of clients served by any Homemaker agency. For example—Mr. Z is old, alone, a victim of Parkinson's disease. He is a recipient of State Assistance and operates a small business out of his home. He is confined now to a wheel chair—but he wants to stay home, provide his small service, be among his own belongings, within reach of his old and familiar friends. He needs someone to clean his house, do his shopping and make his meals. A homemaker does it in three hours a day. Compare this cost to the cost of 24 hours a day care in a nursing home—where professional nurses are being paid. Mr. Z *needs* a homemaker not a nurse. He needs his home and the comfort of his friends—not an institution. He has a choice if a Homemaker/Home Health Aide Service is available. If it's not available he certainly still has a Right—but he has no choice.

Mrs. X is 26 years old, foreign born, the mother of two small children. Her husband, a military man, is in Europe. Mrs. X is severely depressed and under the out-patient care of a county clinic. She *needs* someone to come each day—give her supportive care—help her to cope with her children. In short Mrs. X *and* her children need some mothering. She cannot manage her life without help. Her homemaker is a 50 year old woman and the mother of nine. What are Mrs. X's choices? She can have a homemaker and the facilities of other supportive services *or* she can be admitted to the state hospital and place her children in foster homes. Cost comparisons here are clearly apparent. It costs less in terms of dollars for Mrs. X to stay home and avoid institutionalization for herself and foster care for her children. In human terms the *cost* of splitting this family cannot be measured.

New Hampshire Home Care Services Association, a central agency, has been established after many months of dedicated effort. It offers assistance to initiate new agencies and provide fiscal assistance along with standardized training.

If funds are cut will new agencies start out without a central agency to help and/or will a central agency be available to help? Will agencies survive the rigors and difficulties of operation without a strong central arm? Funding cuts resulting from the proposed regulation changes strike at the very heart of New Hampshire's effort to care for its families in their own homes whenever possible. These funding cuts for service make it impossible for communities to provide Homemaker/Home Health Aide in the State of New Hampshire. Who can measure the irreparable damage done to our communities, individually, or to our state as a whole. Multiply Mr. Z and Mrs. X hundreds of times over around the state. We in Homemaker Services see that to *cut these* funds is to make it *impossible* for all people in the State of New Hampshire to exercise their *Rights* because their choices have been eliminated.

SOCIAL SERVICES A PART OF PUBLIC HOUSING

(Statement of Mary Mongan, Director of Tenant Services, Manchester Housing Authority)

At one time the prime responsibility of housing was to give shelter, however, in recent years the nation as a whole, through the media of television, has become aware that you cannot concentrate into such dense living conditions families already burdened with financial and social problems and ignore the outcome, as we have seen happen in St. Louis, and as I have seen just recently in

nearby Lynn, Mass. They will destroy that which shelters them.

In 1970 Congress recognized that shelter alone did not make a home and therefore, declared that low-income families should have their social and individual needs met in addition to purely housing and financial needs, and listed 8 broad areas of needs as primary goals:

Physical health.
Mental health.
Economic security.
Personal fulfillment.
Participation in community life.
Freedom of choice in personal living.
Possession of a system of ethical values.
Perpetuation of social institutions.

ALL OF THEIR GOALS ARE HOUSING GOALS

All of us are aware of the increasing cost of living, but it is more so for low income families, for every day they must make decisions as to what are the priorities for their family—and often a crisis occurs that requires that they again alter that choice. That crisis can be anything from a pair of shoes to a tooth extraction: for with a family of seven or more, a child has but one pair of shoes and never sees a dentist until it is too late.

In 1970 HUD provided funds for modernization programs and committed housing authorities to programs for upgrading physical and social conditions in low rent housing. At this time local housing authorities began working with their tenants to determine needs and to initiate programs to meet those needs. HUD could not provide funds for programs: therefore in June 1971 an agreement was entered into by Housing and Urban Development and the Department of Health, Education and Welfare, whereby HEW would provide funds specifically for housing authorities under title 4–A and B.

Programs were initiated and implemented and improvements are now visible—: our crime rate has dropped, maintenance cost is showing signs of decreasing, parents are looking for employment because of our day care centers, youth have found summer employment through Neighborhood Youth Corps programs, educational institutions are responding to our needs, and the elderly are less lonely and receiving health needs such as nutritional programs and home care.

No longer do our youth have to carry the tag of "Project Kid" because they are now able to participate in community programs at boys clubs, girl clubs, scouting programs, summer camperships (which also gave us the opportunity of seeing they had physicals) baseball and football teams, where they all had a chance to play.

When a housing authority has 1000 children out of school, every day, all summer, activities well supervised must be planned to keep them busy, or housing authorities will see their cost of maintenance increase and more frequent visits from the police and fire departments.

If a large family of low income were to give their family every possible health need, whether it be preventive or crisis oriented, that family if they were not on the welfare rolls would *have* to be, for many a mother in our housing areas must neglect that ear ache or sore throat because of the cost, hoping that it will quietly go away without further incidence. I have seen mothers want to consult a doctor, if for nothing more than her own peace of mind, but knowing the cost, and not having a way to pay it, can not make that call. Dental care is sadly neglected and there are many at the age of 13 who must end up with total extraction—and no dentures to replace them.

The new rules, as proposed, will limit our scope of services and will completely tie our hands to implement programs. Service agencies within our community, which have only private funds to work with for matching purposes, will not be able to assist us, for no public funds are readily available for social services.

Low income persons are no different than any other human beings, if they are content and cared for, they respond to demands made upon them with a positive attitude and will assert themselves to help themselves; but, put them all together as public housing does, with every possible social ill facing them, day after day, and seeing no possible way out available to them will give out negative responses and retaliate. It is a very human instinct to do so.

We can begin to cure the many social problems of housing, but only by providing services that are programmed to meet housing needs—all we ask is to be able to provide more than shelter for persons who must reside in public housing.

STATEMENT OF CHARLES LEAHEY, PRESIDENT, OPPORTUNITY HOUSE, CONCORD, N.H.

Styles change—in clothes and in government. When the style of government is changed, those who make the decision must do more than talk theory to a mirror. They have to remember the old rules. They have to take account of the fact that the old rules created the facts of today and the legitimate hopes which many have for tomorrow.

In 1965, the New Hampshire Legislature and the Governor of New Hampshire invited and challenged private citizens to become partners in an imaginative attack on the problem of mental illness. The objective was to bring treatment to people where the people were—at home. The method was to stimulate groups of local citizens to organize centers for the treatment of the mentally ill. The inducement was a commitment of money, two dollars of State money for every dollar of money raised locally, and a commitment of professional advice and guidance to be used when necessary or desired.

Local groups have created and now sustain fifteen community mental health agencies throughout the State. The agencies are nonprofit, private agencies, directed by dedicated laymen and staffed by professionals in the field of mental health care. The Division of Mental Health, through the Office of Community Mental Health, provides administrative direction and support—but the care that citizens of New Hampshire require and are entitled to is provided by the agencies themselves.

The many partnerships which the State of New Hampshire has invested in are improving and expanding the necessary services they provide each year. While the State has never fully met its financial commitment to its "junior" partners, it is clear that without the funds and overall direction the State provides, no amount of individual commitment and effort at the local level could have created the agencies that exist today.

The old rules have created fifteen successful partnerships between the State and groups of private citizens. These fifteen partnerships, in the aggregate, are receiving $1,402,484 in grants, which are applied toward total budgets of $2,900,000, to provide mental health care to 12,000 citizens of New Hampshire. These agencies are classic examples of the creative partnership between an "investor" who seeks long-range objectives for his investment and the executives who provide a local base, know-how, energy and leadership. And although the original objectives of the community mental health program are far from being achieved, a new task is being planned for these groups. The key to any plan to reduce the New Hampshire Hospital to a manageable size while upgrading the care it provides, requires that the partners provide greatly expanded aftercare services at the local level.

Now government has adopted a new style. We are told that father knows best, and what is best is to live without federal dollars.

We are told to forget the fact that federal money is, after all, our money. We are told that this is the lesson of self-reliance. What we are not told is how the new system of self-reliance works, nor are we told just who is supposed to become self-reliant We are left to discover the facts for ourselves as best we can.

The facts that we can discover suggest that self-reliant people had best avoid mental illness Because what we find is that if we must face that problem, father isn't going to do one damn thing about it.

The new rules were not created by Congress. They were imposed by the Secretary of Health, Education and Welfare even though Congress appropriated funds to provide mental health services. If HEW's guidelines in this area stand, federal funds to assist and encourage either the State or local groups to provide aftercare services locally will be gone.

In the present fiscal year, $511,532, more than one-third of the total grant of $1,402,484 made by New Hampshire to its fifteen local partners, came through the Division of Welfare. The $511,532 consisted of $138,000 transferred from the Division of Mental Health and the balance of approximately $373,000 from federal funds available for social services, specifically mental health care for potential or former welfare recipients. Most of the total grant was used to fund aftercare programs for former hospital patients, in particular residential half-way houses and out-patient care at local clinics.

If federal matching funds are withdrawn, the $350,000 total increase for 1974 that the Governor has recommended in community mental health funds will not even make up for that loss. Because of tremendous needs in existing programs at the local level, the result will be to destroy the effort to provide aftercare services in local clinics. Without such services, any talk of a permanent and meaningful reduction in the population of the New Hampshire Hospital or a genuine and significant improvement in the services it provides—without substantial expenditures of additional State funds at the Hospital—is talk, empty and ignorant talk.

There is one other fact. For many of the State's partners, additional local effort is not possible. If they are pressed any harder, many of them will simply collapse. Public funds are essential. If HEW's decision stands, the State will have to provide three or four times $350,000 in increased State aid if current programs are to be maintained and a meaningful aftercare program is to develop.

The local agencies cannot set the new style in government. And they cannot afford it. The lesson of self-reliance is lost on us and will have even less meaning for those who need care which is not available. Those are the facts. The rest is suitable material for debaters.

TITLE IV A FUNDING

When we speak of the mentally retarded most people envision the inevitably charming child pictured with one or another movie star or sports hero on television or in a national magazine. The whole idea behind this approach is that the viewing audience is supposed to feel sorry for the retarded person, give him a handout and be done with him, forget him. Like any minority group the retarded today are not interested in the free ride. They do not want to sponge off their more fortunate friends the taxpayers. They want the opportunity to make it on their own, to have a job or at least a chance at training for work. They want to be considered useful to their society and acquire the dignity everyone is entitled to: the dignity of living free and self-sufficiently.

At the present time there are thousands of mentally retarded people sitting at home:

staring at television, locked in rooms, truly imprisoned by their disability. There are many more placed in state institutions where most of them receive little better than baby-sitting service. Last year we saw the horror of the Willowbrook School, a state institution in New York, that reminded us of Dachau, Buchenwald or Auschwitz. Luckily our own state institution in Laconia is a more respectable habitat for our retarded population but even still the services provided there are inadequate despite the good intentions of those in charge.

The trend in the field of mental retardation that we now believe is the best one, is the trend which supports the establishment of community based programs for the retarded rather than blanket institutional programs. These community programs should include a three component system, the three components being special employment, special recreation, and special housing facilities as homelike as possible. This system is designed to give the mentally retarded individual the opportunity to develop a life-style as natural and free as possible. Basically this system gives the mentally retarded the chance to help themselves.

During the past few years we have all become aware of the massive ecology movement, intent upon preserving and making better use of our environment's natural resources. Thousands of people have rallied to recycle paper and glass so that future generations will have a less spoiled environment to live in. The economics of this movement are obvious. To sum them up in an old saying: "Waste not, want not". It is my belief that our mentally retarded population, like our trees and minerals, is a tremendous resource that we have wasted, exploited and ignored without just cause for hundreds of years. The time has come for PEOPLE-ECOLOGY . . . to use our resource of mentally retarded people to its best advantage, gaining for them the dignity and freedom of a respected role in society. It is our belief that the community based system offers the best chance for the retarded to learn to help themselves. In more practical language, the language of money, the community based program should cost a mere fraction of a typical institution program. At the present time it costs nearly five times as much money to maintain a child in Laconia as it does to maintain him in the community.

The key component to the success of the community based program is the special employment work center. In the sheltered workshop or the work activities center the retarded people can provide services to local business, doing work efficiently and proudly to support a great part of the life functions. At New Horizons we are doing jobs for industry in the Keene area, not because we needed a handout, but because we can do the job *better* than the company itself. These jobs involve sorting, packaging and assembling items that are usually a headache to the company, jobs that would normally require a skilled worker to leave his work station, wasting his and company time. The workers who work for us at New Horizons are mostly graduates from the New Hope Center Inc., a community based development center we are a part of.

Our mentally retarded workers attack these jobs with a fervor and energy unequaled by the average normal worker. Each piece is a new challenge and a new accomplishment and the payment they receive is treasured like pure gold.

One of the greatest thrills of my experience in this work came last fall. One of our workers, a severely retarded boy who had failed at almost everything in his seventeen years, finally found success in one of our jobs. Suddenly this boy was on the top of the heap, making more money than anyone else. Then one day his father brought him to work and informed us that his son had purchased with his own hard earned money a new winter coat. Never have I seen one of our workers so pleased with himself and never have I seen a parent, who long ago gave up hope for his son, as proud as this man was. There is more work available in our community and we hope to grow and expand our work force as time goes on. Our feeling is that we are becoming an important service in the community. While our community based program will never be totally self-sufficient, our mentally retarded people are working very hard to take the bite off the taxpayers and carry their own weight.

It would be wonderful if some of the mentally retarded people that I know could be here this morning to tell you themselves what great satisfaction they receive from earning a living like their parents and brothers and sisters. Unfortunately most of them would not be able to speak under these circumstances and so I am here as their stand-in. I cannot duplicate or substitute their overwhelming compassion for others, their innocent desire to give and take love. Nor can I duplicate their mysterious standoffishness or their unreasoning hatred. I cannot duplicate their anger and childish sorrow, but neither can I duplicate their explosive joy. I can't be crippled or have a speech problem and I cannot duplicate their uncanny ability and determination to carry out a fiercely dull job with care and satisfaction. To be retarded is something we can only slightly relate to if we can remember what it was to be three or four years old.

It would be wonderful if sometime in the future there was a movement, similar to the Civil Rights struggle of blacks and Indians, carried on by the retarded. If there was such a movement there will be no Martin Luther Kings, no Cesar Chavezs. There will be no Selmas, no Birminghams, no Wounded Knees. No one will take over or bomb any buildings. If there is such a movement those of us who are involved now will be in the forefront of it. The time has come to stop begging the government for assistance. The time has come to demand the equal opportunity retarded people are entitled to as stated in the Constitution. The time has come to realize that the plight of the retarded effects every one of us whether in our hearts or in our wallets.

In his Inaugural Address last January, President Nixon said that the time has come for people to help themselves. We agree. But the people in power must realize that the mentally retarded need more than a tough jaw to make it in this world. The retarded have all the incentive you could ask for but they need financial support to get them on their way to self-sufficiency. It does not matter what name the people in Washington give to the dollars we need to help the mentally retarded so long as they give us enough dollars. Today we are all concerned about the dollars we call IV A. The new guidelines from Washington will eliminate the chances for hundreds of people throughout the state to develop. They will have little chance to grow because they are too young or because they are already not on welfare. This is criminal, and this is unintelligent. The children and young adults who will not participate in these programs because they are not on welfare will assuredly be on welfare very soon. We will pay much more expensively for their care later if we fail to care for them now. It is ridiculous to condemn these mentally retarded people to an unhappy and expensive institutional life. I call on every man and woman of good conscience to join with us in this battle. Let us help the mentally retarded now so that they may help themselves later. We will win.

STATEMENT OF NANCY CALLAHAN

Project Second Start is a daytime adult education program which attacks the multi-faceted problems of the "undereducated" through integrated programs and services. Located at the First Congregational Church in Concord it has served citizens in the greater Concord area for the past two years. Begun by a few concerned citizens, it was made possible by the financial support of many local individuals and groups from Saint Andrew's Church in Hopkinton to the Junior Service League in Concord.

A private non-profit corporation with a local board of directors, Second Start is currently funded by the following private sources:

Catholic Diocese of Manchester, Episcopal Diocese of New Hampshire, Greater Concord United Fund, Local groups and individuals.

For the past two years, the private contributions have been matched by the federal government on a three-to-one basis under Title IV A of the Social Security Act. The private sources have generated enough money to adequately fund Second Start. The newly proposed Health, Education, and Welfare regulations state that private money will no longer be matchable. If the regulations become effective, they will eliminate two-thirds ($18,000) of the total operating budget ($27,000) of Second Start.

During the past two years, Second Start has served over two-hundred adults from Concord and the surrounding towns. In an atmosphere of informality, acceptance, and concern, it has seen thirty-six of its enrollees successfully complete the high school equivalency examination and receive their high school equivalency certificates. The reading level of the students has increased on the average of two-grade levels after four to five months in the program. Half of the typing and clerical class will be employable by May of this year. Other less tangible forms of progress and growth are occurring in the consumer education talk-ins, the human relations discussion group, the art class, the student advisory committee, the counseling. And Second Start is only just beginning to meet the needs of the more than 37% of the adults in Concord and 39% of the adults in Merrimack County with less than a high school education. It is just beginning to make a difference in the community and to the students. As one student remarked,

"Finding so many people who care so much all at once is a rare experience."

STATEMENT OF VISITING NURSE ASSOCIATION OF CONCORD

Many federal tax dollars are going into various programs. As a representative of an agency that renders health services to consumers of varied financial backgrounds on the local level, I am concerned. I am concerned about financing for health needs. To maintain physical equilibrium should be a freedom for all.

To render good services, money needs to be available for care of the chronically ill; the custodial aged; the young child; and families. Title IV A funds have given a financial base for a health agency to work from—particularly when matching funds could come from any source. These same funds would be the hardest local tax dollar to acquire.

To enforce the eligibility requirements will take many dollars—for staff, space and supplies. Would it not be better to fund services at the local level with the local provider enforcing the financial regulations? The philosophy of the agency I represent has long been that fees would be collected whenever possible, with documentation on sliding scale fees.

Most people seek health services when they have an acute problem, but very few are able to cope with extended illnesses. Nor are they able to afford preventative services.

Rules being proposed on H.R. 1 should concern everyone of us because of the severe cutback to the health consumer on the local level.

STATEMENT OF MAYOR SYLVIO DUPAIS, MANCHESTER, N.H.

GENTLEMEN: We Need Your Help!

We need your help because the City of Manchester will be adversely affected by the proposed changes in the Title IV–A regulations.

The changes in the regulations will set back the development of services in our City to the elderly, to children, and to teenagers at least three years, back to a point where a comprehensive elderly program did not exist, where health and social services were not available in our summer programs, and where day care was limited to less than 100 children.

The Department of Housing and Urban Development has told our Model Cities Program to develop alternative sources of funding. Through this mission, they have woven comprehensiveness into several of their programs and with the help and assistance of the Division of Welfare, have strengthened and expanded several programs to serve areas far greater than their limited resources would allow.

Last year, through the cooperation of the Division of Welfare and the Model City Agency, approximately 1 million dollars was made available to the City. While I am concerned over the loss of these funds, I am more concerned over the loss of services to people—services such as:

Day care;
Summer campership;
Workreation;
Health services;
Elderly crafts;
Hot lunches for the elderly;
Vocation education;
School guidance counseling;
Homemaker services; and
Elderly transportation.

Should these regulations take effect, all of these programs will be severely jeopardized and many may have to be eliminated simply because funds do not exist to completely assume these programs at the present time.

A prime concern of the Model City Agency is the continuation of a dialogue between the Agency and United Community Services of Greater Manchester. The intent of this was again to seek out and develop alternative sources of funding so that many of the programs of the Agency could continue to satisfy needs of the City. However, under the proposed regulations, private funds are not acceptable as a match, and this dialogue could become meaningless.

Gentlemen, surely in our national priorities there is a place for children, there is a place for youth, there is a place for elderly, and there is a place where the emotionally disturbed child can be helped.

We cannot question the fact that reform of welfare is needed or that some social programs do not accomplish their purpose, but neither should we substitute a meat axe for a scalpel, or change for change's sake in place of common sense.

Careful consideration must be given to these proposed changes, their impact must be measured not in terms of dollars spent, but rather in the human terms of services rendered.

Gentlemen, we need your help!

STATEMENT OF MALCOLM MCLANE, MAYOR, CONCORD, N.H.

I join other speakers here today to protest the revolutionary change proposed by the federal government in the method of financing needed social services throughout the United States. I speak not only as Mayor of the City of Concord, representing all of our citizens, but also as an active volunteer in charitable service to those in need. I have just ended a three-year term as President of the United Way, formerly the United Fund of Greater Concord.

Ever since President Nixon took office over four years ago he has repeatedly urged that all citizens become actively involved as volunteers in service whether in government effort or in private charitable endeavor. There are, of course, millions of persons in this country who contribute either cash or time to worthy causes. The need for voluntarism has never been more fully recognized. The President has only recently named Governor Romney to head up this effort nationally.

For some years now the efforts of local public and private agencies offering social services have benefited from 3-for-1 matching funds received from the federal government under Title IV, A of the Social Security Act, as amended. This has meant greatly expanded services to those in need. At least six of our United Way agencies have offered services under this program, including Visiting Nurses, the Mental Health Center, Child and Family Services, Day Care Center, Project Second Start and Opportunity House. Old services have been expanded and new services created as needed with this source of financial support. It is this program which is now to be drastically slashed under new regulations proposed by the Secretary of the Department of Health, Education and Welfare.

The first and most objectionable of these new regulations is one that prohibits the use of donated funds, namely from private charitable sources, to be used by the State in securing the federal matching funds. This technique has been most important in New Hampshire because the State itself has often failed to put up its 25% matching share to take advantage of available federal funds. The latter then pass by default to other states. By use of such donated funds, the Welfare Department and contracting private agencies have continued to offer desirable social services to those in need. All this is now threatened by the new regulations. It is hard to see how the President can, on the one hand, encourage voluntarism and hope for a positive outpouring of volunteer effort for public causes, and, on the other hand, undercut the volunteer effort by prohibiting it from sharing in the available federal funding of worthy social services. Volunteer effort has stretched itself to the limit to fund and operate many worthwhile services in a cooperative program with state and federal assistance. This is no time to undercut that effort.

Additional changes in the regulations which I deplore would drastically limit those eligible for social services under Title IV, A programs to persons currently on relief or within a very few months of going on or coming off direct welfare payments. This overlooks the fact that there are vast numbers of persons and families who live just above the welfare limits who need help if they are to stay off welfare. The need for day care centers in this situation is obvious, as well as health and mental health services. With such services many more may be able to stay off welfare rolls, the objective of the administration. Why push them back onto welfare by cutting off needed social services so soon after one reaches a limited level of self-support.

Lastly there are certain needed services which would be cut off under the new regulations, including particularly mental health treatment services offered in Concord by the Mental Health Center and Opportunity House.

In summary, I say that the President makes a great mistake in so drastically curtailing federal support of needed social services in a way that strikes so hard and so directly at the cooperative efforts of voluntarism. If the President's concern is to limit spending in these areas, let the limits be set and the funds allocated to the States without restrictions which destroy the concept of cooperation between public and private agencies and the concept much praised by the President of voluntarism.

SOCIAL SERVICES REGULATIONS

Mr. MUSKIE. Mr. President, many of us have expressed concern recently about the direction of the regulations proposed February 16 by the Department of Health, Education, and Welfare regarding the implementation of social services programs under title IVA of the Social Security Act.

The guidelines proposed by the administration would have severely curtained social services programs in the States. In my own State of Maine, many ongoing and worthy programs would have to terminate if the guidelines proposed on February 16 were finally promulgated. Those guidelines would mean a cutback in services to more than 74,000 people in Maine at a cost of $3.8 million in fiscal 1974.

At a recent hearing of my Subcommittee on Intergovernmental Relations, Secretary Weinberger promised to revise the guidelines to allow the States to use donated private funds as the States share in claiming Federal matching money under title IVA programs.

I am hopeful that the guidelines will be further revised to prevent disastrous cutbacks of social services programs across the country.

Recently, Gov. Kenneth M. Curtis of Maine outlined in great detail the impact of the proposed regulations on social services programs in my State. In a letter to Secretary Weinberger, the Governor strongly protested many of the provisions of the proposed regulations. I think it would be helpful for members of the Senate to focus on the issues raised by Governor Curtis.

I ask unanimous consent that the letter Governor Curtis wrote to Secretary Weinberger be included in the RECORD at this point.

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

STATE OF MAINE,
OFFICE OF THE GOVERNOR,
Augusta, Maine, March 2, 1973.

Hon. CASPAR WEINBERGER
Secretary, Department of Health, Education and Welfare, Washington, D.C.

DEAR SECRETARY WEINBERGER: This letter is in response to the regulations drafted by the Department of Health, Education and Welfare to implement the Social Services Amendment to the State and Local Fiscal Assistance Act of 1972 (P.L. 912–512).

The Maine Department of Health and Welfare has completed a comprehensive review of the impact of the proposed regulations in Maine. On the basis of this study, I strongly protest certain provisions of the proposed regulations. I am most concerned about the provisions that would:

1. Restrict target populations eligible to receive social services through a re-definition of eligibility,

2. Restrict the types of services for which Federal funding is available,

3. Prohibit the expansion or initiation of services using public money without additional tax dollars above the 1972 level, and

4. Prohibit the use of donated private funds or in-kind contributions as the State's share in claiming Federal matching money.

For specific reference to sections in the Federal Register which should be changed, please refer to Attachment I.

As presently drafted, the regulations will have a very serious and detrimental impact on social service programs. In Maine there will be a cutback in services to more than 74,000 people at a cost of $3.8 million in FY 1974.

Because the regulations will restrict eligibility almost exclusively to welfare recipients, additional incentives will be created to get on welfare or stay on welfare in order to receive essential services. The regulations will also destroy many worthwhile programs by prohibiting the use of private "seed" money and restricting the types of services which can be funded. In addition, the HEW proposals will very likely increase administrative costs by requiring repeated and complicated eligibility determinations. Finally, the states ability to expand needed services will be severely limited by the requirement that expansion or initiation of new services using public dollars must be accomplished with "new" money above 1972 levels.

Enclosed is a State-wide summary of the impact the proposed HEW regulations will have in Maine with additional detailing by major restrictions in the proposed policy. (See Attachment II)

I am asking you to take action to prevent the restrictive provisions of this proposed policy from being implemented. I also request that immediate action be taken to extend the review period to at least 90 days so that all states may have an opportunity to assess the impact of these proposed restrictions on their social service programs.

Sincerely,

KENNETH M. CURTIS,
Governor.

ATTACHMENT I

Following is a reference to the Sections in the Federal Register (Proposed Rule Making) dated February 16, 1973 which must be changed:

REFERENCE

221.6(C)(2), 221.6(C)(3)(i), 221.6(C)(3)(iii), 221.6(C)(3)(IV)(a), 221.6(C)(3)(IV)(b), 221.6(C)(3)(IV)(c), and 221.6(C)(4). 221.7(b), 221.9, 221.30(a)(6), and 221.30(b). 221.53(i), 221.54(b)(3), and 221.62.

ACTION

We strongly urge that the current regulations pertaining to these referenced areas remain in effect. The current regulations are listed in: Federal Register Volume 35, No. 230, published November 26, 1970; Federal Register Volume 34, No. 18, published Jan. 28, 1969.

SUMMARY—STATEWIDE IMPACT IN MAINE OF THE PROPOSED HEALTH, EDUCATION, AND WELFARE SOCIAL SERVICE POLICY RESTRICTIONS

1. Service category	2. Services under present regs. March 30, 1973		3. Deprived of service April–June 1973		4. Deprived of service in 1974	
	Number of people	Dollars	Number of people	Dollars	Number of people	Dollars
Families and individuals eligible for service—categorical assistance	6,053	1,270,388				
Foster care	2,092	2,083,709				
Family planning	108	38,392				
Alcoholism, drug abuse	110	11,836				
Mental retardation	742	109,373	12	5,088	32	66,422
Child care	1,571	911,068	237	25,230	1,053	213,790
Services now provided not fundable:						
Noncommitted foster care	250	147,008	42	49,003	167	196,011
Adoption	81	104,025	27	34,675	108	138,700
Mental health	4,734	795,277	3,049	734,824	8,735	1,070,370
Juvenile delinquency						
Education and training	1,303	162,073	998	144,493	1,137	215,898
Housing	18	8,595	24	2,865	24	11,460
Employment (non-WIN)	55	8,668	18	2,890	74	11,558
Home management (Homemakers)	11,788	776,325	4,218	393,408	15,584	960,942
Marital conflict	452	30,369	148	10,123	591	40,492
Child community A.D.J. (rec.)	5,272	110,340	1,722	50,617	7,029	147,106
Adult community A.D.J. (neigh)	3,876	145,266	2,421	100,705	5,165	193,688
Planning guidance	189	130,033	63	43,344	257	173,377
Sheltered placement	31	21,954	11	7,318	42	29,272
Sheltered workshops	280	65,480	280	65,480	280	65,480
Senior citizens programs	5,934	71,410	7,100	54,434	13,852	95,214
Meals	480	33,180				
Admin.—Indirect service	20,453	199,085	21,644	63,880	21,644	63,880
Legal services	13,000	180,000	3,000	45,000	12,000	180,000
Total	77,872	7,413,854	45,014	1,833,377	87,774	8,873,660

SUMMARIZED EFFECT IN MAINE OF THE PROPOSED HEW POLICY

Col. 1 (Service category) is a listing of the social service areas which will be affected by the proposed regulations.

Col. 2 (Services Under Present Regulations March 30, 1973) is a listing of the people currently receiving services and the cost of these services by each service area. Important—Current services reflect the cuts which have already been made in social services in Maine resulting from the Social Services Amendment to the Revenue Sharing Act. These cuts made effective Jan. 1, 1973 amounted to over $1,000,000 affecting approximately 30,000 for the last half of fiscal year 1973.

Col. 3 (Deprived of service April–June 1973) is a listing by service area of the number of people and dollars which would be cut back as a result of the proposed HEW policy restrictions for the last quarter of fiscal year 1973.

Col. 4 (Deprived of service in 1974) is a listing by service area of the number of people and dollars which would be cut back in fiscal year 1974 as a result of the proposed HEW policy.

Note: The dollar figures are essentially accurate in each column. Approximately 15 percent of the people receive more than 1 service. Therefore, the totals listing the number of people should be reduced 15 percent to reflect the actual numbers of individual people affected. The impact in Maine of the proposed HEW policy will be: A cutback in services to over 38,000 people at a cost of over $1,800,000 for the last quarter of fiscal year 1973. A cutback in services to over 74,000 people at a cost of over $3,800,000 for fiscal year 1974.

EFFECT OF ELIGIBILITY RESTRICTIONS WHICH LIMIT THE PROVISION OF SOCIAL SERVICES PRIMARILY TO WELFARE RECIPIENTS

[Relating to Services Provided Directly by the Department of Health and Welfare]

1. Service category	2. Services under present regs., Mar. 30, 1973		3. Deprived of service April–June 1973		4. Deprived of service in 1974	
	Number of people	Dollars	Number of people	Dollars	Number of people	Dollars
Families and individuals eligible for service—categorical assistance	6,053	1,270,388				
Foster care	2,092	2,083,709				
Family planning	108	38,392				
Alcoholism drug abuse	110	11,836				
Mental retardation	106	13,584				
Child care	57	9,086				
Services now provided not fundable:						
Noncommitted foster care	125	147,008	42	49,003	167	196,011
Adoption	81	104,025	27	34,675	108	138,700
Mental health	1,271	83,950	424	27,983	1,695	111,934
Juvenile delinquency						
Education and training	24	11,559	8	3,853	32	15,412
Housing	18	8,595	24	2,865	24	11,460
Employment (non-WIN)	55	8,668	18	2,890	74	11,555
Home management (Homemakers)	979	71,574	326	23,858	1,306	95,432
Marital conflict	452	30,369	148	10,123	591	40,492
Child community A.D.J.	106	8,469	35	2,823	142	11,292
Adult community A.D.J.	64	7,455	21	2,485	85	9,940
Planning guidance	189	130,033	63	43,344	257	173,377
Sheltered placement	31	21,954	11	7,318	42	29,272
Sheltered workshops						
Senior citizens programs						
Meals						
Admin.—Indirect service						
Total	11,921	4,060,654	1,147	211,220	4,523	844,880
5. Above number of people by the following related categories:						
Old age assistance	2,848	489,693	270	20,760	1,060	83,048
Families (IV–A, IV–B)	6,084	3,068,345	594	168,249	2,362	673,001
Blind and disabled	2,989	507,616	282	22,211	1,101	88,831

PROHIBITION OF THE USE OF PRIVATE FUNDS AS THE STATES SHARE IN CLAIMING FEDERAL MATCHING MONEY

1. Service category	2. Services under present regs., Mar. 30, 1973		3. Deprived of service, April–June 1973		4. Deprived of service in 1974	
	Number of people	Dollars	Number of people	Dollars	Number of people	Dollars
Families and individuals eligible for service—Categorical assistance:						
Foster care						
Family planning						
Alcoholism, drug abuse						
Mental retardation	24	4,916	12	5,088	32	66,422
Child care	864	185,844	237	25,230	1,053	213,790
Services now provided not fundable:						
Noncommitted foster care						
Adoption						
Mental health	499	25,163	165	12,500	665	33,551
Juvenile delinquency						
Education and training						
Housing						
Employment (non-WIN)						
Home management (Homemakers)	9,405	416,351	892	124,336	10,634	555,136
Marital conflict						
Child community A.D.J. (rec.)	4,528	78,836	1,137	28,594	6,037	105,114
Adult community A.D.J. (neigh.)	2,287	43,941	1,400	10,009	3,050	58,588
Planning guidance						
Sheltered placement						
Sheltered workshops	280	65,480	280	65,480	280	65,480
Senior citizens programs	5,745	65,155	7,000	52,934	13,600	86,874
Meals						
Admin.—Indirect service	16,233	47,910	21,644	63,880	21,644	63,880
Total	39,865	933,596	32,767	388,042	56,995	1,248,835
5. Above number of people by the following related categories:						
Old age assistance	15,600	250,265	15,266	124,838	26,104	333,689
Families (IV–A, IV–B)	14,104	427,820	8,940	120,728	18,069	536,425
Blind and disabled	10,161	255,511	8,561	142,476	12,822	378,773

[1] These figures represent contracts as they were after initial regulations (Rev. Sharing and H.R. 1) were put into effect.

RESTRICTION OF TYPES OF SERVICES FOR WHICH FEDERAL FUNDING IS AVAILABLE RELATING TO USE OF PUBLIC FUNDS AS THE NON-FEDERAL SHARE

1. Service category	2. Services under present regs. March, 30, 1973 [1]		3. Deprived of service April–June 1973		4. Deprived of service in 1974	
	Number of people	Dollars	Number of people	Dollars	Number of people	Dollars
Families and individuals eligible for service—Categorical assistance:						
Foster care						
Family planning						
Alcoholism drug abuse						
Mental retardation	612	90,873				
Child care	650	716,138				
Services now provided not fundable:						
Noncommitted foster care						
Adoption						
Mental health (X)	2,964	686,164	2,460	694,341	6,375	924,885
Juvenile delinquency						
Education and training (X)	1,279	150,514	990	140,640	1,105	200,486
Housing						
Employment (non-WIN)						
Home management (homemakers) (X)	154	104,490				
Marital conflict						
Child community A.D.J. (X)	638	23,035	550	19,200	850	30,700
Adult community A.D.J. (X)	1,525	93,870	1,000	88,220	2,030	125,160
Planning guidance						
Sheltered placement						
Sheltered workshops						
Senior citizens programs (X)	189	6,255	100	1,500	252	8,340
Meals	480	33,180				
Admin.—Indirect service	5,220	151,175				
Total	13,709	2,055,694	5,100	943,901	10,612	1,289,571
5. Above number of people by the following related categories:						
Old age assistance	4,635	405,329	1,750	226,937	3,537	446,043
Families (IV–A IV–B)	4,493	1,103,236	1,700	200,527	3,538	405,823
Blind and disabled	4,581	547,129	1,650	516,437	3,537	437,705

[1] These programs are funded with a variety of public funds (model cities, municipal funds, OEO, and State appropriations) as "seed." The (X) programs will be wiped out because they are not allowable services.

PROVISION NO. 3—USE OF PRIVATE AND PUBLIC FUNDS IN COMBINATION AS THE NON-FEDERAL SHARE

1. Service category	2. Services under present regs., Mar. 30, 1973		3. Deprived of service, April–June 1973		4. Deprived of service in 1974	
	Number of people	Dollars	Number of people	Dollars	Number of people	Dollars
Families and individuals eligible for service—Categorical assistance:						
Foster care						
Family planning						
Alcoholism drug abuse						
Mental retardation						
Child care						
Services now provided not fundable:						
Noncommitted foster care						
Adoption						
Mental health						
Juvenile delinquency						
Education and training						
Housing						
Employment (non-WIN)						
Home management (Homemaker)	1,250	183,910	3,000	245,214	3,644	310,374
Marital conflict						
Child community A.D.J						
Adult community A.D.J						
Planning guidance						
Sheltered placement						
Sheltered workshops						
Senior citizens programs						
Meals						
Administration—Indirect service						
Total	1,250	183,910	3,000	245,214	3,644	310,374
5. Above number of people by the following related categories:						
Old age assistance	416	61,303	1,000	81,738	1,214	103,458
Families (IV–A, IV–B)	418	61,304	1,000	81,738	1,216	103,458
Blind and disabled	416	61,303	1,000	81,733	1,714	103,458

RESTRICTION OF TYPES OF SERVICES PROVIDED RELATING DIRECTLY TO SERVICES PROVIDED DIRECTLY BY THE DEPARTMENT OF HEALTH AND WELFARE

1. Service category	2. Services under present regs. Mar. 30, 1973		3. Deprived of service April–June 1973		4. Deprived of service in 1974	
	Number of people	Dollars	Number of people	Dollars	Number of people	Dollars
Families and individuals eligible for service—Categorical assistance:						
Foster care						
Family planning						
Alcoholism drug abuse						
Mental retardation						
Child care						
Services now provided not fundable:						
Noncommitted foster care						
Adoption						
Mental health						
Juvenile delinquency						
Education and training						
Housing						
Employment (non-WIN)						
Home management (homemakers)						
Marital conflict						
Child community A.D.J.						
Adult community A.D.J.						
Planning guidance						
Sheltered placement						
Sheltered workshops						
Senior citizens programs						
Meals						
Admin.—Indirect service						
Legal services	12,000	180,000	3,000	45,000	12,000	180,000
Total	12,000	180,000	3,000	45,000	12,000	180,000
5. Above numbers of people by the following related categories:						
Old age assistance						
Families (IV–A, IV–B)	12,000	180,000	3,000	45,000	12,000	180,000
Blind and disabled						

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUDDLESTON). Is there further morning business? If not, morning business is closed.

QUORUM CALL

Mr. BELLMON. 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.

AMENDMENT OF EMERGENCY LOAN PROGRAM UNDER CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, which the clerk will state by title.

The legislative clerk read as follows:

H.R. 1975, to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. BELLMON. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during the consideration of H.R. 1975:

Harker T. Stanton, Michael R. McLeod, Henry J. Casso, Forest W. Reece, James W. Giltmier, James E. Thornton, John A. Baker, William A. Taggart, Cotys M. Mouser, James M. Kendall.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll

Mr. BELLMON. 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, on behalf of the Senator from New York (Mr. JAVITS) I ask unanimous consent that Kelley Costley of the staff of the Committee on Labor and Public Welfare be allowed the privilege of the floor during debate on this measure.

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

Mr. BELLMON. Mr. President, H.R. 1975 is designed to restore to operation the original Farmers Home Administration emergency loan program, which has been superseded by the Disaster Relief Act of 1970 and the Agnes-Rapid City Relief Act of 1972.

The Farmers Home Administration emergency loan program was conceived to provide Government loans to farmers and ranchers who, as the result of a drought, flood, or other natural disaster, did not have sufficient assets to obtain credit from conventional private lending sources.

The 1970 act provided for Government forgiveness of $2,500 of the principal amount of FHA loans in disaster areas declared by the President. Following Hurricane Agnes and the Rapid City flood last year, the President requested legislation making victims of those two disasters eligible for loans with a $5,000 forgiveness and 1 percent interest. The bill was amended by Congress to extend these benefits to residents of areas designated for disaster assistance between June 30, 1971, and July 1, 1973.

Loans under the 1970 and 1972 act were terminated by the administration on December 27, 1972, when it was estimated that the forgiveness feature and interest subsidies could result in a cost to the Government of $800 million.

As I indicated a moment ago, Mr. President, the bill now before the Senate would repeal the 1970 and the 1972 acts. This means that upon passage of this act farmers, ranchers, and oyster planters who are struck by a natural disaster will be able to obtain insured loans from the Farmers Home Administration at 5-percent interest if they are unable to obtain credit from private sources. The repayment period may be extended up to 12 years in the case of production loans and up to 40 years in the case of real estate loans. Disaster areas may be designated either by the President or the Secretary of Agriculture.

As a reference point, Mr. President, in fiscal 1970 FHA made $90 million in emergency loans of which about $2 million was forgiven; in fiscal 1971, $16.6 million was forgiven out of total loans of $127.6 million; and in fiscal 1972, $7 million was forgiven out of total loans of $108.9 million.

In contrast, as of March 15, 1973, Farmers Home had committed loans of $383.5 million with forgiveness of $250 million. The forgiveness alone thus far in 1973 is nearly twice as great as total loans committed in any previous year.

Mr. President, it will be noted in the report on H.R. 1975 that the Committee on Agriculture and Forestry gave extensive consideration to the various classes of applicants affected by the repeal of the 1972 act. The first consideration was in early February when the committee considered my bill, S. 418. Several members of the committee expressed concern for those individuals who attempted to apply for a loan prior to the termination date but were told by FHA personnel to return later when there would be more time to process their application. As a result of the termination, these individuals, numbering about 60,000 by USDA estimates, will not get the $5,000 forgiveness as will the

84,485 farmers whose applications were completed prior to the cutoff date.

I share the concern of my colleagues who represent these 60,000 farmers—and, by the way, many of them are in my own State. In addition, there are approximately 80,000 farmers in counties where disaster designations have been requested but not made by the Secretary of Agriculture because of the $5,000 forgiveness and 1-percent interest rate.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of requests by State for disaster designation.

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

SUMMARY OF REQUESTS FOR NATURAL DISASTER DESIGNATION BY SECRETARY OF AGRICULTURE PENDING IN THE NATIONAL OFFICE NOT APPROVED AS OF CUTOFF ON DEC. 27, 1972, AND THOSE RECEIVED SINCE THEN

	Number requests for new designation	Number requests for subsequent designation	Total requests on hand	Total unduplicated designations in State before cutoff
Alabama				
Alaska				
Arizona		1	1	13
Arkansas	52		52	
California				20
Colorado	5		5	3
Connecticut				8
Delaware				3
Florida	2		2	15
Georgia	71	2	73	16
Hawaii				
Idaho				
Illinois	16	1	17	4
Indiana	4		4	
Iowa	7	10	17	30
Kansas				
Kentucky				20
Louisiana	6		6	
Maine	16		16	
Maryland				[1] 23
Massachusetts				14
Michigan		1	1	18
Minnesota	3		3	30
Mississippi	47		47	
Missouri	11		11	
Montana				
Nebraska				1
Nevada				
New Hampshire				10
New Jersey				21
New Mexico				31
New York	19		19	35
North Carolina	6	1	7	7
North Dakota		1	1	7
Ohio	61	9	70	13
Oklahoma		5	5	34
Oregon				2
Pennsylvania				67
Puerto Rico	6		6	11
Rhode Island				5
South Carolina	15		15	
South Dakota	11		11	21
Tennessee	26	10	36	10
Texas	2	14	16	243
Utah	2	1	3	18
Vermont				14
Virginia	2	1	3	[2] 82
Virgin Islands	5		5	
Washington	1		1	3
West Virginia		2	2	19
Wisconsin	23	2	25	7
Wyoming				1
Total, counties	419	61	480	[3] 879
Total, States	[4] 23	14	[4] 28	[5] 36

[1] And 1 city.
[2] And 30 cities.
[3] And 31 cities.
[4] Puerto Rico and Virgin Islands.
[5] And Commonwealth of Puerto Rico.

Mr. BELLMON. Mr. President, as the Senate will recall, H.R. 1975, as adopted by the other body, contained a provision requiring the Department of Agriculture to accept applications for a period of 18 days after enactment from farmers in those counties which presently are under disaster designations.

Mr. President, after extensive discussion at several committee sessions over a period of 2 months, a majority of the Committee on Agriculture and Forestry concluded that making emergency loans available in a timely manner was the important issue that demanded attention now. It is spring planting time in many areas. The farmers there need credit now—not the vague hope that Congress or the Supreme Court will force the administration to reinstate the more liberal provisions of the present law. That law is already on the books. It is not and will not be used by the administration. What is needed now is an emergency loan program to assist producers during the current growing season. Legislative or court action to define Presidential controls over Federal spending will take months. Food producers need loans so they can get on with their work.

This bill amends the House act by removing the 18-day provision. The committee amendments make it clear that any loans approved at the time of enactment of this bill will be made under provisions of the 1972 act.

Despite the concern we may have about changing the rules in midstream, the administration has said they will make no more loans under the provisions of the present law. Therefore, Mr. President, the choice the Senate has is plain: Either Congress passes a new law which the President will sign and utilize, or food producers will be denied essential loans. At a time when a limited supply of food is forcing prices up, it seems folly for Congress to delay enactment of this vital legislation.

The Government will undoubtedly appeal a Federal district court ruling which requires Farmers Home Administration to accept and process applications under the 1972 act in one State. If the Supreme Court upholds the lower court ruling it will probably require FHA to accept and process applications in all designated counties. In the meantime, there are still farmers who need credit now and in the view of the Committee on Agriculture and Forestry, they will benefit most if we pass the committee bill today, go to conference with the House as soon as possible, and attempt to have a bill on the President's desk in short order—a bill that he will sign and utilize.

Mr. President, I ask unanimous consent that the committee amendments to H.R. 1975 be adopted en bloc, and that the bill as so amended be considered as original text for the purposes of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. Mr. President, I object to the amendments being adopted en bloc.

The PRESIDING OFFICER. Objection is heard.

The clerk will report the first committee amendment.

The legislative clerk read as follows:

On page 1, in line 5, after "repealed," insert "except as to loans made or approved, whether disbursed or not, prior to the date of enactment of this act."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. HUMPHREY. Mr. President, do we have a time allocation under any unanimous-consent agreement?

The PRESIDING OFFICER. Time is not under control.

Mr. HUMPHREY. I ask the distinguished Senator from Oklahoma whether it would be agreeable with him, since this amendment relates to section 8 of the bill, that we vote on these two amendments en bloc?

Mr. BELLMON. Which ones?

Mr. HUMPHREY. The first amendment, on lines 5, 6, and 7.

Mr. BELLMON. It is agreeable to me to vote on those two amendments en bloc.

Mr. HUMPHREY. The situation would be that the amendment that was just read by the clerk, plus the second amendment, which strikes section 8, would be voted on en bloc.

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

Mr. HUMPHREY. I will address myself, then, to the amendments.

Has the Senator from Oklahoma completed his statement?

Mr. BELLMON. I have completed my statement, Mr. President, but should we not call up the other committee amendment at this time?

The PRESIDING OFFICER. The question is on agreeing to the two amendments en bloc.

Mr. HUMPHREY. We have agreed to vote on the amendments en bloc. I will address myself now, Mr. President, to the consideration of these amendments.

I rise in opposition to the committee amendments to H.R. 1975.

This bill, as it passed the House of Representatives, contained an amendment offered by Representative BERGLAND of Minnesota. The amendment would require the Secretary of Agriculture to reopen the existing farmers home emergency loan program for a period of 18 days to allow disaster victims in secretarially designated counties the same opportunity to submit applications that was granted earlier this year to victims in Presidentially designated counties.

The amendment of the Representative from Minnesota's Seventh District, Mr. BERGLAND, which was stricken from the bill as reported by the Committee on Agriculture, which reads as follows:

SEC. 8. Notwithstanding the repeal herein of section 5 of Public Law 92-385, and notwithstanding any other provision of law, the Secretary of Agriculture shall make loans in accordance with the provisions of section 5 of Public Law 92-385 to eligible applicants in natural disaster areas determined or designated by the Secretary of Agriculture where such determination or designation had been made after January 1, 1972 and prior to December 27, 1972. The authority to accept applications for such loans shall expire 18 days after the effective date of this Act.

The language I have just read is language that was stricken from the House bill. It is the language that I seek to restore. The amendment that I read, the Bergland amendment, was overwhelmingly approved by the other body and was added to the bill as a matter of simple justice and fair play.

When Secretary Butz administratively and abruptly terminated the FHA disaster loan program on December 27, 1972, he, in fact, denied disaster victims in more than 500 secretarially designated counties of any further opportunity to apply for disaster assistance. However, the same was not true for disaster victims in the 354 Presidentially designated counties in 21 States. They were given an additional 18 days within which to submit their applications.

It is very hard for the general public to understand the difference between Presidentially designated counties and secretarially designated counties. For our purposes, there are no differences. The fact is that there are areas that were afflicted with disaster, areas which ought to be treated identically, and they were treated identically in the original legislation for disaster emergency relief.

What happened was the action taken by the administration in late December permitted some 18 additional days for the residents in Presidentially designated counties who were eligible for disaster relief to submit their applications.

All we are asking now, by the restoration of the language in the House bill, is that the secretarially designated areas be treated the same as those Presidentially designated. I am sorry that we have to deal here with some bureaucratic jargon that confuses everybody; but when you are rained or flooded out, it does not make any difference whether you are designated by the Secretary or by the President if you are a victim of a flood. When you are drowned, you are drowned. All I am saying is that the language of the law should treat those areas identically, because they have all suffered from the same identical disaster. There is no justice or equity at all in treating one group as if the were secretarially designated and another as if they were Presidentially designated. This action by the administration is a gross inequity.

Ironically, many of the farmers in my State were specifically told by their local FHA offices to withhold the filing of their applications until after the first of the year so that all the applications could be properly documented.

Also, the FHA offices discouraged the early filing of applications to avoid being inundated with applications all at one time. They wanted to establish an orderly flow of applications in order to handle applications in a systematic manner.

In other words, the local FHA officials said to our farm people, in effect: "Wait a minute. This is Christmas time. We have a lot of office work to do. Come in sometimes after the first of the year, say early in February or March. You may need to have someone to help you—an accountant, a lawyer, or a banker. Some in and make your application later. We will take care of it then." After all, the original law, to which we are directing our attention, ran until June 30, 1973. So our farm people said, "That sounds reasonable." After all, they wanted to enjoy Christmas and the New Year. But while they were not looking, on December 27, a belated Christmas present was given to them, not from Santa Claus, but from Scrooge.

Mr. President, our people were cut off. We do not think that is the way the Government should operate. It is not only the people of Minnesota who were cut off but also the people from 25 other States.

I yield to the senior Senator from Minnesota.

Mr. MONDALE. Mr. President, I join my colleague from Minnesota in the argument he is making. In the nearly 9 years I have been in the Senate I do not recall a single time when I felt that the citizens of the United States had been more unfairly treated than they have in this instance.

In this case the law was passed after Hurricane Agnes to give faster loans to the victims of the national disaster and of administratively declared disasters. We had a dispute here in the Committee on Agriculture and Forestry and in the Committee on Banking, Housing and Urban Affairs, of which I was a member, and we made it very clear at the time that this bill was to extend the disaster provisions as a matter of law to the victims of administratively declared disasters.

I think the record clearly showed that that included farmers of western Minnesota and, I think, 26 States similarly situated. That law was passed; the President signed it, and he had a big television presentation on how help was on the way. Federal regulations were issued saying that this would be in effect until July 1973. There were issued to the public, to lawyers, and to the bankers of this country so they were assured of it. FHA office managers were told that the law meant what it said, and they began to administer the law in the local offices. Many of these farmers went to the offices and said, "I would like to take out my disaster loan". They were told, "Why don't you wait until spring when you can assess the situation better. The law is in effect until next July."

Most of them did that, and then, without notice, the ax fell. Many of those who insisted on being cared for immediately got their loans, while those who accepted the advice of the officials of this Government were without any help.

I cannot believe that this society ever intends to deal with its citizens in that way. Many of these farmers are in danger of losing their farms. We talk about farm prices but many of these farmers did not have anything to sell. Many of them put crops in twice last year. They put in crops, they were flooded out, and then they planted again. These are farmers trying to provide for their families; they work hard. Then, here is a law that is passed, under which they are fully entitled. Then suddenly the Government says, lawlessly, unconscionably, and, in my opinion, cruelly, "We are not only going to cut it off but we are not going to give you notice."

That is what the court in Minnesota addressed itself to in harsh language. I do not think this Government can deal with its citizens in this way. I do not think I have ever seen anything more outrageous than the way in which these farmers and small businessmen have been dealt with.

Mr. HUMPHREY. I thank my colleague. He will recall with me our visit to Alexandria, Minn., where we had several hundred farmers in to talk with us in public hearings about how our Government was terminating programs. Much of that discussion was directed to disaster relief.

We had situations where farmers on this side of the road applied prior to December 27 and the FHA official said to them, "Look, you need not be in a hurry. We have so much paperwork here, maybe you can bring in a better documented case later. Why don't you come in late January or February. You have between now and June 30." Those who followed this advice, later found their applications being refused.

Mr. President, these good people, in the spirit of wanting to cooperate with their Government found themselves being denied assistance. So you have the cruel situation of neighbors, who were victims of the same flood, people who suffered the same damages, where one got his application in before December 27 getting assistance, and another, filing after December 27, having his application denied because the law was violated by the Government itself.

There is a point here that needs to be emphasized. If a citizen violates the law he is subject to prosecution, but apparently for Government officials that is the standard of the day. As the senior Senator from Minnesota said, the law as described in rules and regulations was printed in the Federal Register. Everyone knew what the law was. Everyone interested in this program knew what to expect, but they did not expect that the Government of the United States would deny the loans and violate the law. But that is what the Federal court in Minnesota has ruled. It has ruled that the Secretary of Agriculture has acted in an arbitrary and capricious manner, ignoring the intent and purpose of the law.

As a result of this highly discriminatory action, a legal suit was filed in Minnesota by some farm families against Secretary Butz. The decision was handed down by District Judge Miles Lord, charging that Secretary Butz had violated Federal statutes, violated his own Department's regulations, and denied these victims due process of law. The judge has ordered the Department to restore the emergency loan program in the 15 secretarially designated counties in Minnesota. While this decision offers the people of my State some hope of equitable treatment under the law, it is still subject to appeal and further court action would be required to bring similar relief to disaster victims in other States who are eligible for such relief.

Mr. President, I have a copy of Judge Lord's decision and I would like to request unanimous consent that it be printed at this point in the RECORD.

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

[U.S. District Court, District of Minnesota; No. 4–73 Civ. 41]

MEMORANDUM AND ORDER

(Martin Berends, Burnard Podratz, Wendell Maus, Orrin Haugen, on behalf of themselves and all others similarly situated, Plaintiffs, *v.* Earl L. Butz, Secretary of Agriculture of the United States; James V. Smith, National Administrator of Farmers Home Administration; Darrel A. Dunn, Assistant National Administrator of Farmers Home Administration; Willard Ballard, Chief of Emergency Loan Division of Farmers Home Administration; and Gordon F. Klenk, State Administrator of Farmers Home Administration for the State of Minnesota; Defendants)

On January 19, 1973, plaintiffs commenced this action against the Secretary of Agriculture of the United States and certain subordinate officials of the United States Department of Agriculture, Farmers Home Administration (FHA), seeking temporary and permanent injunctive relief, declaratory relief and further relief in the nature of mandamus. The thrust of plaintiffs' action is that the Secretary of Agriculture acted unlawfully and beyond the scope of his authority in terminating the FHA emergency loan program on December 27, 1972. Plaintiffs seek reinstatement of that program.

On February 15, 1973, pursuant to Plaintiff's Motion for a Preliminary Injunction, a hearing was held before this Court in Duluth, Minnesota. At that time, oral argument was heard and briefs and affidavits were submitted by plaintiffs and defendants in support of their respective positions. At the conclusion of plaintiffs' argument, plaintiffs moved that the Court order the advancement of the trial on the merits and its consolidation with the application for the preliminary injunction, pursuant to Rule 65 (a) (2), Federal Rules of Civil Procedure. Because the relief prayed for by plaintiffs and others similarly situated, if granted, will be fully meaningful only if granted prior to the 1973 planting season and in no event later than June 30, 1973, the Court granted the motion, ordered the consolidation, and advanced the trial on the merits to March 5, 1973. At that time, defendants moved to dismiss the amended complaint on the ground that the actions complained of were totally within defendants' discretion. Alternatively, defendants moved for summary judgment. Both motions were denied and full trial on the merits was held.

PARTIES

Plaintiffs are four farmers residing in the 15 county area designated as an "emergency loan" area, who were precluded from applying for emergency loans because of the directive of the Secretary of Agriculture halting the program in Minnesota. The action is brought as a class action. The Court finds that the class is so numerous that joinder of all members is impracticable; that there are common questions of law and fact common to the class; that the claims or defenses of the representative parties are typical of the claims or defenses of the class; and that the representative parties will fairly and adequately protect the interests of the class. Furthermore, the defendants have acted and refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole. The action is maintainable as a class action with the class being defined as those farmers in need of agricultural credit as the result of "natural disasters" who operate farms in one or more of the fifteen Minnesota counties involved herein, and were precluded from applying for emergency loans by the directive of the Secretary of Agriculture and the actions taken thereunder terminating the emergency loan program in Minnesota.

Defendants include the Secretary of Agriculture, the National Administrator and Assistant Administrator of the Farmers Home Administration, the Chief of the Emergency Loan Division of the Farmers Home Administration; and the State Administrator of the Farmers Home Administration for the State of Minnesota.

FACTUAL BACKGROUND

In the fall of 1971 and spring of 1972, a large part of western and central Minnesota suffered excessive and prolonged rainfall to such extent as to seriously and injuriously interfere with and delay the planting of crops in the spring of 1972. With many years of experience, area farmers were unable to recall such extreme and prolonged conditions of rain and wetness. Because of these conditions, many farmers in the affected areas were unable to get into their fields to plant some of their 1972 crops at all. To the extent planting was possible, in many cases it was only possible critically late in the season—for example, late June or July, 1972. Even after planting, replanting was often required because the seed would rot in the wet soil. Because of the weather, harvests of many farmers were very small; many of the crops were almost totally destroyed.

As a result of these weather conditions, on June 26, 1972, defendant Earl Butz, United States Secretary of Agriculture, declared that fourteen counties in western and central Minnesota had experienced "natural disasters" and designated those fourteen counties "emergency loan areas." This designation was published in the Federal Register, Volume 37, No. 126, page 12854, and provides as follows: [1]

DESIGNATIONS OF AREAS FOR EMERGENCY LOANS

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961) and section 232 of the Disaster Relief Act of 1970 (Public Law 91–606), it has been determined that in the following counties in the State of Minnesota natural disasters have caused a general need for agricultural credit:

Counties

Big Stone	Pope
Chippewa	Renville
Douglas	Stevens
Grant	Swift
Kandiyohi	Traverse
Lac qui Parle	Wilkin
Meeker	Yellow Medicine

Emergency loans will not be made in the above-named counties under this designation pursuant to application received after June 30, 1973, except subsequent loans to qualified borrowers who received initial loans under this designation. The urgency of the need for emergency loans in the designated areas make it impracticable and contrary to the public interests to give advance notice of proposed rule making and invite public participation.

Done at Washington, D.C., this 26th day of June, 1972.

EARL L. BUTZ,
Secretary.

On June 26, 1972, pursuant to this designation of "emergency loan areas," the National Office of the FHA, by defendant Willard H. Ballard, Director of the Emergency Loan Division of the FHA, sent the following "notification" telegram to the Minnesota State Director of the FHA indicating that these fourteen Minnesota counties had been designated "emergency loan areas." This notification provides as follows:

Effective immediately Big Stone, Chippewa, Douglas, Grant, Kandiyohi, Lac qui Parle, Meeker, Pope, Renville, Stevens, Swift, Traverse, Wilkin, and Yellow Medicine Counties are designated for emergency loans. Initial emergency loan applications will not be received or approved after June 30, 1973, *except applications pending on that date will be completed.* (Emphasis added)

On June 28, 1972, defendant Gordon F. Klenk, State Director of the FHA for the State of Minnesota, sent a bulletin to County FHA offices in each of the fourteen designated Minnesota counties. This bulletin provides in pertinent part as follows:

Effective immediately the following counties have been designated eligible for Emergency loans by the Secretary of Agriculture:

[Enumeration of the fourteen Minnesota counties omitted.]

Initial Emergency loans may be approved in these counties as authorized in FHA Instruction 441.2 to eligible applicants who have suffered production losses caused by excessive moisture conditions and not compensated for by insurance or otherwise. Initial loans for Emergency applicants *will not be received* or approved after June 30, 1973, except applications pending on that date will be completed.

It is not anticipated that a large volume of applications will be received until after the harvest season; however, where an immediate need for credit exists, the loan should be processed, approved and routed to the State Office for review. We plan to hold an Emergency program meeting with county office personnel in the near future.

County Supervisors in the affected counties should notify the County U.S.D.A. Defense Chairman and see that the public is adequately informed of the emergency designation. The attached news release may be used in the affected counties. (Emphasis added)

This bulletin (as well as the attached "News Release") indicates that emergency loan applications would be accepted and processed through June 30, 1973. It is clear, from the language of this bulletin, that the State Director anticipated that most applications would not be submitted until after the harvest season which was late November or early December, 1972.

Subsequent to the fourteen-county emergency loan designations of June 26, 1972, and the Stearns County designation of September 20, 1972, informational meetings were held throughout the designated areas by State, District and County FHA officials. Relying upon the designations of the National Office of the FHA, these FHA officials informed interested farmers that: (1) applications would be accepted and processed through June 30, 1973; (2) that farmers should not file until after their harvest to make sure that all eligible losses were included in their applications; and (3) that plenty of money was available in the program. Relying upon these representations, many farmers, including plaintiffs and others similarly situated, waited until after the 1972 harvest to file emergency loan applications.

As anticipated by State FHA officials, a substantial portion of emergency loan applications were not submitted until after the harvest season—late November and December, 1972. Between that time and December 27, 1972, many farmers in the fifteen-county emergency loan area contacted local FHA officials for appointments to submit emergency loan applications. Because of the large number of applicants that sought to apply after harvest, County FHA officials were forced to make appointments with many such applicants to review their applications—before formal acceptance—in January, February and even March, 1973.

However, on December 27, 1972, without

[1] Subsequently, on September 20, 1972, defendant Butz declared that Stearns County, Minnesota, had suffered a "natural disaster" and also designated it an "emergency loan area." This designation is published in the Federal Register, Volume 37, No. 187, page 20122. There are, therefore, fifteen affected Minnesota counties involved in this action.

warning or notice of any kind, the Secretary of Agriculture, by teletyped message to the Minnesota State FHA office, directed the cessation of acceptance of emergency loan applications in these Secretarially designated counties. This teletyped message provides as follows:

Revised government policy requires that emergency and rural housing disaster loans will be handled as follows: *Cease receiving applications, processing, or approving E. M.* [emergency] and R. H. D. *loans in all secretarial designation areas sixty days after designation.* Hurricane Agnes and Rapid City, South Dakota, areas, Presidential only, will terminate January 15. All other Presidential designations terminate June 30, 1973. No added Secretarial designations are expected for the balance of 1973. Loan dockets approved and postmarked or in St. Louis by close of business December 27 will be honored. Notify county offices by telephone. Bulletin follows. (Emphasis added)

The message was addressed to all State Directors of the FHA and was received in the Minnesota office at 4:20 p.m. on December 27, 1972 just prior to the close of the business day. Whereas the directive terminated the emergency loan program as far as the plaintiffs were concerned, it continued the program in those areas designated by the President.

None of the County Supervisors in Secretarially designated areas who administered the FHA emergency loan programs at the local level received notice of the termination of the program in their counties on December 27; nor did any County FHA Supervisors receive this notice on the next day, December 28, 1972. All Federal offices were officially closed on December 26, 1972, because of President Truman's funeral. Consequently, it was not until December 29, 1972, that the State FHA office notified the County Supervisors of the termination. Typically, John Schulz, County Supervisor, FHA, for Chippewa and Yellow Medicine Counties, received notice of the termination at approximately 11 a.m. on December 29.

Testimony indicated that never before has a Secretary of Agriculture ordered the permanent halt of an emergency loan program in Secretarially designated emergency loan areas without notice and prior to the date specified in the original designation.

Subsequent to December 27, 1972, and prior to February 15, 1973, when this Court issued a Temporary Restraining, Order directing FHA to resume accepting (but not processing) applications from farmers in the fifteen Minnesota Secretarially designated counties, all Minnesota FHA offices have refused to accept, process or consider emergency loan applications from plaintiffs and others similarly situated.

JURISDICTION

As the action is in the nature of mandamus, to compel defendants to perform ministerial duties owed plaintiffs, this Court has jurisdiction of the controversy under 28 U.S.C. § 1361. The scope of the Court's review is set out in Section 10 of the Administrative Procedure Act, 5 U.S.C. § 701, et seq.

The scope of review under the Administrative Procedure Act is stated at 5 U.S.C. § 706. That provision provides in pertinent part:

To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

(1) compel agency action unlawfully withheld or unreasonably delayed; and

(2) hold unlawful and set aside agency action, findings, and conclusions found to be—

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

(D) without observance of procedure required by law;

The doctrine of sovereign immunity, raised by defendants, is inapplicable since plaintiffs contend that the defendants' actions were beyond the scope of their authority or they were acting unconstitutionally. *Dugan vs. Rank*, 372 U.S. 609, 621 (1962).

CONCLUSIONS OF LAW

It is the position of the plaintiffs that the unilateral termination of the emergency loan program without public notice was in violation of the mandatory language of the applicable statutes and administrative regulations, as well as violative of the due process clause of the Fifth Amendment. The Government, on the other hand, maintains that the administration of emergency loans is committed by law to the discretion of the Secretary, and hence is not subject to judicial review by this Court, pursuant to 5 U.S.C. § 701.[2] However, plaintiffs correctly point out that they are challenging only ministerial acts of the administrators. The language in the statutes and regulations relied on by plaintiffs is not of a permissive nature, but affirmatively directs defendants to perform. Whereas the Secretary may have a great deal of discretion in the administration of emergency loans, he has no license to act in violation of mandatory language of statutory laws or agency regulations.

The statutory basis for the emergency loan program is provided in 7 U.S.C. § 1971 which reads:

(a) The Secretary may designate any area in the United States . . . as an emergency area if he finds

(1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible souces, at reasonable rates and terms for loans for similar purposes and periods of time, and

(2) that the need for such credit in such area is the result of a natural disaster.

As to this part of the statute, it is clear that the decision whether or not to desigate an area an "emergency loan area" is committed to the discretion of the Secretary. However, the Secretary has exercised his discretion in this regard; he has designated this fifteen county area as an "emergency loan area." 7 US.C. § 1961(b) "authorizes" the Secretary to make loans in such a designated area. The chief benefit flowing from a Secretarial designation is the availability of emergency loans. It is clear from the legislative history that Congress intended that emergency loans would be available to those areas designated as emergency loan areas. In the Senate Report accompanying the Agriculture Act of 1961 it is stated:

Sec. 321(a) *Designation of areas*—The bill proposes that emergency loans *would be available* whenever the Secretary finds that there exists a need for credit not available from private, cooperative, or other responsible sources due to the occurrence of a natural disaster. . . .

(b) *Eligibility*—Under the bill emergency loans *would be made available* to any farmer or rancher in the designated area. . . . (Emphasis added) S. Rep. No. 566, 87 Cong., First Session (1961); 2 U.S Cong. & Adm. News 1961 p. 2313.

Furthermore, Section 5 of P.L. 92-385, adopted in August of 1972 as an amendment to 7 U.SC. § 1961–1967 provides:

(e) The benefits provided under this section shall be applicable to all loans qualifying hereunder, whether approved before or after the date of enactment of this section.

"Shall" is mandatory language. The only sensible reading of these statutes requires the Secretary to apply emergency loan benefits to all loans qualifying under these provisions. In order to apply the benefit provisions, the Secretary must first determine which loan applicants qualify. To follow the dictate of Congress, the Secretary must accept loan applications and consider them.

In *Dubrow v. Small Business Administration*, 345 F. Supp. 4 (D. Cal. 1972), the right to apply for small business administration disaster loans was at issue. The government contended that under the Disaster Relief Act of 1972, 42 U.S.C. § 4451, the agency had absolute discretion to determine whether or not to make a loan under the Act. Of this, the Court stated:

The Disaster Relief Act clearly states that the SBA shall administer disaster relief loans in accordance with its administration of the Disaster Loan Program. Under 15 U.S.C. § 636(b) the agency is empowered to make such loans as "the Administrator may determine to be necessary or appropriate." This language calls for a determination which implies that some consideration of each application must be undertaken. While it may be true that an individual has no right to receive a loan under the disaster loan program, he does have the right to file an application and to have his application reviewed. In *Simpkins vs. Davidson*, 302 F. Supp. 456 (S.D.N.Y. 1969), the plaintiff brought a mandamus action seeking to enjoin the SBA from refusing to grant him a loan. The Court held that Section 634(b) removed any jurisdiction the Court might have to compel the agency to grant plaintiff a loan, but that it had a statutory duty to process the plaintiff's loan application. What *Simpkins* makes clear is that discretionary acts of the SBA may not be reviewed, but, acts which are tantamount to a refusal to exercise discretion are subject to judicial review. Whatever the limits on this Court's authority to review denial of an application, they do not preclude judicial review when the SBA has refused to follow its statutory duty to determine whether the loan to a given applicant is necessary or appropriate. 345 F. Supp. 8, 9.

The situation in the instant case is virtually identical. It is clear from the reading of the statute that Congress has directed the Secretary to accept and consider loan applications from those counties which have been designated as "emergency loan areas." The Secretary's refusal to comply with the statutory language, and the subsequent termination of the emergency loan program was accomplished in excess of the Secretary's authority and is unlawful.

Not only was the administrative action taken in excess of statutory authority, but it also was in violation of the duly promulgated regulations set up by the Department of Agriculture. Validly issued regulations of an administrative agency have the force and effect of statutes. *See, Sheridan-Wyoming Coal Co. v. Krug*, 172 F.2d. 282 (8th Cir. 1949). The failure of an administrative agency to follow its own established procedures constitutes a violation of procedural due process. *Vitarelli v. Seaton*, 359 U.S. 535 (1959); *Service v. Dulles*, 354 U.S. 363 (1959); *Accardi v. Shaughnessy*, 347 U.S. 260 (1954). As stated in *United States v. Heffner*, 420 F.2d. 802, 812 (4th Cir. 1970):

An agency of the government must scrupulously observe the rules, regulations or procedures which it has established. When it fails to do so, its actions cannot stand and the courts will strike it down. This doctrine

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[2] 5 U.S.C. § 701(a) provides:

This chapter applies, according to the provisions thereof, except to the extent that—

(1) statutes preclude judicial review; or

(2) agency action is committed to agency discretion by law.

was announced in United States ex rel. *Accardi vs. Shaughnessy*, 347 U.S. 260, 74 S.Ct. 499, 98 L.Ed. 681 (1954). There, the Supreme Court vacated the deportation order of the Board of Immigration because the procedure leading to the order did not conform to the relevant regulations. The failure of the Board and of the Department of Justice to follow their own established procedures was held a violation of due process. The *Accardi* doctrine was subsequently applied by the Supreme Court in *Service vs. Dulles*, 354 U.S. 363, 77 S.Ct. 1153, 1 L.Ed.2d. 1403 (1959), and *Vitarelli vs. Seaton*, 359 U.S. 535, 79 S.Ct. 968, 3 L.Ed.2d. 1012 (1950) . . .

It is of no significance that the procedures or instructions which the . . . [agency] . . . has established are more generous than the Constitution requires. In *Service vs. Dulles*, supra, the Supreme Court vitiated the discharge of a foreign service officer because of the State Department's failure to follow its own procedures. The Court concluded that it made no difference that the State Department had no statutory or constitutional obligation to establish the procedure in question:

While it is, of course, true that . . . the Secretary was not obligated to impose upon himself these more rigorous substantive and procedural standards . . . having done so he could not, so long as the regulations remained unchanged, proceed without regard to them. 354 U.S. 288, 77 S.Ct. 1165.

The regulations involved give the Secretary the discretion to determine whether or not an area should be designated as an "emergency loan" area.[3] However, as pointed out previously the Secretary has exercised his discretion in this regard, and his original designation of the fifteen Minnesota counties as "emergency loan" areas has not been revoked or repealed. The directive of December 27, 1972 sent to State FHA Directors, does not purport to remove the designation but merely halts the processing of loans under the statute.

However, under the applicable regulations the Secretary has no absolute authority to halt the emergency loan program in those areas designated as emergency loan areas. The language of the regulation is clear that emergency loans *will* be made available in the counties so designated.[4] The language in the regulations is mandatory and the Secretary is directed to consider applications for emergency loans in designated areas. The refusal to consider applications for emergency loans in designated areas is a violation of the Department's regulations.

Inasmuch as emergency loans were made available up until December 27, 1972, it could be argued that the Secretary fulfilled his obligation under the statutes and the regulations. However, in this respect the method of termination of emergency loan benefits must be considered. The rights of individuals in so important a matter as procuring emergency relief to help restore damage caused by a natural disaster should not be at the mercy of the whims of an administrator. The unilateral termination of the program without notice to the Minnesota farmers offends all traditional notions of fair play. The people have a right to expect better treatment from their government. In *Gonzales* v. *Freeman*, 334 F. 2d. 570 (D.C. Cir. 1964), the Secretary of Agriculture debarred a contractor from doing any further business with the Department. The matter was handled in summary fashion. In defending a subsequent suit brought by the contractor, the government argued that since a citizen has no "right" to do business with the government, there is no standing for this lawsuit. Judge Burger, now Chief Justice, disposed of this argument:

Thus, to say that there is no right to government contracts does not resolve the question of justiciability. Of course there is no such right but that cannot mean that the government can act arbitrarily, either substantively or procedurally, against a person, or that such person is not entitled to challenge the processes and the evidence before he is officially declared ineligible for government contracts. An allegation of facts which reveal an absence to legal authority of basic fairness in the method of imposing debarment presents a justiciable controversy in our view. 334 F.2d. 574, 575.[5]

In looking to the Secretary's actions it should be pointed out that although it is provided that the Secretary may specify the period within which initial loans may be made, nowhere is the Secretary given the authority to accelerate, or disregard the initial termination date. Looking to the Department's regulations, it is provided:

When an area is designated by the Secretary, the National Office will notify the State Director and Finance Office regarding such area designation. The notification will specify the period within which initial loans may be made to new applicants as a result of the disaster for which the area was designated. State Director will notify immediately the county offices involved. . . . The State Director also . . . will make such public announcements as appear appropriate.

On June 26, 1972 and September 20, 1972, in compliance with these regulations, the National Office of the FHA did inform the State Director of the designation and did specify that the loans be available until June 30, 1973. Public notice was given as to this deadline. The regulation contemplates that the public will be informed as to the designation and the specified period for applying for the loans so as to provide opportunity to take advantage of the loan program. Nonetheless the Secretary, without prior notice, terminated the program depriving thousands of disaster victims from applying for emergency loans.

The unilateral termination of the program without notice was also a violation of a rule promulgated by former Secretary of Agriculture Clifford Hardin which states:

Notice is hereby given of the policy of the Department of Agriculture to give notice of proposed rule making and to invite the public to participate in rule making where not required by law.

5 U.S.C. § 553 provides generally that before rules are issued by Government agencies, notice of proposed rule making must be published in the Federal Register, and interested persons must be given an opportunity to participate in the rule making through submission of data, views, or arguments.

The law exempts from this requirement rules relating to public property, loans, grants, benefits, or contracts.

The Administrative Conference of the United States has recommended that Government agencies provide for public participation when formulating the rules relating to public property, loans, grants, benefits, or contracts as a matter of policy.

The advantages of implementing the Conference's recommendation that the public be afforded an opportunity for greater participation in the formulation of rules relating to public property, loans, grants, benefits, or contracts will outweigh any disadvantages such as increased costs or delays.

The public participation requirements prescribed by 5 U.S.C. § 553 (b) and (c) will be followed by all agencies of the Department in rule making relating to public property, loans, grants, benefits, or contracts. The exemptions permitted from such requirements where an agency finds for good cause that compliance would be impracticable, unnecessary or contrary to the public interest will be used sparingly, that is, only when there is a substantial basis therefor. Where such a finding is made, the finding and a statement of the reasons therefore will be published with the rule.[6]

Effective date: Upon publication in the Federal Register (7–24–71) 36 F.R. 143, p. 13804.

In essence the Department has adopted the rule making provisions of the Administrative Procedure Act, 5 U.S.C. § 553,[7] and made them applicable to the administration of loans. Basically, the statute requires that when a substantive rule is involved and none of the numerous exemptions applies, then administrative agencies shall:

(1) Give advance notice by publication in the Federal Register of the proposed rule making. This notice shall include a statement of the time, place and nature of the public rule making proceedings, reference to the legal authority under which the rule is proposed and the terms of the proposed new rule.

(2) After that notice is given, the agency shall give interested persons an opportunity to participate in the rule making.

(3) The agency shall incorporate in the rule adopted a statement of its basis and purpose.

(4) After the substantive rule is adopted, it shall be published in the Federal Register, not less than thirty days before its effective date.

In adopting the directive of December 27, 1972, defendants did not comply with even one of these mandatory requirements, despite the fact that the directive would have a substantial impact on those regulated, and hence is a "rule" as contemplated in the

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[3] "The Secretary of Agriculture may designate an area as an E. M. loan area when there exists a general need for agricultural credit resulting from a natural disaster." Section 1832.3(b). 37 Federal Register 72 p. 7294.

[4] "E. M. loans will be made available in counties named by OEP as eligible for Federal assistance under a major disaster declaration by the President, in counties designated by the Secretary. . . ." Section 1832.3. 37 F.R. 72, page 7294.

"Eligible applicants who are operators of not larger than family farms . . . whose credit needs are for annual recurring operating expenses which can be repaid from the year's income, . . . will receive E. M. loans instead of operating loans." 37 F.R. 72, page 7298.

[5] In the instant case, the farmers' position is even stronger inasmuch as there is a right to have disaster loan applications submitted and considered. *Dubrow v. Small Business Administration, supra,* and *Simpkins v. Davidson, supra.*

[6] No such finding has been published.

[7] That statute provides:

(a) This section applies, according to the provisions thereof, except to the extent that there is involved—

(1) a military or foreign affairs function of the United States; or

(2) a matter relating to agency management or personal or to public property, loans, grants, benefits, or contracts.

(b) General notice of proposed rule making *shall* be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. The notice shall include—

(1) a statement of the time, place, and nature of public rule making proceedings;

(2) reference to the legal authority under which the rule is proposed; and

(3) either the terms or substance of the proposed rule or a description of the subjects and issues involved.

Except when notice or hearing is required by statute, this subsection does not apply—

(A) to interpretative rules, general statements of policy or rules of agency organization, procedure, or practice; or

(B) when the agency for good cause finds (and incorporates the finding and a brief

statute. *See, Pharmaceutical Manufacturers Association v. Finch,* 307 F. Supp. 858 (D. Del. 1970); *Texaco Inc. v. FPC,* 412 F.2d. 740 (3rd Cir. 1969); *National Motor Traffic Association v. United States,* 268 F. Supp. 90 (D. D.C. 1967). *See also, A. E. Staley Manufacturing Co. v. United States,* 310 F. Supp, 485 (D. Minn. 1970); *Housing Authority of the City of Omaha, Nebraska v. United States Housing Authority,* 54 F.R.D. 402 (D. Neb. 1972).

The failure to give notice prior to the termination of the loan program is also in violation of the Administrative Procedure Act, 5 U.S.C. § 551, et seq. As stated by Judge, now Chief Justice Burger in *Gonzalez v. Breeman, supra*:

The command of the Administrative Procedure Act is not a mere formality. Those who are called upon by the Government for a countless variety of goods and services are entitled to have notice of the standards and procedures which regulate these relationships. 334 F 2d at 972.

Section 3 of the Administrative Procedure Act (5 U.S.C. § 552) provides, in mandatory language, as follows:

(a) Each agency shall make available to the public information as follows:

(1) Each agency shall separately state and currently publish in the Federal Register for the guidance of the public—

(A) descriptions of its central and field organization and the established places at which, the employees (and in the case of a uniformed service, the members) from whom, and the methods whereby, the public may obtain information, make submittals or requests, or obtain decisions;

(B) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available;

(C) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;

(D) substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the agency; and

(E) each amendment, revision, or repeal of the foregoing.

Inherent in these provisions is the concept that the public is entitled to be informed as to the procedures and practices of a governmental agency, so as to be able to govern their actions accordingly. The termination of the emergency loan program was without any notice, and was in violation of the provisions of the statute. The last paragraph of 5 U.S.C. § 552(a)(1) provides:

Except to the extent that a person has actual and timely notice of the terms thereof, a person may not in any manner be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published . . .

Notice after the termination of the loan program as was here given can in no way be considered timely. Furthermore, the deprivation of the right to file claims for the loans certainly adversely affected the plaintiffs.

As justification for terminating the loan program in Minnesota, the government argues that there was a shortage of available funds. The emergency loan program is funded by a "revolving fund" referred to as the Agriculture Credit Insurance Fund. Moneys received in connection with loans procured under the fund are credited to the fund and are used for making additional loans. In order to obtain additional money for the fund the Secretary of Agriculture is authorized to make and issue notes to the Secretary of Treasury. 7 U.S.C. § 1928. To draw upon the fund, the Secretary of Agriculture must procure an apportionment from the Office of Management and Budget pursuant to the Anti-Deficiency Act, 31 U.S.C. § 665. The original apportionment for Emergency Loans was $135 million. The government argues that agency estimates indicated that the total commitment of emergency loans would be approximately $800 million.

It is the opinion of the Court that the government's contentions are not justified. It is true that the Secretary is prohibited from spending funds in excess of the apportionment. However, there is nothing magic in an apportionment; that is, an original apportionment by the Office of Management and Budget is subject to change. In fact, the Office of Management and Budget is required by law to review each apportionment at least four times each year in order to make "effective use of the appropriation concerned." 31 U.S.C. § 665(4).[8]

In appropriating fund for the emergency loan program, Congress set no monetary limit on the funds that may be apportioned for emergency loans. The appropriation reads as follows:

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1973, and for other purposes namely: . . .

AGRICULTURAL CREDIT INSURANCE FUND

. . . For loans to be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, as follows: real estate loans, $370,000,000, including not less than $350,000,000 for farm ownership loans; water and waste disposal loans, $300,000,000; and emergency loans in amounts necessary to meet the needs resulting from natural disaster. 92 U.S. Cong. And Ad. News 338, 3397.

In January and again in February of 1973, the Secretary did request and receive additional apportionments of funds for emergency loans bringing the total apportionment of funds to $500 million. The government offers no explanation as to why the Secretary could not request an apportionment that would be sufficient to cover the claims of the plaintiffs in this case. The Secretary has made the determination that there were needs for agricultural credit in the fifteen Minnesota counties involved, yet the Secretary is apparently unwilling to take the necessary procedural steps to insure that the financial needs of the farmers involved are fulfilled in the manner contemplated by Congress. Congress has appropriated sufficient funds to carry out the emergency loan program. It is the Secretary's duty to request an apportionment from the Office of Management and Budget, that would carry out the directives of Congress.

It may be that the Secretary questions the efficacy of the emergency loan program. It is not the role of the Courts to pass upon the necessity or soundness of a duly-promulgated law; likewise, an administrator should not engage in such a practice. It is the duty of the Courts to interpret the law and it is the function of the Administrator to enforce and effectuate the laws passed by Congress.

Furthermore, although the emergency loan program was terminated in Minnesota without notice on December 27, 1972, the program was continued in the areas declared as disaster areas by the President. Since December 27, 1972, $270 million has been obligated for emergency loans and the Department anticipates that another $150 million in emergency loans will be approved. If the government were correct in its claim that there was a shortage of funds for the program, it is not at all clear as to why this shortage of funds is evident only in areas designated by the Secretary. The government offers no rational explanation to this grossly inequitable result. There is absolutely no basis in the law to give preference in the administration of emergency loans to Presidentially declared disaster areas.

The bill that eventually became P.L. 92–385 was originally proposed by the Administration, solely to benefit victims of Hurricane Agnes in areas designated by the President. However, while the bill was being considered in Senate Committee, word was received of the disastrous weather conditions in West Central Minnesota. The report states:

The Committeee notes that there have been thirty-seven Presidentially designated disasters and eighty-four administratively declared disasters since January 1, 1971, including the disasters associated with Agnes and the Rapid City flood. *The Committee agrees that victims of all these disasters should be treated in the same manner insofar as disaster relief is concerned, and that it would be wrong and unfair to accord victims of particular disasters special treatment.*

Moreover, the Committee notes that in the future other disasters may occur. For example, while this legislation is being discussed in the Committee, *a serious new flood occurred in Central Minnesota devastating as many as ten counties and the same number of large towns. The Committee agreed that victims of future disasters, like this one in Minnesota, should receive the same measure of relief under disaster relief legislation which is accorded to victims of disasters which have already been declared. In no case should people sustaining comparable injury be afforded lesser relief because of their location in different disaster areas.* Senate Report No. 91–1008, 72 U.S. Cong. & Ad. News 3472, 3473. (Emphasis added)

The Secretary's actions in giving a preference to Presidentially designated areas is not in keeping with the Congressional intent in promulgating the emergency loan program.

It is the opinion of the Court that the defendants have a ministerial duty to implement the emergency loan program as directed by Congress, that the unilateral termination of the program without notice to the

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(c) After notice required by this section, the agency *shall* give interested persons an opportunity to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. After consideration of the relevant matter presented, the agency *shall* incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.

(d) the required publication or service of a substantive rule *shall* be made not less than 30 days before its effective date, except—

(1) a substantive rule which grants or recognizes an exemption or relieves a restriction;

(2) interpretative rules and statements of policy; or

(3) as otherwise provided by the agency for good cause found and published with the rule.

(e) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule. P.L. 89–554, Sept. 6, 1966, 80 Stat. 383. (Emphasis added)

statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

[8] 31 U.S.C. § 665(4) provides:

Apportionments shall be reviewed at least four times each year by the officers designated in subsection (d) of this section to make apportionments and reapportionments, and such reapportionments made or such reserves established, modified, or released as may be necessary to further the effective use of the appropriation concerned, ...

plaintiffs in this case was in violation of the statutes, the agency's own regulations, and due process of law. Furthermore to the extent that the administrators may have some discretion under the applicable statutes, in terminating the emergency loan program in Minnesota without prior notice, the administrator acted in an arbitrary and capricious manner.

ORDER FOR JUDGMENT

Based on the reasons as set forth in the attached Memorandum, It is hereby ordered that:

1. Defendants' action of December 27, 1972, which terminated, without notice, the FHA Emergency Loan Program in Minnesota, is unlawful and all subsequent actions taken in implementation or furtherance of that action are unlawful.

2. Defendants' Motion to Dismiss Plaintiffs' Amended Complaint for failure to state a claim upon which relief may be granted, is denied.

3. Defendants' alternative Motion for Summary Judgment is denied.

4. Persons situated similar to plaintiffs, within the class represented by Plaintiffs, include established farmers (a) who suffered loss as the result of natural disasters; (b) who operate farms in one or more of the fifteen Minnesota counties designated emergency loan areas by the Secretary of Agriculture on June 26, 1972, and September 20, 1972; and (3) who did not file applications for FHA initial emergency loans prior to December 26, 1972.

5. Defendants, their successors and agents shall reinstate the Farmers Home Administration (FHA) Emergency Loan Program for natural disaster victims in the fifteen Minnesota counties designated Emergency Loan Areas by the Secretary of Agriculture on June 26, 1972 and September 20, 1972, which program was unlawfully terminated by the Secretary of Agriculture on December 27, 1972. To accomplish this, it is ordered that the defendants, their successors and agents shall:

(a) Accept and file FHA emergency loan applications of plaintiffs and others similarly situated, if submitted to County FHA offices on or before June 30, 1973; and

(b) Process said applications as expeditiously as possible, and without delay grant emergency loans thereon to applicants found to be qualified pursuant to the same lawful eligibility and loan purpose requirements on the same basis as they were applied by the Farmers Home Administration between August 16, 1972, and December 27, 1972; and

(c) Pay and deliver the proceeds of approved loans to qualifying applicants without delay.

It is further ordered that this Order shall take effect immediately, except that Subparagraph (c) of this Order, which directs the payment and delivery of loan proceeds, is stayed for a period of ten days from the date hereof.

It is further ordered that in the event an appeal is taken, because of the urgency of this matter, the parties are directed to take all possible steps to procure an expedited appeal.

Mr. HUMPHREY. Mr. President, I also would like to request unanimous consent to have printed at this point in the RECORD, the list of all secretarially designated counties throughout the country that Congressman BERGLAND's amendment is designed to bring equitable relief under the law.

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

COUNTIES DESIGNATED BY THE SECRETARY OF AGRICULTURE AS DISASTER AREAS DURING 1972

Arizona: Apache, Cochise, Coconino, Giya, Graham, Greenlee, Mohave, Navajo, Pima, Pinal, Santa Cruz, Yavapai.

California: El Dorado, Fresno, Kern, Kings, Madera, Merced, Nevada, Placer, San Benito, San Joaquin, San Luis Obispo, Santa Cruz, Stanislaus, Tehama, Tulare, Santa Barabara, Santa Clara.

Colorado: Delta, Mesa, Montrose.

Connecticut: Fairfield, Hartford, Litchfield, Middlesex, New Haven, New London, Tolland. Windham.

Delaware: Kent, New Castle, Sussex.

Florida: Gulf.

Georgia: Baker, Baldwin, Effiingham, Emanuel, Jefferson, Jenkins, Johnson, Laurens, Miller, Mitchell, Montgomery, Screven, Telfair, Treutlen, Washington, Wheeler.

Iowa: Harrison, Humboldt, Pocahontas, Webster, Chickasaw, Delaware, Dubuque, Fayette, Floyd, Hamilton, Jones, Linn, Wayne, Wright.

Maryland: Allegany, Garrett.

Massachusetts: Barnstable, Berkshire, Bristol, Dukes, Essex, Franklin, Hampden, Hampshire, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk, Worcester.

Michigan: Allegan, Berrien, Cass, Kent, Muskegon, Newaygo, Oceana, Ottawa, Van Buren, Menominee.

Minnesota: Big Stone, Chippewa, Douglas, Grant, Kandiyohi, Lac qui Parle, Meeker, Pope, Renville, Stevens, Swift, Traverse, Wilkin, Yellow Medicine, Stearns.

Nebraska: Lincoln.

New Hampshire: Belknap, Carroll, Cheshire, Coos, Grafton, Hillsborough, Marrimack, Rockingham, Strafford, Sullivan.

New Jersey: Bergen, Essex, Hudson, Hunterdon, Morris, Ocean, Passaic, Sussex, Union, Warren, Atlantic, Gloucester, Salem.

New Mexico: Bernalillo, Catron, Chaves, Colfax, Curry, De Baca, Dona Ana, Eddy, Grant, Guadalupe, Harding, Hidalgo, Lea, Lincoln, Luna, McKinley, Mora, Oterb, Quay, Rio Arriba, Roosevelt, Sandoval, San Juan, San Miguel, Santa Fe, Sierra, Socorro, Taos, Torrance, Union Valencia.

New York: Cortland, Erie, Franklin, Genesee, Jefferson, Lewis, Niagara, Orleans, Sullivan.

North Carolina: Davidson, Davie, Forsyth, Rockingham, Stokes, Surry, Yadkin.

Ohio: Defiance, Henry, Paulding.

Oklahoma: Alfalfa, Beaver, Beckham, Blaine, Caddo, Canadian, Cimarron, Cleveland, Choctaw, Comanche, Cotton, Custer, Dewey, Ellis, Garfield, Grady, Grant, Greer, Harper, Harmon, Jackson, Jefferson, Kingfisher, Kiowa, Logan, Major, McClain, Roger Mills, Stephens, Texas, Tillman, Washita, Woods, Woodward.

Oregon: Lake, Jackson.

Puerto Rico: Adjuntas, Arroyo, Barranquitas, Cayey, Ciales, Corozal, Juana Diaz, Morovis, Orocovis, San German, Yauco.

Rhode Island: Bristol, Kent, Newport, Providence, Washington.

South Dakota: Beadle, Brookings, Brown, Clark, Codington, Davison, Day, Deuel, Grant, Hamlin, Hanson, Kingsbury, Miner, Roberts, Sanborn, Spink, Yankton.

Tennessee: Benton, Carroll, Chester, Crockett, Dyer, Gibson, Haywood, Henderson, Madison, McNairy.

Texas: Andrews, Anderson, Angelina, Aransas, Archer, Armstrong, Atascosa, Austin, Bailey, Bandera, Bastrop, Baylor, Bee, Bell, Bexar, Bianco, Borden, Bosque, Bowie, Brazoria, Brazos, Brewster, Briscoe, Brooks, Brown, Burleson, Burnett, Caldwell, Calhoun, Callahan, Cameron, Carson, Castro, Chambers, Cherokee, Childress, Clay, Cochran, Coke, Coleman, Collin.

Collingsworth, Colorado, Comal, Comanche, Concho, Cooke, Coryell, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dallas, Dawson, Deaf Smith, Delta, Denton, DeWitt, Dickens, Dimmit, Donley, Duval, Eastland, Ecktor, Edwards, Ellis, El Paso, Erath, Falls, Fannin, Fayette, Fisher, Floyd, Foard, Fort Bend, Freestone, Frio, Gaines, Galveston, Garza, Gillespie, Glasscock, Goliad, Gonzales, Gray, Grayson, Gregg, Grimes, Guadalupe, Hale, Hall, Hamilton, Hansford, Hardeman.

Hardin, Harris, Hartley, Haskell, Hays, Hemphill, Henderson, Hidalgo, Hill, Hockley, Hood, Hopkins, Houston, Howard, Hudspeth, Hunt, Hutchinson, Irion, Jack, Jackson, Jasper, Jeff Davis, Jefferson, Jim Hogg, Jim Wells, Johnson, Jones, Karnes, Kaufman, Kendall, Kenedy, Kent, Kerr, Kimble, King, Kinney, Kleberg, Knox, LaMar, Lamb, Lampasas, LaSalle, Lavaca, Lee, Leon, Liberty, Limestone, Lipscomb, Live Oak, Llano, Loving, Lubbock, Lynn, McCulloch, McLennan.

McMullen, Madison, Martin, Mason, Matagorda, Maverick, Medina, Menard, Midland, Milam, Mills, Mitchell, Montague, Montgomery, Moore, Motley, Nacogdoches, Navarro, Newton, Nolan, Nueces, Ochiltree, Oldham, Orange, Palo Pinto, Parker, Parmer, Pecos, Polk, Potter, Presidio, Rains, Randall, Reagan, Real, Red River, Reeves, Refugio, Roberts, Robertson, Rockwall, Runnels, Sabine, San Augustine, San Jacinto, San Patricio, San Saba, Schleicher, Scurry, Shackleford, Shelby, Sherman, Smith, Somerveel, Starr.

Stephens, Sterling, Stonewall, Sutton, Swisher, Tarrant, Taylor, Terrell, Terry, Throckmorton, Tom Green, Travis, Trinity, Tyler, Upton, Uvalde, Val Verde, Van Zandt, Victoria, Walker, Waller, Ward, Washington, Webb, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wilson, Winkler, Wise, Yoakum, Young, Zapata, Zavala.

Utah: Box Elder, Davis, Salt Lake, Utah, Washington, Weber, Beaver, Emery, Garfield, Grand, Iron, Juab, Kane, Millard, Piute, San Juan, Sanpete, Sevier.

Vermont: Addison, Bennington, Caledonia, Chittenden, Essex, Franklin, Grand Isle, Lamoile, Orange, Orleans, Rutland, Washington, Windham, Windsor.

Virginia: Essex, Lancaster, Mathews, Middlesex, Northumberland, Richmond, Westmoreland.

Wisconsin: Buffalo, Grant, Pepin.

Wyoming: Park.

Mr. HUMPHREY. Mr. President, if the people of this Nation are to continue to have any confidence or trust in their Government, the Senate must, in my judgment, oppose the Senate Committee's amendments to H.R. 1975 and restore the language of the Bergland amendment. I cannot go back to the people of my State and justify or even explain this body's endorsement of an action taken unilaterally by the administration to treat victims of natural disasters unequally. I should also like to remind my colleagues that the benefits provided under the existing emergency loan program (P.L. 92–385) were specifically requested by none other than the President himself.

Mr. President, as the senior Senator from Minnesota indicated a while ago, the President saw fit to do all this on national television. He got all the political advantages out of the Emergency Disaster Relief Act before the election, showing great compassion, and showing how the needs would be met. This national disaster started first with Hurricane Agnes and then later with the floods

in Rapid City, and heavy rains that wiped out investments in crops in many other parts of the Nation. All of this was analyzed by the Government.

And, let us remember it was the administration that made the recommendations relating to the provisions of last year's Disaster Relief Act. The committees of Congress saw fit to review that recommendation, and the law was passed. The Department of Agriculture issued rules and regulations under the law. Applications were accepted under the law up to the date of December 27.

What in the world happened between Christmas and New Year's that should have changed the whole attitude of the Government is beyond me. What happened in the 5 days between Christmas and New Year's to compel the Government of the United States, the Office of Management and Budget, the President, and the Secretary of Agriculture to suddenly discover that this program was no good and that it ought to be terminated? If it was no good, then they ought to ask for refunds. That would be one way of making such cruelty equitable to all—everybody would be mistreated then. The way it is now, just some of the people are being mistreated, and there is no way anybody can justify such an action. That is why we have a Federal district court saying the Secretary has acted in an arbitrary and capricious manner, in violation of the law.

Mr. President, how are you going to ask people for law and order when you have high officials of Government ignoring the law and violating it? The Federal court has held the Secretary in violation of the law. Of course, the Government will have a roomful of attorneys trying to overrule the decision in favor of a handful of family farmers. I think there is no judge worthy of the title who will not believe that the spirit and letter of the law was violated and that there was arbitrary and capricious action on the part of the Secretary.

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

Mr. HUMPHREY. I yield.

Mr. MONDALE. The Senator will recall that during the campaign the administration was bragging about this bill, and that their representatives went through the Midwest and would point to this law as another example to show how they were the friends of rural America. Just to make sure they understood the bias of this administration, the Secretary of Agriculture said, "I am going to spend like a drunken sailor," I believe were the words. So when the election was held on November 7—in which, incidentally, Mr. Nixon barely carried Minnesota—the people of rural Minnesota and the other 27 States believed, I am sure, the President intended to fulfill the law and that this disaster loan program, plus a whole range of other rural programs, such as rural telephone, rural electric, rural environment—the whole works—would have sympathetic support in legislation on which he was campaigning.

Well, right after the election, strangely, all these bills were terminated. The rural electric bill and the rest of them were terminated. I think the cruelest of all, in a personal manner, was this particular program, because these farmers were struck by disaster. There is no other way of putting it. They were hurt just as badly as the people who were hurt in the Rapid City disaster, just as hurt as the people who were hurt in the serious flooding on the east coast. Yet, for some reason, it was determined that the administration could just totally ignore the legal rights of these people and their claims for justice.

The arguments that are heard are absolutely unbelievable. For example, they say the program is too liberal. Well, who set the terms of this program? Who asked for it? Who defined what kind of benefits ought to flow when they are struck by disaster? It was the President of the United States, on television, by official message. He set the terms; we did not. All we said was, "If we are going to have a program like this, it ought to be available to all citizens in the Union struck by disaster, declared to be a natural disaster by the President, or administratively declared to be a disaster by the Secretary of Agriculture."

That is all we did. That is the law. I have never seen citizens of this country as deceitfully and shabbily treated as they have been in this instance.

Mr. HUMPHREY. The Senator is just telling us that some of us did have, even at the time, some reservations about the recommendations that were made about the level of benefits requested by the President. We raised those doubts in committee, but we ultimately accepted the recommendations, the judgment and the assessment of the needs as given to us by the administration, and we gave the President what he asked for.

Now, as I have said, after the election, after the Presidential campaign, the President is changing the rules of the game.

Mr. EAGLETON. Mr. President, I ask unanimous consent that Jack Lewis, my assistant, be permitted on the floor during the remainder of the consideration of the Disaster Relief Act, as well as the par value modification bill.

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

Mr. HUMPHREY. Mr. President, the administration wants to break not only its own commitment to these disaster victims, but wants Congress to become its accomplice. And, it is interesting to note that the administration at this same time is stressing the importance of Congress joining them in commitments made by Mr. Kissinger and the President in supplying several billions of dollars to rebuild North Vietnam as part of our Nation's peace agreements with that nation. It wants us to keep commitments to various defense contractors, even when those contractors overrun their initial cost estimates by hundreds of millions—and even billions of dollars. Yet, when it comes to keeping our Government's commitments to thousands of individual citizens who, through no fault of their own, suffer devastating and sometimes complete losses as a result of natural disasters, the administration wants to break its commitments.

I know the CONGRESSIONAL RECORD does not show photographs. One day we may make the RECORD sufficiently modern so that it may display such material, but I have in my hand pictures of some of the flood conditions in Alabama. These homes are inundated with water. Roads are destroyed—as happened in my own State. So it does not make any difference whether your crop is selling for 28 cents or $28. If you are rubbed out, you are rubbed out.

The people hurt by these natural disasters were not only in Wilkes-Barre and up and down the east coast, which in itself was a tragedy, but also in many other parts of the country.

Now the people in my part of the country are being told, "You are out of luck," by a government which says it wants law enforcement, by a government which recommends capital punishment, by a government that tells a person who did not live up to his duty to serve under Selective Service, he will be punished, and who tells everyone else who has broken a law that he will be punished. Yet, Mr. President, the law has been openly, flagrantly, and arbitrarily violated by the administration when the benefits of this law were cut off in midstream, after the Government had told the people of this country what they were supposed to do in order to qualify for these benefits. I say there is only one way to describe it—an illegal, unlawful, arbitrary, capricious act.

I believe the Senator from Oklahoma wanted me to yield to him.

Mr. BELLMON. I was going to ask the Senator a question, if he would yield for that purpose.

Mr. HUMPHREY. Please.

Mr. BELLMON. I feel the Senator has described with great eloquence the situation that has developed, and I certainly make no effort to defend what has happened. I feel generally it is indefensible.

The problem is that we now have an impasse. The emergency loan program is stopped, whether properly or improperly. The fact is that we are not at present able to provide emergency loans for people who need them. The Senator from Minnesota points out that this matter is in the hands of the courts. There has been a decision, and the decision has been appealed. The problem is going to take many months to go through the courts. What we need now is a program on the books which the administration will accept to provide emergency loans so farmers and other citizens can go ahead with normal production activities.

My question to the Senator is, If we go ahead and restore the House language, how long will we have funds available from which to meet the needs?

Mr. HUMPHREY. I am saying that the Congress of the United States ought not to become an accomplice—at least I am not going to become an accomplice—to what I believe is an illegal act. I think that we have an obligation here. If the executive branch of the Government at any time wants to just stop the wheels of Government and say, "We will not do anything until you fellows in Congress change your mind," we will never have

any way in which we can predict what will happen in this country.

There are many areas of the Nation today that depend upon certain commitments from the Government such as our schools, for example, and many of our hospitals that today are also being treated capriciously.

It is interesting to note that the Government always wants people who have contracts with it to complete or keep its contracts. I know people in Minnesota that have been subjected to penalties because they have been unable to fulfill their contracts with the Government through no fault of their own, because of lack of material or labor or financial assistance. They have been subjected to penalties. Many of them have had their economic backs broken by the Government's demand that they fulfill their contracts.

Now we have a situation where the Government is breaking the back of many of the people because the Government will not keep its own contract or commitments.

Mr. President, if we restore the Bergland amendment—which I hope and pray we will—the President may veto it. I recognize that. However, we have the right to override the veto.

The time comes when we have the right to find out whether the President of the United States is going to obey the law. He is not the law. This is a government of law and not of men.

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

Mr. HUMPHREY. I yield.

Mr. MONDALE. Mr. President, the Senate is being asked to go ahead and confirm the nomination of Mr. Gray and pursue its remedies in the court. And now, we are being asked once again to forfeit our duty as Members of the Congress to define the law as it should be defined, and we are being asked to pursue our remedies in the court.

Mr. BELLMON. Mr. President, if the Senator will yield, I respectfully submit that this is not what the committee had in mind at all. We are trying to get a program enacted now when there is a tremendous, immediate need.

I feel that this is a matter that needs to be settled finally so that we might know where the powers of the Executive are.

In the meantime we have thousands of producers who are unable to get their spring planting done. We need to know now. That is what is intended by this legislation.

Mr. MONDALE. This legislation is a very modest proposal. It only opens up the existing law for 18 days. We are not asking for a long term, revolutionary change in disaster aid programs in the country. We are only asking that the farmers be given a fair chance to come in and apply, with only an 18 days limitation.

We are more or less repealing the existing law for only 18 days. This is a very modest, short-term reopening of the existing law which only becomes necessary because of the utter lawlessness and unfairness of the present administration.

They suggest that we should pursue our remedies in the court. And the reason I make the point is that I keep hearing it over and over again. At the same time we assert our rights, we ought to keep in mind that if the Supreme Court took jurisdiction of the matter, it might be three years from now before we had a decision out of the Supreme Court of the United States. The reason that we have a Congress is to define these matters and to define them swiftly without requiring the citizens of the country to spend their time and their money and the necessary uncertainties involved in getting their rights determined in that slow and beleaguered fashion through the courts.

Mr. HUMPHREY. Mr. President, the issue involved here the integrity of our Government. Does it mean anything, or does it not?

I do not intend to stand by as one Senator and see the matter dismissed out of hand because a few officials are concerned suddenly about saving a few dollars. If they are going to apply those concerns to citizens who have been materially hurt by natural disasters, they should apply those concerns, equally, in other areas.

If I thought for one moment that this exercise was an exercise in politics, I would say that we might as well forget it. However, I believe that the President can change his mind. I believe that if we stand our ground, the Administration will respond, at least within the limited terms of the House bill, including the 18-day extension. I say that it is important.

I would also like to point out to my colleagues that our Government, after terminating these disaster loans last December in the name of economy, went ahead on February 13, 1973 and designated four California counties to receive assistance under the existing FHA emergency loan program, which includes the $5,000 forgiveness feature and interest loans at one percent.

While this announcement was made out of Washington by Secretary Butz, it was made on that date in California by nobody less than the President himself. So, there is no misunderstanding about the benefits accompanying the announcement. Mr. President, I ask unanimous consent that the news release of Secretary Butz which covered these points in California be printed in the RECORD.

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

FHA ACCEPTS APPLICATIONS FROM CALIFORNIA DISASTER VICTIMS

WASHINGTON, February 13.—Secretary of Agriculture Earl L. Butz announced today that the Farmers Home Administration (FHA) is authorized to assist California farmers, ranchers and homeowners with emergency loans in four counties and the outlying areas of the City of South San Francisco, due to recent storms and flooding.

On Feb. 9, 1973, President Nixon declared a "major disaster" in California due to floods in areas which include Marin, Santa Barbara, San Luis Obispo and Solano Counties, and the City of South San Francisco.

FHA is the rural credit agency in the U. S. Department of Agriculture that assists rural disaster victims to finance crop and livestock production, and helps them to restore normal farming operations.

Borrowers agree to repay their loans as soon as possible consistent with their ability. Loans are secured as required to protect the government's interest.

Rural housing disaster loans are made to repair or replace housing and essential farm service buildings damaged or destroyed by the disaster.

The interest rate on the loans is one percent.

Up to $5,000 on the farm or housing loan may be canceled when losses are not compensated by insurance or otherwise.

Applications may be accepted until further notice at local FHA offices serving the disaster areas.

Mr. HUMPHREY. Mr. President, apparently it depends upon where the President is visiting. When he is in California, suddenly counties in that State that have suffered from a natural disaster, whether it be from rain or what have you, become very important. I think that when he saw the problem there, he said that something had to be done.

I have felt for a long time that the President is getting some pretty lousy advice. I feel that the things he is being called upon to do are the result of the advice received from some of his advisers who do not know what is going on in the country.

If they are going to cut off the programs dealing with disaster loans in December of 1972, why are they opening them up to four counties in California?

Mr. BELLMON. Mr. President, if the Senator will yield, I have in my hand a letter signed by Frank B. Elliott, Acting Administrator of the Federal Home Administration. This letter bears on the California situation. I ask unanimous consent that the letter be printed in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
FARMERS HOME ADMINISTRATION,
Washington, D.C.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your telephone inquiry of March 21, 1973.

As you are aware, the establishment of a limited period for accepting Emergency loan applications did not preclude Presidential declaration of additional disaster areas as warranted, and the President determined that the recent flood damage in California constituted a disaster situation. The Department news release regarding this was a standard Farmers Home Administration response to a Presidential disaster declaration. This disaster, however, did little or no damage to farms or crops and, therefore, we have not authorized the acceptance of Emergency loan applications from flood victims and do not intend to do so.

We trust this explains the situation to your satisfaction.

Sincerely,

FRANK B. ELLIOTT,
Acting Administrator.

Mr. BELLMON. Mr. President, I read one part of the letter in which it says:

This disaster, however, did little or no damage to farms or crops and, therefore, we have not authorized the acceptance of emergency loan applications from flood victims and do not intend to do so.

Mr. HUMPHREY. Mr. President, that makes it all the worse. That is double duplicity. On my word, the day I heard about the California announcement, I protested, not to ask that California be denied, but to ask that the rest of the country be included and treated equitably.

They made the announcement. There can be no doubt about that. The news release went whirling out from the Department of Agriculture. The President himself made the announcement in California.

What happens? After some of us say that is not fair, they back off. And they have misinformed the country and, yes, they have lied to the people twice.

The law said that they were to get relief. Then there was a cancellation. Then they came back a second time and said to the four counties in California that they are included. Now they say that they are not going to accept any applications. That is a little like saying, "Santa Claus, I want you to come," and having him say, "All right; I will be there, but with no presents."

Mr. BELLMON. Mr. President, there are other provisions of the law that are available. However, the applications are not being accepted. I grant the Senator that is begging the law and the forgiveness features. However, the other features are available.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the committee amendment.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, despite efforts by the administration and the Department of Agriculture to rationalize or dismiss these particular designations as an error, the official release I have just placed in the RECORD speaks for itself. I call particular attention to where it states:

> The interest rate on the loans is one percent.
>
> Up to $5,000 on the farm or housing loan may be cancelled when losses are not compensated by insurance or otherwise.
>
> Applications may be accepted until further notice at local FHA offices serving the disaster areas.

Mr. President, there it is. It is in print. It was announced, it was stated, the orders were given, and then they backed off because somebody indicated that we want fair treatment.

Now, pray tell me, how do you explain this type of arbitrary, highly discriminatory, application of the law. Are we to tell disaster victims in the other secretarially designated counties throughout the Nation who had their benefits summarily terminated without notice that the laws of this country will be enforced only in those States where the President maintains a residence? I think not.

And finally, Mr. President, I should like to call into question the estimates of the Department of Agriculture contained in the Senate committee report on H.R. 1975 as it relates to the number of applications and costs that might be expected if H.R. 1975 is enacted into law as it originally passed the House. I believe the Department estimates in this regard to be very much on the high side. And should you be wondering why I should question these estimates, I would like to point out that the Department had earlier estimated that between 4,000 and 5,000 applications would be filed by eligible applicants in our 15 Minnesota designated counties if the program were reopened. Well, due to the action of the Federal district court in Minnesota, FHA was ordered to reopen the program in those counties for the purpose of accepting applications pending the outcome of the trial. And, only 2,300 applications were submitted, or about one-half those estimated by USDA.

I hope and pray that the USDA is better on its crop estimates than it is on these, or we are going to be in one fix. I think the Presiding Officer of this body today (Mr. HUDDLESTON) knows what I mean, because the crop estimates are what we base our future agricultural programs on. Could it be that a numbers game is being played here to serve certain parties benefit? I will not try to answer that question, but leave it up to each of you to decide for yourself.

Also, Mr. President, I should like to point out that under the provisions of H.R. 1975—the Bergland amendment notwithstanding—the benefits to be provided under the FHA emergency loan program will be far less—both less than those now provided under the existing program (Public Law 92–385) and less than those provided earlier under Public Law 91–606. In addition, benefits to be provided under H.R. 1975 to farmers and other FHA eligible applicants will be much less than will continue to be the case for Small Business Administration applicants for emergency loans, who will continue to be eligible for benefits at existing levels provided under Public Law 92–385.

I mention this only to point out that our farm and rural people in the future will be getting less in benefits under this program than will the businessmen in their own areas from the same flood. Yet the Department of Agriculture is supposed to be the "friend of the farmer." Listen: the Department is a bigger disaster than the flood.

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

Mr. HUMPHREY. I yield.

Mr. BROCK. Would the Senator support an amendment which would change the law relating to the SBA so that the two are treated exactly the same?

Mr. HUMPHREY. Yes. I am perfectly content with making the two programs compatible.

Mr. BROCK. Even if the Senator's 18-day extension were accepted, after that time the existing law would be changed, would it not?

Mr. HUMPHREY. Yes, it does change the existing law, but it at least provides for an 18-day period for the secretarially designated areas that was earlier provided for presidentially designated counties. I am not going to let the Senator lead me down a rabbit trail, but it would provide for such a similar filing time so farmers could file their applications. That is all we want. It is exactly what was provided earlier for the presidentially designated counties. I am still not happy with the bill, but I think it is the best we can get.

Mr. BROCK. Perhaps the Senator can advise me what I can tell my Tennessee farmers who have sought a designation but not received it yet, as to why they are not going to be allowed to participate.

Mr. HUMPHREY. I can give the Senator an answer to that.

Mr. BROCK. I wish the Senator would.

Mr. HUMPHREY. Because the Secretary of Agriculture has been derelict in fulfilling his responsibilities. He should have been down there getting those counties designated, if they fell within the criteria. They have not done the job they are supposed to under the law. The law was passed and the regulations were issued.

Mr. BROCK. Perhaps the Senator does not understand me. Tennessee farmers have never come and said, "We want $5,000 forgiveness." They have said, "We have got to have a loan so that we can plant our crops."

Mr. HUMPHREY. Let me say that my farmers did not come to me and ask for it, either, but the administration came in here and said, "We want this program." I remind the Senator from Tennessee that he voted for it. This body voted for this program. The President had asked for the program. Some of us had doubts about it, but there it is.

Mr. BROCK. Perhaps some of us should admit that we made a mistake.

Mr. HUMPHREY. May I suggest that the people who terminated this program administratively did so at the expense of people who were assured earlier that they would receive such assistance by their Government.

Mr. BROCK. I am not suggesting that. All I am saying is that the people ought to be given assistance so that they can plant their crops.

The effect of the Senator's amendment is to preclude a number of my west Tennessee counties from having any opportunity for relief and an opportunity to be productive this year. That is the size of it. I do not argue the high moral purpose, but occasionally we have to get practical and say these people need to get their crops in the ground. They need some help, and if they are not going to get a designation under the Senator's formula or under the amendment, then I cannot accept that. I cannot back off and try to say, "Well, I am sorry, folks, you have just got to suffer this year."

They have already suffered. What we are asking for is an opportunity to get our money to put that seed in the ground. That is not an awful lot to ask.

Mr. HUMPHREY. May I suggest to the Senator that this bill will do just that. With the Bergland amendment it will do that. The only problem is, you have got to go through the Secretary of Agriculture.

Mr. BROCK. No, that is not the problem. We simply cannot, as a nation, continue the program as it was designed. We miswrote the program, and I think most of the Senate is willing to admit that this $5,000 forgiveness has done the opposite of what we hoped it would do.

Mr. HUMPHREY. I do not think there

is any such evidence at all. First of all, there have been none of them who have demanded forgiveness. That is a proposition that has to be weighed out in terms of whether or not you have insurance, or whether or not you can get other forms of credit. There is a whole formula for that. I do not think Congress can judge at this point that this program has been a failure. What has happened is that the program has been terminated.

Mr. BROCK. I did not say the program has been a failure. I said the program has been abused.

Mr. HUMPHREY. And there has been no such evidence. The Department has brought in no evidence of abuse. They said in the State of Minnesota they would have 5,000 more applications if we opened it up. The Federal court opened up the program, and we had only 2,300 applications.

They are all judged by the Farmers Home Administration. There is no evidence of such abuse, and just to make the charge does not make it a fact.

There is a problem around here. We have government by pronouncement. I think we ought to have government by fulfillment. What we need here is just to fulfill the objectives of this law; that is all. We are merely asking for equal treatment of secretarially designated disaster areas and Presidentially designated disaster areas. That stays within the original intent of the law.

Mr. BROCK. If the Senator will yield further——

Mr. HUMPHREY. Yes, I yield.

Mr. BROCK. The Senator did not respond to my first question. Apparently he feels that some modification of the law is in order after the 18-day period. If he does not, I have not heard him say so. But if he does, then I would ask the Senator again whether or not he would find, in all sense of equity, that we should apply the same standards to the SBA designation.

Mr. HUMPHREY. No, I do not.

Mr. BROCK. Why? The Senator just got through saying we were discriminating against the farmer.

Mr. HUMPHREY. Just a minute. I am simply saying that if we deny the provisions of the law that I am asking to be restored, we discriminate. I am saying that the law was passed with equal treatment for small business and for the farmers in emergency disaster relief action, but when you start to change it to a 5-percent rate instead of a 3-percent rate, you do make for discriminatory treatment.

The Small Business Administration loan provides for 3-percent disaster loans. This bill provides for 5-percent disaster loans. That is discrimination.

Mr. BROCK. It is 1 percent for SBA.

Mr. HUMPHREY. That is under the Emergency Disaster Relief Act. All provided for 1-percent loans under the law passed last year but the original law was 3 percent with a $2,500 forgiveness. If the committee bill is adopted, we go to, as far as the farmers are concerned, 5-percent loans. That is discrimination. We will not tolerate that. It is not fair. There is a simple way for both Congress and the executive branch to act sensibly. We are simply saying that we want an 18-day extension, which is less than June 30. We are asking the administration to cooperate with an 18-day extension. That is fair. That is reasonable. We are not being stubborn above it. The law says up to June 30. We are saying, "Look, we think we can accomplish much although we seek it in 18 days and we are willing to compromise it out with you, Mr. President."

In the meantime, the President has not sent down here any new legislation for disaster relief. We have not received any recommendations from him. We have not received any new proposals, which he is required to submit by law. Public Law 92-385 requires him to do that. We have had no such legislative proposals.

So I urge my colleagues to oppose the adoption of the committee amendment. I realize that the committee amendment was designed as a way, hopefully, to get the farmers something—5 percent money. But Mr. President, I notice the other day that the Government already has said, under FHA operating loan programs, that they would provide loan money at 5⅞ percent. This is no big deal. The Farmers Home Loan operating loan funds will provide funds for victims of disaster but that is not what a disaster loan is all about. It must be at a lower rate of interest under such special conditions. That is exactly what we legislated in this body.

Mr. MONDALE. As I understand the existing law, the administration is required, I believe it was by January 1, to submit a report to Congress describing how the law was working and recommending such modifications as they thought would be necessary, based on experience under the new law. I am also under the understanding that they have ignored that responsibility, too, because no such report has been forthcoming.

So here we are with a siuation where the administration disregards, illegally and unconstitutionally, the law of the land, a law which this President himself signed into law. And then, on the basis of that illegality, they argue that we should deny the citizens of this country the benefits which the law provides.

Also we are told that the law is being abused. If it is, who is abusing it? It is this administration. Why do they not tighten up their procedures if there is such abuse?

I agree with my colleague that there has been little if any abuse of this law. I have not heard of any abuse in Minnesota. These are farmers who are in desperate circumstances. They are not lazy people. They are not people asking for welfare. They are asking for a disaster loan because their crops were wiped out, sometimes twice, and they need some working capital in order to get back on their feet and plant their crops and produce what this country needs.

The Senator from Tennessee says, "How am I going to help my farmers?" Very simple. The law is on the books now. All he has to do is call up the President and the Secretary of Agriculture and say to them, "Why don't you obey the oath of office that you took?" If they do that, then the farmers would have had help a long time ago.

Mr. BROCK. I would have a little difficulty in telling the President, because there are two laws here which are competing. We do not pass just one law here but a number at a time. We have a law relating to the debt ceiling, too, and the President is prohibited by law from spending more money than the debt ceiling would allow. If he were to spend every dime that Congress has appropriated, we would be over that limit now.

Let us be honest about this. There are limits to the taxpayers' ability to pay in this country. When we create conditions where, with all due regard to their humanitarian purposes and laudable objectives, we say we want 1 percent money and a $5,000 forgiveness, when, in fact, such a law would result in a situation where some small counties cannot be designated because we do not have the capacity to respond to every county in the United States with that kind of largess, then such legislation itself is obviously self-defeating. The very people these programs are designed to help are not getting that help.

The people of my State and other States have never come in here and said, "We cannot survive without a $5,000 forgiveness." They have never said that. They have said, "We do need equity and capital."

Mr. HUMPHREY. Mr. President——

Mr. BROCK. Mr. President, if I may just continue my thought for a second. What my farmers and other people in this circumstance have asked for is the opportunity to rebuild, the opportunity to reinvest, to be able to plant their crops, to restart their businesses with a loan which they fully intend and have the capacity by the use of their own productivity to repay. They are not asking for all the goodies in the Federal cookie jar. They are saying, "We can make it," and they can make it and do it responsibly and within the context of keeping this country solvent. That is all we are saying.

Mr. MONDALE. I would like to see the kind of mail the Senator sends to his constituents when he explains to them that they are not getting the help they want under the present law, which the President agreed to upold when he took his oath of office. The law says that the farmers who have suffered in areas which have been declared disaster areas are entitled to apply for disaster loans, and that those loans will be at a rate of interest and with a forgiveness which the President himself asked be written into law. The law is there. There is no question about their entitlement to its benefits. The only question is whether the President and the Secretary of Agriculture think they are bigger than the law. That is the only issue here.

Mr. BROCK. The question is which law we are wanting to break.

Mr. MONDALE. Every Member of this body has to take the same position with regard to law or we would be better off just saying to the President, "Here is $250 billion. Please spend it wisely," and then we will spend our time here doing other things. Then I would say that the

Senator from Tennessee is right. But I happen to believe that this is a country of laws. When we pass a law it should mean something. When the President of the United States signs it into law, it is something more than just an opinion. The benefits of the law in this case should go to the farmers of Tennessee as well as to the farmers of Minnesota and the farmers of Kentucky. That is what laws are all about. But we have a law now that acts only at the whim of the President. If we accept that principle, then Congress is unable to act. That is why the farmers are not getting the help they should have. If the law had been obeyed, the farmers would have gotten help a long time ago.

Mr. HUMPHREY. Mr. President, let me repeat that under Public Law 92–385, there was a requirement for the President to submit suggestions and legislative recommendations on further disaster relief by January 31, 1973. That was not a suggestion. That was a requirement, just as all our citizens are required to pay their income taxes by April 15 and if they do not do so, and then they suffer a penalty. Now we have been waiting for that requirement to be fulfilled. The law required that the President submit to us recommendations for permanent emergency loans programs that are necessary to assist the victims of any future natural disasters that might occur. Those recommendations and report have not as yet been submitted to Congress.

Mr. BELLMON. Mr. President, if the Senator from Minnesota will allow me to interject here, I believe that if he will check, he will find that the chairman of the committee, the distinguished Senator from Georgia (Mr. TALMADGE), with the Secretary of Agriculture, have been in agreement that the recommendations to which the Senator refers will be submitted by March 31. This has been mutually agreed to.

Mr. HUMPHREY. I understand that. I think that is kind of them to come in on March 31. But, I suggest to the citizenry of this country that if they do not pay their income taxes by April 15, just take a couple more months and see what happens to them. They will be penalized. The Government will want them to pay some interest. They will want them to do some explaining. But it is just fine for the President to take a look at the law and say, "I am busy. I do not have enough time."

No, no, Mr. President. As the senior Senator from Minnesota has said, you cannot have a country in which some people are going to look at a law and say, "Well, I just do not like it and I am not going to do anything about it."

We need those recommendations, and because we do not have them, we have to do what we are doing today. Congress is being asked to revise these programs without the benefit of the recommendations, which I hope would call for a uniform set of benefits applying to all victims of such disasters, whether they be small businessmen, farmers, or others.

In the meantime, we have a basic compromise piece of legislation that will fulfill immediate needs, at least on equitable terms for all the persons who qualify, for at least a period of 18 days. That is what the House bill does. The Senate committee struck that out. The Senate committee recommendation struck out the 18-day extension. The 18-day extension applies to all those counties that are secretarially designated.

Mr. President, I hear that some States may not want it, but I think it should be noted that in the list of counties designated, which I placed in the RECORD, are States such as Tennessee, which has some recommendations made by its own Governor to the Secretary of Agriculture. Tennessee has Benton, Carroll, Chester, Crockett, Dyer, Gibson, Haywood, Henderson, Madison, and McNairy Counties.

The Governor of that State asked the Secretary of Agriculture to designate certain areas as disaster areas; and on investigation by the Department, they were so designated by the Department of Agriculture, under the terms of the emergency disaster relief law passed by Congress last summer.

Counties in my State and other States are being cut out. All the secretarially designated counties have been cut out. The presidentially designated counties were given 18 days extra time to get their applications in.

All we are saying is that 18 days should be given to the secretarially designated counties. That is fair.

I might add, in terms of the cost of this program, that I notice that the F–14 has a $1.7 billion cost overrun.

I noted the other day, when I was here on another bill, that Litton Industries received $182 million advance payment, interest free, from the Government of the United States—$182 million, interest free! Come and get it!

We can afford that, but we cannot afford $182 million in disaster relief for people if they are rubbed out, if their crops are destroyed, if their buildings are destroyed, if their homes are destroyed, if their businesses are destroyed. But we can advance money, to a defense contractor.

The President of the United States comes down here and says, "We have to help Lockheed." I voted to help them with guaranteed loans. That is fine. We have to help Penn Central. That is fine. But not when it comes to some good, hard-working people who provide the food and fiber for this Nation, who provide the sons for our armies, who are law-abiding citizens, who are not rioting or who are not out here burning down things.

They are merely saying "Here is the law. Can I qualify? Can I file an application?"

The Government says, "Yes, John, you can file an application. See me after Christmas. You know, mother wants me to be home for Christmas. The office is busy. We have to take care of the children. Come in after January and February, when you can document your case a little better. We know you, John. Come in, and we'll take your application and process it."

The FHA officers are well known among farm people. They are respected. I do not want to be critical of those officers. They were following instructions.

Then comes December 27, and there is a cheap, hand-me-down mimeographed press release. They could at least have put it on bond stationery. It announces that the whole program is terminated. And we are supposed to like it. I am supposed to go back, with my colleague from Minnesota, to see those people in Minnesota and say, "Well, folks, you know, they just fooled you."

They are going to look at us and say, "What were you doing? What's going on down there?"

I resent anybody implying, directly or indirectly, that those farm families we are talking about in those counties in Minnesota are trying to take this country to the cleaners. They pay their taxes, produce the food, and are good citizens. They have helped build this country, and all they are asking for is that the law which Congress passed, and which the President signed, be applied. How can anyone be against that?

All at once, we are told that we have to change, because somebody over in the executive branch does not like it. So what? We do not like a lot of things in this country that we have to do. Hundreds of thousands of young men put on a uniform and did not like it. They did it. Many people pay their taxes and do not like it, because they do not like what their money is being spent for. Believe me, many of them do not like what their money is being spent for. But they pay. That is a contract, a social contract, between the Government and its people. The minute you break the social contract between the Government and its people, capriciously and arbitrarily, you destroy the confidence that makes possible democratic government.

That is what is going on here, in one case after another. As has been said, in the case of disaster relief program, there is not a scintilla of evidence for the Government to stand on to support what they have done.

Why should a farmer have to go to court to get the Government to follow the law? Yet, the farm families in Minnesota had to raise $2,500 or more in a public meeting, from their own pockets, to prosecute this lawsuit in order to be able to have a hearing.

So, Mr. President, I am asking that the committee amendment be stricken and that the language of the House bill, section 8, be maintained and sustained in H.R. 1975.

Mr. BELLMON. Mr. President, the Senator from Minnesota has very eloquently described the confused situation which has arisen. As I said earlier, I make no effort to defend this set of circumstances. I feel that I am embarrassed by it, and I am sure many other Members also are embarrassed by it.

I invite attention to one section of the law now on the books that I think may help put this matter in a little better perspective. I have before me a copy of Public Law 92–385, and I am going to read a portion of section 328 which relates to the loan program. It reads:

Notwithstanding any other provision of law, in the administration of this subtitle and the rural housing loan program under section 502 of title V of the Housing Act of 1949, as amended (42 U.S.C. 1472), in the

case of property loss or damage or injury resulting from a major disaster as determined by the President or a natural disaster as determined by the Secretary of Agriculture which occurred after June 30, 1971, and prior to July 1, 1973, the Secretary—

I skip to paragraph 2:

May grant any loan for repair, rehabilitation, or replacement of property damaged or destroyed, without regard to whether the required loan is otherwise available from private sources:

The important language is "may grant." Nothing in here requires the President or the Secretary to make these grants or loans in any way.

I think the charges about malfeasance connected with this whole business are probably not well laid, because this is permissive legislation.

But that is not the main point. To me, the issue is one I tried to express earlier, and it is that we do have in the United States today a real need and an urgent need for emergency-type loans. At the present time, we do have the Farmers Home Administration making operating loans, but those loans are circumscribed, in that they are only made to borrowers who qualify, and they are made in amounts not to exceed $50,000. In modern-day agriculture, $50,000 is not enough for some of our operators to go ahead with spring planting.

The fact is that at the present time there is an operational emergency loan program available to people who desperately need credit. All the committee is trying to do in this act is to make such loans available immediately while this entire matter of the division of responsibilities between the executive branch and the legislative branch is worked out.

The fact is that the amendment of the Senator from Minnesota would accomplish nothing, because all it would do is would be to put the present law back on the books for 18 days. If the President were going to use this authority he could use the present law, so all we would be doing, if we accept the recommendation of the Senator from Minnesota, would be to, in effect, kill the emergency loan program.

The committee is trying to get the program back in action again and the legislation we have brought here will do it effectively and accomplish the job at the present time.

I would like to see the controversy between the executive branch and the legislative branch settled. I do not know how far the authority of the President should go, but I would like to see the matter settled. These kinds of controversies have been raging for years. There is no reason for us to deny our food and fiber producers in this spring planting season while we try to settle this constitutional question.

If we pass the legislation suggested by the Senator from Minnesota we are going to prolong the impasse and work a tremendous hardship on the people of our country who can least withstand it.

I believe sincerely that the objective of the Senator from Minnesota is a worthy one, that there are injustices and that there are inequities. But I do not think that Congress, by restoring the Bergland amendment, would settle the matter; it would just prolong the difficulties that our producers of food and fiber find themselves in today.

Therefore, I urge that the language in the act as it came from the Committee on Agriculture and Forestry be approved without the change suggested by the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am prepared to vote in a moment, if that is the wish of the Senator from Oklahoma. I just want to mention this so that my remarks will not be misinterpreted. I respect the distinguished Senator from Oklahoma for his sincerity and his integrity. I know that he is a determined and dedicated friend of agriculture.

The House overwhelmingly passed this bill with the Bergland amendment. We will have to go to conference. That will not be an easy conference, knowing them as I know them from the past. They can be very determined, as can the Senate conferees, also.

If we want to get action we should pass it as it came from the House. It is said that the President may not act under those terms. We have been doing this on other bills such as the rural environmental assistance program and the rural electrification program.

The question is whether or not Congress is going to assert its will and ask for obedience of the law. It is our judgment, I hope, that those laws were designed for the public good. No one is saying we should not receive recommendations from the executive branch as to permanent, long-term disaster relief legislation. That is required in the law. But we are talking about a specific proposal in this bill, specifically relating to natural disasters that have been declared as such by the President and the Secretary of Agriculture. If we want this opportunity, vote down the committee amendment and sustain the language as it came to us in the House bill. That means the bill would go directly to the President. If he vetoes it, which he could do if he is adamantly opposed to it, we can come back and try to override his veto. But I think we should not act now on the basis that the executive branch may not like it.

Insofar as loans are concerned at 5 percent, while that is better than 5⅞ percent, the Farmers Home Administration normally provides loans at 5⅞ percent. The language of the bill from the committee provided for 5-percent loans. It is not much of a gain. Personally I think we should stick with what the law originally required, but it now appears that is not attainable, that is if we want to provide some type of assistance to these disaster victims now.

I think we ought to stick with what the law originally required.

Mr. BROCK. Mr. President, I often, in the course of debates like this, wish that I had the eloquence of the Senator from Minnesota in espousing my cause. I doubt that I ever shall. But I do think he is accurate in the sense that we have an honest disagreement. I think perhaps we come close to sharing the same objective in the case of this debate.

I shall support the committee amendment and the effort in this legislation for one simple reason. I have in my State more than 10 counties that are in trouble. The Senator from Minnesota said that we have counties designated. He is absolutely correct. But there are 36 other Tennessee counties in distress which have not been so designated. It is for them I express this deep concern.

Mr. BELLMON. Mr. President, will the Senator from Tennessee yield?

Mr. BROCK. I yield.

Mr. BELLMON I should like to place in the RECORD, a list of all the counties in the United States that have requested secretarial designation, and these requests are all waived if this legislation is passed.

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

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

SUMMARY OF REQUESTS FOR NATURAL DISASTER DESIGNATION BY SECRETARY OF AGRICULTURE PENDING IN THE NATIONAL OFFICE NOT APPROVED AS OF "CUTOFF" ON DEC. 27, 1972, AND THOSE RECEIVED SINCE THEN

	Number requests for new designation	Number requests for subsequent designation	Total requests on hand	Total unduplicated designations in State before cutoff
Alabama				
Alaska				
Arizona		1	1	13
Arkansas	52		52	
California				20
Colorado	5		5	3
Connecticut				8
Delaware				3
Florida	2		2	15
Georgia	71	2	73	16
Hawaii				
Idaho				
Illinois	16	1	17	4
Indiana	4		4	
Iowa	7	10	17	30
Kansas				
Kentucky				20
Louisiana	6		6	
Maine	16		16	
Maryland				[1] 23
Massachusetts				14
Michigan		1	1	18
Minnesota	3		3	30
Mississippi	47		47	
Missouri	11		11	
Montana				
Nebraska				1
Nevada				
New Hampshire				10
New Jersey				21
New Mexico				31
New York	19		19	35
North Carolina	6	1	7	7
North Dakota		1	1	7
Ohio	61	9	70	13
Oklahoma		5	5	34
Oregon				2
Pennsylvania				67
Puerto Rico	6		6	11
Rhode Island				5
South Carolina	15		15	
South Dakota	11		11	21
Tennessee	26	10	36	10
Texas	2	14	16	243
Utah	2	1	3	18
Vermont				14
Virginia	2	1	3	[2]
Virgin Islands	5		5	
Washington	1		1	3
West Virginia		2	2	19
Wisconsin	23	2	25	7
Wyoming				1
Total counties	419	61	480	[3]
Total States, Puerto Rico and Virgin Islands	23	14	28	36

[1] And 1 city.
[2] 82 and 30 cities.
[3] 31 cities and 879 counties.

Mr. BROCK. I thank the Senator from Oklahoma very much, because I think it goes to the central point of the debate. We can get all the headlines we want, to talk about the big issues of the day—about congressional versus executive privilege; about abiding by the law; the cost of living; the spending or money bills; but they are something else. The fact remains that what we are trying to do is to give the people who have been productive all of their lives, but who were caught in a tragic situation which effectively limited their opportunity to be productive, a chance to get back into business, to plant their crops, so that we can have some foodstuffs on the market this fall.

I vigorously disagree with the administration's policy concerning disaster relief. I have said so many times in this body and in other places around the country yet the fact remains that something must be done to provide relief now.

As I have said often, I think it is penny wise and pound foolish to withhold rebuilding money in the sense of economy, because what it will amount to is that if we do not get the crops planted, we will have less food on the market, next fall food prices will be even higher. It will cost a whole lot more to do the job then than it will if we can get help to our people to get back in business now.

But let us take this specific language. What does it mean. The Senator from Minnesota is seeking an 18-day extension. That is all he is asking for—an 18-day extension of the mandate in the law. Then, so far as I can tell, it means that we have to wait another 18 days before we get any disaster relief, because it will be 18 days before my 36 counties are designated. Then the counties will be allowed to come under the new law.

Whether I agree with the President is not the point. The point is that we are in planting time right now. Our crops ought to be going into the ground. Every day we delay, and every day the farmer does not have the capacity to put that crop in the ground, places the crop in jeopardy. It lessens his opportunity to get a yield or a harvest in the fall. The crop is in jeopardy. That is what the debate is all about. It is not what kind of relief, but whether or not they will get any relief in time to solve the problem.

My people have not come in and said, "We need $5,000 and a 1-percent loan." They just want the availability of capital. They want to become productive again. That is what we are debating now. We disagree on how to achieve the objective.

It is my honest conviction that if the committee amendment is not adopted, if it does not become effective in terms of law, the effect on my constituents and those in several other counties in the United States is going to be no relief at all during the course of the time covered by the amendment; and that could place the crops and the farmers in very serious jeopardy. That is why I take the position I take. I support the committee amendment.

Mr. MONDALE. Mr. President, I rise to urge that the Senate reject the committee amendment to H.R. 1975 and approve the bill in the form in which it passed the House of Representatives.

Both the House and Senate committee versions of H.R. 1975 are designed to restore to operation the Farmers Home Administration emergency loan program for disaster-stricken individuals. Both would replace existing loan authority with a program of loans at an interest rate of not more than 5 percent. In each case, the forgiveness feature of the current law would be eliminated.

But before final passage of H.R. 1975, the House adopted by a wide bipartisan majority an amendment offered by Representative BOB BERGLAND. The Bergland amendment provides for an 18-day sign-up during which eligible individuals in counties designated by the Secretary last year could apply for assistance under the terms of existing law.

The Senate Agriculture Committee's report on H.R. 1975 deletes the Bergland amendment. I feel strongly that the Bergland amendment should be retained for a number of important reasons.

The Secretary of Agriculture, through an administrative order issued December 27, 1972, denied eligible individuals in over 500 secretarially designated counties in 25 States any further opportunity to apply for emergency aid. But people in 354 presidentially designated counties in 21 States were given an additional 18-day period until January 15, 1973, during which they could continue to submit applications.

The Agriculture Department's action created a serious inequity among farmers suffering hardship as a result of natural disasters. Farmers in Minnesota, for example, had been given appointments by officials of the Agriculture Department to discuss their applications dated months after the December 27 cutoff.

Four Minnesota farmers who were precluded from applying for emergency loans as a result of the December 27 directive from the Department of Agriculture filed a class action suit for reinstatement of the program. They were backed by the Minnesota Farmers Union.

In a recent decision on this case, U.S. District Judge Miles Lord found that Secretary Butz' action violated Federal statutes, the Department's own regulations and due process of law.

Judge Lord stated:

> The rights of individuals in so important a matter as procuring emergency relief to help restore damage caused by a natural disaster should not be at the mercy of the whims of an administrator. The unilateral termination of the program without notice to the Minnesota farmers offends all traditional notions of fair play. The people have a right to expect better treatment from their government.

I wholeheartedly concur in this judgment. For the benefit of my colleagues, I should like to insert in the RECORD at the conclusion of my remarks a review of the circumstances involved in the cases of secretarially designated counties in Minnesota.

Judge Lord ordered Secretary Butz and other officials of the Department to reinstate the Farmers Home Administration emergency loan program for disaster victims in the 15 Minnesota counties designated by the Agriculture Secretary. He ordered that the FHA accept and file applications, process them as expeditiously as possible and beginning March 30 without delay grant emergency loans to qualified individuals on the same basis as such loans were provided prior to December 27.

While this decision offers hope to people in Minnesota, it is still subject to appeal; and additional court action would be required before individuals in other States could be assisted.

I believe that the Bergland amendment should be approved as a matter of simple justice. Such action would reinforce help provided to Minnesota farmers as a result of Judge Lord's decision and would extend assistance to disaster victims in other States affected by the Department's December 27 order.

The States directly affected are: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Iowa, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Wisconsin, and Wyoming.

The Senate committee's rejection and the administration's opposition to the Bergland amendment are apparently grounded not on the fundamental issue of equity, but on the basis of cost. The Department has estimated that the forgiveness provision of the Bergland amendment would cost $180 million, with the total value of assistance including repayable loans costing approximately $300 million.

I think we should take a close look at these figures. First, the 18 day grace period provided to individuals in Presidentially designated counties did not cost the Treasury anywhere near this amount. In fact, according to the Department of Agriculture, between December 27 and January 16 only 9,000 applications were received from Presidentially designated disaster areas nationwide. The entire value of these loans was only $45 million with the cancellation totaling roughly $31 million.

The total value of all forgiveness plus repayable loans under the FHA emergency loan program in both Presidentially and Secretarially designated counties from passage of the 1972 act last August through March 16, 1973, is $350 million. I find it very difficult to imagine that it would cost nearly as much—$300 million—for the 18 day grace period in just Secretarially designated under the Bergland amendment.

Second, the Department contends that 60,000 applications might be submitted if the 18 day sign up were provided for Secretarially designated counties. Thus far, a total of 84,000 applications for emergency loans from both Presidentially and Secretarially designated counties have been received by the Department of Agriculture since the inception of the Disaster Relief Act of 1972. The Department is thus telling us that more than 40 percent of all eligible individuals un-

der the emergency loan program in 1972 were precluded from submitting their applications by the December 27 cut-off.

In Minnesota this past January, the Farmers Home Administration identified 4,000 to 5,000 potential loan applicants in Secretarially designated counties. On February 15 Judge Lord ordered the FHA to accept applications from these individuals. However, through last Friday, the FHA had received only 2,300 applications for emergency loans. With nearly 6 weeks to apply, rather than 18 days as provided by the Bergland amendment, fewer than half the FHA's potential applicants had signed on for loans. The experience suggests that the Department's figures of $180 million for forgiveness and $300 million for total loan value based upon 60,000 potential applicants may be inflated by a factor of more than double the actual amount.

Estimates aside, I do not know what the true cost would be. But I do know that I asked the Department of Agriculture for a State by State breakdown of their $300 million price tag for the Bergland amendment. I was told that they had no such figures. I asked how many potential applicants by State would be affected by the Bergland amendment. The Department told me they did not know.

Finally, it is argued that the Bergland amendment ought to be deleted because it would lead to a Presidential veto of the bill. I find this argument unconvincing. The President in February designated four California counties for Farmers Home Administration emergency loans at a 1-percent interest rate with the first $5,000 forgiven. It seems inconceivable that he would veto a bill providing equal benefits to farmers who had been promised such assistance long before the California counties were added to the program. How could the President veto a bill because of a provision so firmly grounded in the concept of equal protection for our citizens under law?

I believe for all of these reasons that the House passed bill should also be adopted by the Senate.

I urge the full support of my colleagues in voting against the Senate committee amendments and for approval of H.R. 1975 with the Bergland amendment.

Mr. President, I ask unanimous consent that a statement which I have prepared on the Minnesota emergency loan program and the recent Federal court decision be printed at this point in the RECORD.

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

MINNESOTA EMERGENCY LOAN PROGRAM

I. BACKGROUND

During the fall of 1971 and the spring of 1972 much of western and central Minnesota suffered heavy flood conditions. Farmers in this region had never seen such excessive rain and wetness. Because of the floods, many farmers were unable to plant their 1972 crops. Where planting was possible, in many cases it could be done only very late in the season. Seed often had to be replanted because it had rotted in the wet soil. Because of the terrible weather, harvest of many farmers were very small; and many crops were almost completely destroyed.

As a result of these conditions, on June 26th Secretary Butz declared fourteen counties in Minnesota as emergency loan areas. Another Minnesota county was so designated on September 20, 1972.

Notice was sent to local F.H.A. offices and relayed to disaster-stricken individuals that emergency loan applications could be received and approved until June 30, 1973. Farmers were advised not to file for aid until after their harvest was completed so that all eligible losses would be included in these applications.

A major share of the Minnesota emergency loan applications were not submitted until after the harvest season in late November and December 1972. At that time because of the large influx of applications, county F.H.A. officials set up appointments with people to discuss their applications prior to final acceptance, extending through January, February and March 1973.

Then on December 27, 1972 without warning the Secretary of Agriculture notified the Minnesota State F.H.A. office that applications would no longer be accepted in Secretarially designated counties.

Never before has a Secretary of Agriculture ordered the permanent halt of an emergency loan program in Secretarially designated disaster areas without prior notice.

II. COURT ACTION

In reaching a decision in this case, the Federal District Court in Minnesota examined the Secretary of Agriculture's actions in light of the provisions of the Disaster Relief Act and the legislative history surrounding this law. Judge Lord found, "It is clear from the reading of the statute that Congress has directed the Secretary to accept and consider loan applications from those counties which have been designated as 'emergency loan areas.' The Secretary's refusal to comply with the statutory language and the subsequent termination of the emergency loan program was accomplished in excess of the Secretary's authority and is unlawful."

Departmental regulations governing administration of the emergency loan program provide for notification to the State F.H.A. office of the period within which initial loans may be made to applicants with modification immediately to county offices involved and to the public.

In accordance with these regulations, notice was provided on June 26th and September 20th, 1972 of the designation, specifying that loans be available until June 30, 1973. However, no advance notice whatsoever was provided prior to the December 27 closeout of loan applications in counties designated by the Secretary. In fact, local F.H.A. offices in Minnesota did not learn of this action until December 29th.

In addition, regulations issued on July 24, 1971 by former Agriculture Secretary Clifford Hardin also made the rule making provisions of the Administrative Procedure Act applicable to the administration of F. H. A. loans. This statute requires that when a substantive rule is involved, then administrative agencies shall: give advance notice by publication in the Federal Register of the proposed rule making; after notice is given, the agency shall give individuals an opportunity to participate in the rule making; the agency shall include in the role adopted a statement of its basis and purpose; and after the substantive rule is adopted, it shall be published in the Federal Register not less than 30 days before its effective date.

The U.S. District Court noted, "In adopting the December 27th directive, the Department did not comply with even one of these mandatory requirements, despite the fact that the directive would have a substantial impact on those regulated, and hence is a rule as contemplated in the Statute. The failure to give notice prior to the termination of the loan program is in violation of the Administrative Procedure Act."

Judge Lord ordered Secretary Butz and other officials of the Department to reinstate the Farmers Home Administration Loan program for disaster victims in the fifteen Minnesota counties designated by the Agriculture Secretary. He ordered that the F.H.A. accept and file applications, process them as expeditiously as possible and beginning March 30th without delay grant emergency loans to qualified individuals on the same basis as such loans were provided prior to December 27th.

Mr. BELLMON. Mr. President, to see if I understand correctly the parliamentary situation, is it accurate that a "yea" vote will support the committee action?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the committee amendments en bloc. 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 Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that the Senator from North Carolina (Mr. ERVIN) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from Iowa (Mr. HUGHES), the Senator from South Dakota (Mr. ABOUREZK), and the Senator from California (Mr. TUNNEY) would each vote "nay."

I further announce that, if present and voting, the Senator from Arkansas (Mr. FULBRIGHT) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The result was announced—yeas 39, nays, 50, as follows:

[No. 68 Leg.]

YEAS—39

Aiken	Eastland	Pearson
Allen	Fannin	Percy
Bartlett	Fong	Proxmire
Bellmon	Griffin	Roth
Bennett	Gurney	Saxbe
Brock	Hatfield	Scott, Va.
Buckley	Helms	Stafford
Byrd, Harry F., Jr.	Hruska	Stevens
Cannon	Javits	Talmadge
Cotton	Johnston	Thurmond
Curtis	Long	Tower
Dole	McClellan	Young
Domenici	McClure	
	Packwood	

NAYS—50

Baker	Hartke	Montoya
Bayh	Haskell	Moss
Beall	Hathaway	Muskie
Bentsen	Hollings	Nelson
Bible	Huddleston	Nunn
Biden	Humphrey	Pastore
Burdick	Inouye	Pell
Byrd, Robert C.	Jackson	Randolph
Case	Kennedy	Ribicoff
Chiles	Magnuson	Schweiker
Church	Mansfield	Scott, Pa.
Clark	Mathias	Sparkman
Cook	McGee	Stevenson
Cranston	McGovern	Symington
Eagleton	McIntyre	Weicker
Gravel	Metcalf	Williams
Hart	Mondale	

NOT VOTING—11

Abourezk	Fulbright	Stennis
Brooke	Goldwater	Taft
Dominick	Hansen	Tunney
Ervin	Hughes	

So the committee amendments were rejected en bloc.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendments were rejected.

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

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hakney, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 2107) to require the Secretary of Agriculture to carry out a rural environmental assistance program; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POAGE, Mr. FOLEY, Mr. SISK, Mr. JONES of Tennessee, Mr. TEAGUE of California, Mr. WAMPLER, and Mr. GOODLING were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 3577) to provide an extension of the interest equalization tax, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS of Arkansas, Mr. ULLMAN, Mr. BURKE of Massachusetts, Mrs. GRIFFITHS, Mr. SCHNEEBELI, Mr. COLLIER, and Mr. BROYHILL of Virginia were appointed managers on the part of the House at the conference.

AMENDMENT OF EMERGENCY LOAN PROGRAM UNDER CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

The Senate continued with the consideration of the bill (H.R. 1975) to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes.

Mr. BELLMON. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. SCHWEIKER. Mr. President, this legislation would repeal the loan cancellation or grant provisions of the law allowing for forgiveness of up to $5,000 for residents of rural areas hit by disasters. It would also increase the maximum interest rate on emergency loans to 5 percent, from the present 1 percent under the Disaster Relief Act.

I strongly oppose this legislation.

In June 1972, this Nation suffered the worst natural disaster in the history of the country. Hurricane Agnes caused over $3 billion in property damage, flooded 5,000 square miles of land area, and caused 118 deaths; $2.6 billion of the damage was suffered by private individuals and about $400 million was caused to publicly owned facilities.

In addition, there was severe flooding in other parts of the country, including the particularly disastrous flood in South Dakota only shortly before the Agnes storm.

Of the States involved in the Agnes disaster, Pennsylvania was hardest hit. About 70 percent of the total damage occurred in Pennsylvania. Of that, 70 percent occurred in the area of Wilkes-Barre. Many other communities including the capital city, Harrisburg, were very hard hit.

The Office of Emergency Preparedness has said that hundreds of cities, towns, and rural communities along 4,500 miles of major rivers and 9,000 miles of streams and tributaries were flooded. Over 500,000 people suffered losses, 116,000 dwellings and mobile homes, and 2,400 farm buildings were damaged or destroyed and 5,800 businesses were destroyed.

Unfortunately, on January 15, 1973, the Department of Agriculture cut off applications for disaster loans. I protested this action by the Department of Agriculture, particularly since the Farmers Home Administration last fall encouraged many rural residents not to submit applications for disaster loans and grants until this spring when they would know more accurately the extent of their losses and their needs for the upcoming growing season. Unfortunately, these protests were to no avail.

In the House-passed version of this bill, provisions were included to permit applicants a period of time, 18 days, to submit their applications to the Farmers Home Administration under existing law. The Senate Agriculture Committee, however, deleted these provisions from the Senate version of H.R. 1975. I, therefore, strongly supported the efforts of Senators MONDALE and HUMPHREY to add these provisions back into the Senate bill. However, these provisions only give 18 days to applicants in areas designated as disaster areas by the Secretary of Agriculture. Pennsylvania was designated by the President, and, therefore, is not eligible for the grace period.

In my view, it is bad enough to cut out the forgiveness features of disaster loans and to increase the interest rates on these loans. It is even less justifiable, however, to repeal the provisions of existing law without giving disaster victims a chance to qualify, particularly in view of the fact that, as I said before, the Farmers Home Administration itself urged potential applicants to delay submitting their requests.

Therefore, while I support efforts to "do equity" by giving applicants in disaster areas designated by the Secretary of Agriculture the same 18-day grace period permitted to applicants in Presidentially designated areas like Pennsylvania, I intend to vote against this bill. I hope it will be defeated so the disaster assistance program can be reinstated.

Mr. AIKEN. Mr. President, the vote just taken is a strong indication that this bill should be defeated. If not, it certainly ought to be vetoed. It is the strongest argument we have had so far for sustaining the President's vetoes of unwise legislation.

Moreover, if the President is right about this bill, he is probably right about many of the others, which he intimates he will veto and I am beginning to change my mind about some of Congress actions, because legislation of this type is simply a raid. It is a political raid, and does not speak well for the Congress.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. HUMPHREY. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. TOWER. Mr. President, the bill has not been read the third time, to my understanding.

The PRESIDING OFFICER. No, it has not.

Mr. TOWER. I call up an amendment which I have at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Add at the end of the bill the following new section:

"SEC. 9. Notwithstanding the provisions of any other law, any loan approved by the Small Business Administration on or after the date of enactment of this Act under sections 7(b)(1), (2), or (4) of the Small Business Act (15 U.S.C. 636(b)(1), (2), or (4)) shall bear interest at the rate determined under section 324 of the Consolidated Farm and Rural Development Act, as amended by section 4 of this Act. No portion of any such loan shall be subject to cancellation under the provisions of any other law."

Mr. TOWER. Mr. President, H.R. 1975 is an important and well warranted measure. In its present form, however, it would create an inequity between disaster loans approved by the Farmers Home Administration and those approved by the Small Business Administration. As presently drafted, the bill would amend the disaster loan authority of the Farmers Home Administration by deleting the loan cancellation provision and by increasing the interest rate from the present rate of 1 percent per annum to a rate not to exceed 5 percent per annum.

The amendment I offer today, Mr. President, would correct this inequity by applying the same provisions to disaster loans approved by the Small Business Administration. My amendment would add to H.R. 1975 a new section providing that any disaster loan approved by SBA on or after the date of enactment would bear interest at the same rate that the bill would make applicable to disaster loans made by the Farmers Home Administration. Further, no portion of any such SBA loan approved on or after the date of enactment would be subject to cancellation.

Mr. President, this amendment would make H.R. 1975 a much stronger and a much more equitable measure, and I urge that the Senate accept it.

What I am saying, Mr. President, is that we are simply trying to make the loan procedures and policies relative to SBA disaster loans consistent with those in this bill.

SBA computer records indicate SBA has approved 185,753 disaster loans from July 1, 1972 through February 28, 1973 for $1.298 billion. This indicates an average size of $6,988 per loan.

So far, SBA has processed the "forgiveness" for 80,574 loans aggregating $234,687,000—or an average of $2,912 "forgiveness" per loan; almost $3,000 per loan.

This amounts to 40 percent of the "average" loan.

SBA is expecting the program to reach $1.6 billion this fiscal year. Based on 40 percent "forgiveness," some $640 million will be written off.

In addition, first year interest costs, alone, will amount to approximately $70.4 million since interest at 1 percent on the remaining $960 million, after forgiveness, will amount to $9.6 million, whereas the interest at 5 percent on $1.6 billion would amount to $80 million.

These statistics include the Rapid City disaster and the massive destruction wrought by Agnes. In smaller disasters, especially where the damage to an individual is less than $5,000, the entire loan will be forgiven. Consequently, when an area is hit primarily by flooded basements, this program becomes merely a grant program with a high probability of the major portion of all outlays being forgiven.

Obviously, this is a disincentive for a person to avail himself of the HUD Flood Insurance Program now available in many areas at a subsidized premium rate.

Not only is there a disincentive as far as flood insurance is concerned, but, without the amendment, it encourages every area, no matter how slight the damage, to press for a disaster declaration from SBA. Furthermore, it will result in a gross inequity between the farmer, or rural dweller, and the city dweller and small businessman.

Therefore, to bring the SBA policy and the SBA authorization into conformity with that in H.R. 1975 applying to the Farmers Home Administration, I urge the adoption of this amendment.

Mr. SCHWEIKER. Mr. President, I rise in opposition to this amendment. This is just a part of a wipe out on Hurricane Agnes that we are doing here on the Senate floor today, and I daresay that some of my colleagues from other States, when they face the same kind of disaster we had in our State, will rue the day we did what we are doing here today. They are taking completely away the grant program for people who well might need it in their States as a result of future disasters. They are raising the interest rates from 1 percent to 5 percent.

The amendment of the distinguished Senator from Texas is telling householders as well as small businesses that they will no longer qualify for grants under any future disaster, that they will have to get 5-percent interest money.

So let us not kid ourselves; today we are wiping out any future relief for disasters in any substantial amount, except the 5-percent loans.

We have experienced in Pennsylvania a sad situation where a 5-percent loan does not help people in the upper age brackets who will not sign their names and their children's names on the line when they do not have many more years left to live, on a long-term indebtedness that they cannot pay back at a 5-percent interest rate. At least the 1-percent provision was something that perhaps they could carry for some reasonable length of time, even though they could not expect to pay it all back.

We are totally gutting today, here on the Senate floor, our disaster relief program. I think we ought to label it for what it is, and all of us should be aware of it.

Sure as the dickens, when the next disaster hits this country, there will be Senators from other States doing what I am doing here today, and wondering why they were asleep when this legislative action was taken on the Senate floor. We are just reversing everything we did as a result of our experiences at the time of Hurricane Agnes.

We are rolling over and starting from scratch, telling the people that they have to go out and get 5 percent money. That is completing the job of wiping out householders and small businesses.

I not only oppose the amendment, Mr. President, but I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BROCK. Mr. President, I wonder whether the Senator from Pennsylvania noticed some of the ads that were run in the Los Angeles newspapers after the earthquake out there, where the contractors ran ads saying in effect, "Come on in. Uncle Sam has opened up his cookie jar. You get $5,000 free to remodel. All you have to do is come in and apply and we will fill out the papers for you. If you have a crack in your chimney, just claim the earthquake did it. If you have a slightly disabled automobile, claim that the earthquake did it, if you have a dent in your hood, just come on in and we will fix it. There is $5,000 for you. Just let Uncle Sam pay the bill."

The fact is, and it has been demonstrated and proved, there was much fraud in these areas. I am sympathetic to what the Senator from Pennsylvania is saying. We have had a sizable disaster in my State. I could not agree more that we have a responsibility to try to provide some relief and opportunity for reconstruction, rebuilding, and to allow people to have a chance to get back on their feet. But I also think that the American people as a whole deserve a little bit of relief, too. This program as written has no criteria and no limitations on it. The fact is, as the Senator from Texas mentioned, that in a great percentage of cases it is not a loan at all. As it is today, it is a flat grant, because the damage often, as a matter of fact, in the majority of cases, is less than $5,000, so that in this instance, the Federal Government pays the whole bill. There is no repayment at all.

So I simply cannot understand, in the face of the documented record that we have on this matter, how Congress can refuse to accept a sense of responsibility to correct the problem.

We have an obligation to the people of this country to afford them the opportunity for rebuilding but we also have an equal obligation to protect the sanctity of the pocketbooks of the American people as a whole and protect their rights in terms of not spending them into oblivion by a government that simply finds it more expedient to promise than to perform.

Mr. SCHWEIKER. I appreciate the remarks of the Senator from Tennessee and I would respond in two ways. First of all, I think the RECORD will show that what has happened in the Wilkes-Barre area, in terms of some of the cases the Senator recited that occurred in California, is somewhat different. We have learned a lot from the mistakes of the first disaster program attempted in California and we have not repeated the overwhelming majority of the mistakes either in South Dakota or in Pennsylvania. I think the Senator will find that the kind of abuses existing there on the scale that he describes have not occurred in Pennsylvania or in South Dakota. I think that this in itself shows that we have zeroed in on some of the administrative procedures.

But secondly, what about abuses in the foreign aid program where money has been wasted, cut off, or misused? I see no one here wanting to eliminate the foreign aid program because we had abuses in it or because it was not administered properly. The foreign aid program seems to be the hardest thing to stop. I do not understand this double standard, that because we have some abuses in a good program but it is a domestic program, that we should cut it off; but that a foreign aid program should continue, regardless, that we should appropriate $5 billion for rehabilitation of Vietnam. I think it is a matter of priorities as to where we put our money. Where is the money coming from that is paying for all these things, if not from the people? Domestic disaster relief should have a higher priority than foreign aid.

Mr. BROCK. If the Senator will permit me to observe, in the 11 years I have served in Congress, I have not supported foreign aid—just for that simple reason. I have tried to exercise a sense of responsibility. But that does not preclude my exercise of a sense of responsibility here as well.

The fact is, in both instances, the American taxpayer has been abused, far too often and in far too many ways. Too many times the President has been criticized, but I have as yet to see Congress establish a legislative budget. I have yet to see Congress establish a mechanism by which it can determine the priorities of this Nation, I have yet to see a sense of fiscal responsibility exercised by Congress. When we consider every single bill, we do so totally out of context—without relating each to the needs of the Nation

as a whole, without relating them to the limited resources of the taxpayer.

Our resources are not created in Washington. They emanate from the people of this country. Those resources are limited by the ability of the American people to pay their taxes. We are placing a pretty heavy load on our citizens today. I believe that we have an obligation to try to structure our programs so as to do the job we seek to do, but to do it within the context of political responsibility and fiscal sanity. That is the effect of the amendment of the Senator from Texas and I support it.

Granted, the whole program needs review, and I would be delighted to support such review. But as of today, if the amendment of the Senator from Texas does not prevail, what the Senator from Pennsylvania has just said will mean that we are not going to have any more disaster relief because we simply cannot afford it. That is where we are at this point. That is the reason this farmers bill is on the floor today. We have reached the point where we are running out of money and we are not going to have any more programs for disaster relief unless we modify the basic law. So, it may be great policy and it may be good politics, it may also be with a true sense of moral purpose that we propose this $5,000 forgiveness and this 1 percent money. But the fact is, the effect of that position will be, that the people simply will not get help. That is what I cannot understand and cannot support.

Mr. STEVENS. Mr. President, my State of Alaska is one-fifth the size of the United States and has suffered at least one-fifth of the national disasters in this country. At the time of the great Alaska earthquake, there was no forgiveness. The $5,000 forgiveness has been built into this system since then. It was built in last year. I warned at that time that people supporting it would destroy the disaster relief system.

At the time of the great earthquake in Alaska, loans were at 3 percent and there was a deadline setting a time for making an application to get a disaster loan. We recovered from that disaster and we were grateful to the Federal Government for its assistance, as well as to those in the Senate who served at that time who assisted my State to a great extent by making available loans at the rate of 3 percent.

My home was severely damaged in the 1964 earthquake and there was no forgiveness on the loan that I obtained at that time. First came an $1,800 forgiveness, and at the time of Hurricane Agnes, it went up to $5,000. Now we are killing the disaster relief system entirely, a system which is vital to my State. The disaster relief system is being killed by making it so large that it drains the Treasury and is losing support.

I would rather go back to no forgiveness and 3 percent interest to be paid within a reasonable period of time than have this 1 to 5 percent and have the $5,000 forgiveness and not know whether we will get any help or not.

Mr. TOWER. Has the Senator repaid his loan?

Mr. STEVENS. I have not repaid my loan yet. I still pay it at the rate of $70 a month, at 3 percent. It is a 15-year loan. There was no forgiveness on it. It was about $15,000, in order to rebuild the portion of my home that came down during the earthquake. I was not a Member of the Senate then, but I am very happy to have it right now, as a matter of fact.

But I still do not understand the concept whereby we have to continue to extend more and more this forgiveness giveaway—in order to remake a program that had a good solid foundation and which brought my State back more rapidly after the greatest natural disaster—there may have been greater ones in the country as a whole—but we had the greatest natural disaster, I think, that hit the North American Continent in terms of earthquakes. It was a good system. Why do we destroy it by giving away more? I am worried about this, because I know we are going to have more earthquakes. We are going to have more floods.

I argued on the floor one time about trying to explain to the people of Anchorage, who suffered the greatest earthquake on the North American Continent, why the people of Fairbanks got $1,800 forgiveness when they suffered a flood. I went to Fairbanks, and they said "We only got $1,800, and the people in Pennsylvania got $5,000."

You are going to hurt my State unless you stop this.

Mr. BROCK. The Senator from Alaska has just made an excellent point in support of the amendment; and to bring it to bear today, in terms of the disaster that faces my State of Tennessee, just to illustrate the point, we have 10 counties that have been designated, but we have 36 waiting designation. They cannot be designated because we do not have the money to give them relief under the $5,000 forgiveness and the 1 percent interest. But if we can go back to the basic program that supported Alaska and allowed Alaska to rebuild, Tennessee can do the same thing, and my farmers can plant their crops.

Mr. STEVENS. I wish someone would explain to me why we got away from the 3-percent loan.

Mr. HUMPHREY. Just call up 1600 Pennsylvania Avenue, 456–1414, and ask for President Nixon.

Mr. STEVENS. I seem to remember that the Senator from Minnesota tried to get a lease on that address once. [Laughter.]

Mr. HUMPHREY. All I am telling the Senator is that the glorious suggestion that all this fuss is about came right out of the high councils of the administration. I did not vote for him.

Mr. STEVENS. I thank the Senator from Minnesota for his contribution.

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

Mr. HUMPHREY. I yield.

Mr. McINTYRE. Mr. President, last year, I was the floor manager of the bill on disaster relief, and we are the ones who are involved in the question of adjustments of $5,000, $3,000, and low interest rates.

We were faced with an epic year in the case of disasters. But the Small Business Committee said on the floor that day, when we had the bill before the Senate, that we were not particularly proud of this type of legislation, that we were moving into an emergency. We had had Hurricane Agnes and the South Dakota disasters on our hands, and we included Minnesota. I do not know whether California was included.

The point I want to make is what the Senator from Minnesota has just said: We should not be arguing about this matter now. In that legislation we mandated the President of the United States to set up a commission to study this disaster problem. It is a difficult problem, a very difficult one, and we should be having legislation flowing in here from the administration, so that we could have full debate and full hearings on the matter.

Mr. HUMPHREY. The law requires that the President have that down here by January 31, 1973. That is what is in the Senator's bill. The President was ordered to send down the recommendations.

Mr. McINTYRE. And we have nothing, as so often happens in this administration. They will form a commission and take a report and then shelve it; but we do not seem to be able to come up with the legislation we need badly, and we need it in this area, as I am sure the Senators from Pennsylvania and the Senators from New York know, because they suffered so badly during Hurricane Agnes.

Mr. BELLMON. Mr. President, I compliment the Senator from Texas for bringing up this amendment. This corrects one of the great injustices in the existing situation which the distinguished Senator from Minnesota pointed out during earlier debate on the committee amendment.

The fact is that we now have a double standard. The bill we are about to approve here, I feel, will make emergency loans available to agriculture at 5 percent, with no forgiveness. At the present time, the administration is making emergency loans under the Small Business Administration to urban dwellers and businesses, with a $5,000 forgiveness and 1 percent interest. To me, there is no equity here. We should be treating rural and urban residents the same. The purpose and effect of the amendment of the Senator from Texas will be to accomplish that objective. I strongly support the amendment.

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

Mr. BELLMON. I yield.

Mr. BUCKLEY. I should like to ask a question of the Senator from Texas, to make sure that I understand what his amendment proposes.

It would affect only future loans from the SBA. Is that correct?

Mr. TOWER. That is correct.

Mr. BUCKLEY. I wanted to clarify that, because it would be an act of unfairness to change the ground rules with respect to those who already have accepted loans.

Mr. TOWER. It would operate only on future loans.

Mr. BUCKLEY. I think the amendment has the virtue of symmetry. It would assure comparable treatment for the victims of natural disasters, although when we do approach disaster legislation on a more comprehensive basis, I believe we may well need to distinguish between damage to homes and damage to income-producing properties.

I do feel that this debate has underscored the urgent need for Congress to come up with more comprehensive legislation to handle natural disasters. We now have extensive practical experience on which to build a truly effective, equitable approach to this hand of relief. I hope that Congress will not feel bound to wait for the administration to recommend such legislation before it moves on its own initiative to hold the appropriate hearings, and so on, so that we can come up, at a reasonably early date, with the kind of legislation that will anticipate all kinds of disasters and will provide a mechanism for disaster insurance.

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

Mr. BUCKLEY. I yield.

Mr. TOWER. I concur with the Senator that we have a patchwork of disaster relief legislation that, like Topsy, grew. I think it is high time we passed some sort of legislation, preferably under a single agency. I certainly support the concept offered by the Senator from New York.

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

Mr. BUCKLEY. I yield.

Mr. BROCK. I should like to add my concurrence with respect to the suggestion of the Senator from New York. The current situation is absolutely tragic, with the hodgepodge of programs, the inordinate lack of coordination, the inordinate lack of a coherent Federal policy established by Congress. The whole matter needs to be brought to focus after full investigation, with a better method designed to achieve the relief we seek.

But I support this amendment for two or three basic reasons. First, in the sense of equity, as the Senator from Oklahoma has pointed out, I cannot justify treating urban areas with a different kind of program than rural people have.

But, more directly than that, I hope no Senator finds himself in the position the Senator from Tennessee has been in during the last few months, because I have had two disasters in my State—last fall and again this spring. If any other Senator is in this position, he will find very quickly that unless this amendment is adopted, he will face a situation of almost desperation, as he seeks to afford some relief, some opportunity for rebuilding, to the people of his State.

That is the situation the Senator from Tennessee has been in during the past several weeks. It is an intolerable circumstance, and it is something that I cannot allow to continue. We must conform these laws; we must place them, as the Senator from New York has said, in symmetry. But, more than that, we must do it in the coherence of the whole of our national budget, the needs of the taxpayers, and the needs of the communities of America.

We simply cannot continue a program which is so ill-designed that it effectively keeps the Pesident and the Secretary from designating an area that desperately needs help because it would cost too much money. That flies in the face of the purpose of the program.

We must resolve this question and amend this law so that relief can be afforded to the people who deserve help and would repay it. They are productive individuals, and they deserve the support of Congress, rather than political games playing that would say, "We're going to pass a law that will allocate all kinds of promised money for you, but you're not going to get it because there isn't enough in the till." That approach is neither responsible nor fair.

That is why we need a revision of the law, and I support the amendment of the Senator from Texas.

Mr. CURTIS. Mr. President, I rise in support of the amendment of the Senator from Texas. This bill was considered by the Committee on Agriculture and Forestry. I believe the sentiment there was such that had we had jurisdiction we would have adopted the amendment in committee.

In my opinion, Congress made a mistake last year in writing a disaster relief bill that was unsound. There are certain limits to what the Government can do to relieve people in time of disaster. Our emotions sometimes say to us that we ought to give them something, and at times that runs into a lot of trouble. It was compounded last year by the fact that we not only gave grants and loans to people but we did not require that they had to show that they could not get the money anyplace else. Then we further compounded the situation by providing for a forgiveness of the first $5,000 which, of course, is the grant. In other words, one of the wealthiest persons in the country could lose property, get a long-term loan, with the interest subsidized by the taxpayers, and then have $5,000 of that money forgiven.

The bill reported by the committee is going to change that. The interest is going to be more realistic. They are going to be able to get long-term loans so that someone can be billed, if they have a national disaster, but also these loans will not be given to someone who cannot show whether he could get a loan anyplace else. After a short period of clearing up some pending applications the forgiveness will be done away with.

Frankly, I go farther. I supported the committee position. It did not prevail. This is going to be considerable reformation in a law that should be reformed now.

The question before us is, Should the Committee on Agriculture and Forestry respond and reform the law as it applies to rural areas and not have it applied to the other side of the city limits? It is my understanding that that is what will be accomplished by the Tower amendment. I support the Tower amendment and I hope it is agreed to unanimously.

Mr. DOMENICI. Mr. President, I rise in support of the amendment of the Senator from Texas and also in support of the argument made by the Senator from Alaska regarding his catastrophe.

I am privileged to serve on the Subcommittee on Financial Disasters of the Committee on Public Works. Last week we went to Biloxi to talk with those who could tell us about Camille and that great disaster and how the law worked there. We did not have a $5,000 forgiveness provision for the victims of Camille. There was enthusiasm and genuine agreement among the people that our laws had worked well. As a matter of fact, one of the SBA people testifying before the committee said, "We did not have the $5,000 forgiveness; we had $1,800." I said, "How much did the $1,800 cost at the time of Camille?" He said, "$18,000." He said, "Our estimate is we would have spent 10 times as much."

We proceeded to inquire into the costs. He indicated that, indeed, possibly many people who did not need the money applied and that the $1,800 forgiveness had no relevancy in terms of ratio and that everyone would apply, regardless of need.

Mr. President, it is only proper that we make the entire law fair and that the farmers and the city dwellers have the full benefit of the law, that we not have a different law for those who live on farms and those who live in the city. If we are going to have the $5,000 forgiveness, then it should apply in all situations and not in just some situations.

As I toured parts of Mississippi and saw the damage it occured to me that many who need the $5,000 forgiveness would not be taken care of; the owner of the premises would get it and the occupant probably would not get the benefit of the $5,000 forgiveness.

My State of New Mexico had a catastrophe. The facts given to me indicate that many people would qualify for the $5,000 forgiveness. Our people say they do not think that is fair because among those would be very few poor who need it and many people who do not need it might say, "Let us take advantage of the Federal Government's gift."

Mr. President, let us take a look at the entire law. A national insurance policy should be considered. Let us decide if we are going to bring a package to the Senate. One of the most important ingredients that we must consider is a national policy on disaster insurance. Are we going to insist that companies write it and are we going to subsidize it?

Those considerations are almost more important than the $5,000 forgiveness. The $750 million we spent under the $5,000 forgiveness may very well have subsidized a national disaster insurance policy for many years and provided relief to the citizens on a direct ratio of insurance companies' handling of the claims, on a basis which is fair to all, rather than the haphazard approach, with the Government trying to do all things for everybody.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

Mr. HUMPHREY. Mr. President, I wish to ask the Senator from Texas a question on his amendment. The Senator from Texas said he wanted his amendment to comply with the provisions of

the bill as now before us that relate to agriculture. Is that correct?

Mr. TOWER. The Senator is correct.

Mr. HUMPHREY. Is it not a fact that the amendment of the Senator from Texas would cut off all funds, all loans at 1 percent and the $5,000 forgiveness at once, on passage of the act?

Mr. TOWER. The Senator is correct. The Senator has underscored an inequity that would exist if my amendment is adopted.

I am willing to accept a modification of my amendment to make it totally consistent.

Mr. HUMPHREY. Consistent with the language from the House?

Mr. TOWER. Yes.

Mr. HUMPHREY. And that could be done by eliminating in the House language that reference to section 5.

Mr. TOWER. That is correct.

Mr. HUMPHREY. If the Senator would do that we would have a change across the board for the SBA provisions of the law as well as the FHA provisions.

Mr. TOWER. The Senator is correct.

Mr. HUMPHREY. I hope the Senator might make that kind of modification. It would seem to me the amendment would fit in the bill quite well.

Mr. TOWER. The Senator's point is well taken.

Mr. President, I so modify my amendment.

I ask unanimous consent, the yeas and nays having been ordered, that I may modify the amendment.

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

Will the Senator from Texas send the modification to the desk.

Mr. TOWER. 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. 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.

The clerk will state the amendment, as modified, of the Senator from Texas.

The legislative clerk read as follows:

Add at the end of the bill the following new section:

SEC. 9. Notwithstanding the provisions of any other law, any loan approved by the Small Business Administration on or after the date of enactment of this Act under sections 7(b)(1), (2), or (4) of the Small Business Act (15 U.S.C. 636(b)(1), (2), or (4)) shall bear interest at the rate determined under section 324 of the Consolidated Farm and Rural Development Act, as amended by section 4 of this Act. No portion of any such loan shall be subject to cancellation under the provisions of any other law.

Strike on page 3, line 12, "section 5 of".

Insert on page 3, line 11, after "Agriculture" "and/or the Administrator of the Small Business Administration".

Insert on page 3, line 15, after "Agriculture" "and/or the Administrator of the Small Business Administration".

Mr. TOWER. Mr. President, we seem to have reached an agreement that, I think, makes the amendment more acceptable to the Senator from Minnesota (Mr. HUMPHREY). Under those circumstances, I should think that we could go ahead and act on the amendment by voice vote. I, therefore, ask unanimous consent that the order for the yeas and nays be vacated.

Mr. SCHWEIKER. Mr. President, reserving the right to object, I ask the Senator from Texas if it is his understanding that the amendment would give to presidentially designated areas of Pennsylvania that suffered floor damage the same 18-day period on the SBA features of the program.

Mr. TOWER. The Senator is correct.

Mr. SCHWEIKER. Mr. President, in view of the fact that I only got my left toe cut off, instead of my left leg, I will be glad to vacate the request for the yeas and nays. I do intend to vote against the request for the yeas and against the bill. However, I appreciate the 18-day reprieve here, which is a help.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment as modified of the Senator from Texas (Mr. TOWER).

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENSON. Mr. President, I send an amendment to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 3, immediately following Section 7, insert the following:

"Section 8, the Disaster Relief Act of 1970 is amended by inserting in § 101(a)(1) between the words "high waters," and "wind-driven waves," the following: "erosion," and inserting in section 102(1) between the words "high waters," and "wind-driven waves," the following: "erosion,".

Mr. STEVENSON. Mr. President, my amendment would eliminate one of the inequities and inconsistencies in the bill concerning our disaster relief programs.

In the past few weeks we have again witnessed the destructive force of shoreline erosion. In Indiana, three homes and a section of roadway fell into Lake Michigan—the result of an accelerated erosion that has been occurring there for many years. In North Carolina, five motel units and two beach cottages near the Cape Hatteras Lighthouse were destroyed by heavy seas which brought severe erosion and flooding to the shore. These are only two examples of an inexorable process continuing daily, in many States, including my own. We are losing our shorelines and the damage and danger to property is enormous.

This amendment would change section 102 of the Disaster Relief Act of 1970 to include "erosion" in the definition of "major disaster." This would allow the Office of Emergency Preparedness, at the request of the Governor of an affected State, to declare a disaster where severe and unforeseen erosion seriously endangers life or property. Such a declaration would trigger the assistance provisions of the Disaster Relief Act and would therefore make low-interest loans available from the Small Business Administration to those indiivduals who are fighting to save shoreline facilities before they are washed away.

At the present time the Office of Emergency Preparedness has expressed a willingness to consider designating eroding shorelines as disaster areas. This amendment would make clear its authority to do so.

There can be little question that the disaster of severe erosion can be as serious as other natural disasters like flooding and hurricanes. And there can be no doubt about the urgency of the situation along our shorelines.

I, therefore, hope, Mr. President, that the committee might be favorably disposed to accepting this amendment without the necessity of a rollcall vote.

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

Mr. STEVENSON. I yield.

Mr. RANDOLPH. Mr. President, I believe that there is actually an inequity that is apparent from the remarks of the distinguished Senator from Illinois.

It is appropriate and necessary at this time to explain that in this consideration of water resource measures in the Public Works Committee we have attempted to do something about streambank erosion in the river valleys of the country. We made provision for a demonstration project to go forward under the jurisdiction of the Army Corps of Engineers, recognizing the seriousness of the problem which has existed in many areas of the country. The Ohio River Valley is, of course, one with which I am most familiar from a personal standpoint.

Mr. President, I have journeyed into the Ohio Valley region and have accompanied the Chief of the Corps of Engineers and its representatives from the Pittsburgh office to inspect riverbank erosion conditions in the Ohio River Valley.

Mr. President, shoreline erosion is a very serious problem, even without the disaster provisions which would further indicate our awareness of the problem.

We have in recent years built and rebuilt many river locks and dams which make it possible to move the barges and other types of water-borne traffic. We have a bend in the river, the water moves to the other side and valuable property is eroded. Houses are endangered. This is a very considerable problem all over the United States.

I am not certain that this particular provision has a place in the bill. Within our Public Works Committee we have been working on this problem and have been moving very energetically and, I hope, constructively to solve it, through our water resources legislation. Certainly I recognize the problem, and I do not want to oppose the amendment, for it calls further attention to the seriousness of the situation.

I only point out there is a constant

erosion of the shoreline on the Ohio River, on both the West Virginia and Ohio sides.

There have been several experimental programs, and in the Flood Control Act, which has passed the Senate, we have authorized an intensive study by the Corps of Engineers to determine both the causes of riverbank erosion and feasible methods of bringing it under control.

In addition, the Public Works Committee is now conducting hearings on disaster relief and certainly will consider the riverbank erosion problem when it reviews possible changes in the basic disaster relief law which we developed and saw enacted in 1970. Additional hearings on water resources will begin in late April, giving us still another opportunity to address this problem.

I commend my colleague from Illinois for bringing this matter to our attention. Perhaps there is a reason why it should be considered here, accepted by those who are in charge of the bill and taken to conference. This can happen with the understanding that the Committee on Public Works, through its Subcommittees on Water Resources and Disaster Relief, will give intensive consideration to this problem in connection with legislation to be reported this year.

Mr. STEVENSON. I thank the distinguished Senator. He, as much as any Member of this body, has been concerned about the preservation of our natural resources over the years, and has done a great deal to preserve them. He makes a very good point. When we think of shoreline erosion, I think many tend to think of the shorelines along the ocean and the lakefronts.

Mr. RANDOLPH. That is right.

Mr. STEVENSON. My own State, like the Senator's, borders the Ohio River. It also borders the Mississippi River. We have severe erosion along our rivers as well as along our lakes and our ocean shorelines. But for reasons that are not altogether clear in the laws now, flooding is considered to be a natural disaster, but the same results, when they flow from erosion, are not considered a natural disaster. The purpose of the amendment is to eliminate that inconsistency.

Mr. RANDOLPH. Mr. President, if the Senator will yield for one request, I think I would like, if the Senator feels it appropriate to permit me, to join him in this amendment as a cosponsor.

Mr. STEVENSON. I would be very pleased.

Mr. RANDOLPH. I have a feeling, on reflection, that what we have done is in another category, and that what we are doing here is attempting to deal with shoreline erosion, which is certainly not confined to the ocean areas, but to the inland waterways of this country as well.

Mr. STEVENSON. I thank the Senator. Mr. President, I ask unanimous consent that the name of the Senator from West Virginia be added as a cosponsor of the amendment.

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

Mr. JAVITS. Mr. President, will the Senator put me on the amendment as well? We have a great problem of that kind in New York. We have been trying very hard to get it corrected. It affects the Great Lakes shoreline as well as other shorelines. I think this is a very constructive amendment, and I would like very much to join the Senator from Illinois and the Senator from West Virginia.

Mr. STEVENSON. I thank the Senator. Mr. President, I ask unanimous consent that the names of the Senator from New York (Mr. JAVITS) and the Senator from Connecticut (Mr. RIBICOFF) be added as cosponsors of the amendment.

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

Mr. BELLMON. Mr. President, the Senator from Illinois has described a serious problem that exists in many States, including my own. I believe this amendment is meritorious and would strengthen the bill. I am willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. BUCKLEY. Mr. President, I also would like to support this amendment, and ask that my name be added as a cosponsor.

In a sense, this is an amendment that ought not to be necessary if we were applying the rule of constructive and enlightened commonsense in interpreting existing legislation. We have occurring now in the Great Lakes basins what is really a naturally caused disaster in slow motion. We have had, over the period of months, unusually large rainstorms and precipitations throughout those basins, which have caused the level of those lakes to rise to historic heights. The natural drainage systems simply are not adequate to remove that excess water.

I believe the Stevenson amendment explicitly copes with a situation that is inherent in the purpose of existing legislation. It will cope with the kind of natural developments causing extensive damage with which a person could not normally anticipate. I believe that it in no way strikes the purpose of existing legislation to consider what is taking place in the Great Lakes as being the result of a normally induced disaster.

I, therefore, urge my colleagues to support the amendment.

Mr. NELSON. Mr. President, I support Senator STEVENSON's amendment to add erosion to the list of natural occurrences which make an area eligible for disaster relief assistance.

The rising levels of the Great Lakes have caused severe hardship to both municipalities and private property owners who are suffering great loss, because of the high water levels of the Great Lakes. This amendment will be one step toward providing relief to the entire area.

It is important, however, that we also develop a rational long-range policy designed to minimize the effects of changing lake levels which will take into account the potential environmental impact of artificially tampering with the processes of nature. So while meeting the present need of some form of financial assistance to those who have endured significant property loss, we must also meet our responsibility to the future by guaranteeing that any steps taken do not have any detrimental environmental effect.

EROSION DISASTER IN INDIANA

Mr. BAYH. Mr. President, I support the amendment offered by the distinguished Senator from Illinois (Mr. STEVENSON). I cosponsored this amendment when first introduced, and I continue to believe it is necessary. This proposal would amend the Disaster Relief Act to make it clear that shoreline erosion areas suffering from severe and unforeseen erosion where life or property is seriously endangered qualify for disaster assistance, including low interest loans.

The erosion which has been eating away at the Indiana shoreline of Lake Michigan is a disaster. There can be no other name for it. Let us recognize this problem for what it is and enable the residents and communities of northwestern Indiana to receive the much needed assistance which Federal disaster relief can afford.

Only 10 years ago a savage storm lashed the Indiana shore of Lake Michigan. Natural barriers, such as a wide beachline and offshore sandbars, would have retarded the full force of the storm. However, erosion had taken those natural barriers long before the storm occurred. Erosion had also taken many homes, weakened the Lake Front Road, and robbed the Indiana Dunes National Lakeshore of scenic beauty which was hundreds of years in the making.

Stout seawalls, private homes, national parkland, public roads, and natural beauty have fallen into Lake Michigan, because of this disastrous erosion.

This amendment to include erosion in the definitions of disaster in the Disaster Relief Act of 1970 will be of help not only on Lake Michigan, but along the Ohio River and the Wabash and any other place in Indiana where this destroyer takes property and income.

The need for this amendment is apparent and immediate.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

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

The bill (H.R. 1975) was read the third time.

Mr. PELL. Mr. President, I rise today on behalf of a small, but vital, segment of Rhode Island's working populations, our farmers.

There are fewer than 3,500 persons working in agricultural pursuits in my State. They are a hardy breed who toil against the opposing forces of weather and land to earn a living and to provide our citizens with food.

Rhode Island's farmers ask little—and receive little—from the Government. Few of the major farm programs have

much direct impact on our State. But I do not believe that, because their numbers are few, that they should be excluded from assistance in times of hardship.

That is the situation we had in Rhode Island last year, Mr. President. Because of an extremely rainy growing season, many farmers in my State suffered heavy crop losses. This type of situation might have been neglible to a big corporate farmer. But to the small independent farmer of Rhode Island, the situation was disastrous.

The seriousness of the situation was recognized last October by the Secretary of Agriculture when he declared all five counties in Rhode Island a disaster area. This action made Rhode Island farmers who had suffered most heavily eligible for the emergency loan program of the Farmers Home Administration.

Mr. President, USDA officials in my State estimated that 350 farmers were eligible for loans. And many of them applied for loans immediately. Others, however, acting on the information from the USDA representatives that they could apply any time prior to June 30 of this year, held off.

Then, with no prior warning, the Secretary of Agriculture terminated the loan applications as of December 27. This meant that approximately 235 Rhode Island farmers, who had suffered losses and were eligible for loans, were excluded from applying for them.

Now, Mr. President, we have legislation before us that would completely change the rules of the game. I believe these changes are wise, but they should not be allowed to apply retroactively.

The issue here is simply one of fairplay. The Congress had authorized and appropriated funds for these loans. Rhode Island farmers were eligible. The rules of the game were clear.

Then, suddenly and without any congressional action, the hope that had been held out to these farmers was withdrawn, leaving them with their financial losses and without recourse. I believe this is wrong.

For that reason, I support the provision included in the House bill to allow an 18-day grace period during which farmers in my State and in other States, who were eligible for the loans prior to December 27, can apply under the terms of the loans program as it existed before that date.

If the farmers do not apply during the 18-day period, then they will have clearly chosen not to seek help under the program. But in the interests of fair play, I believe this is an option which we in the Congress must give them.

Mr. President, I ask unanimous consent that a newspaper account of the plight of several Rhode Island farmers be inserted in the RECORD at this point. It appeared in the Providence Sunday Journal of January 21, 1973.

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

RHODE ISLAND FARMERS SQUEEZED BY FEDERAL AID CURB

(By Joel H. Sekeres)

The federal government's decision to abruptly discontinue two assistance programs last December has put many Rhode Island farmers in a financial squeeze that could leave them and consumers gasping.

An overly wet growing season last year, which yielded smaller and more sodden crops than usual, was devastating to some Rhode Island dairy, potato and market produce farmers.

Their crop losses meant little or no profit for them, created shortages of some market items and led to generally higher retail costs for consumers.

And when the federal government stopped its disaster loan and soil conservation assistance programs without warning—and before scores of farmers had a chance to apply for the aid—many farmers started talking about selling their land for housing developments.

Louis E. Perreault of Richmond, who has potato farms with a total of 437 acres in Richmond and Charlestown and whose 10 per cent crop losses would not have entitled him to a disaster loan, lambasted the government for stopping the soil conservation program.

"If these fellows down in Washington want to keep on eating, they ought to give some encouragement to the people who work the soil," he said. "Some of the actions they take make you wonder whether they care or not or realize the importance of conserving agricultural soil."

The disaster loan program of the Farmers Home Administration became available here after the state was declared a disaster area on Oct. 26 because of heavy seasonal rains and Tropical Storm Agnes. Farmers who could show losses in 1972 of at least 20 per cent of the averages of their crops in 1970 and 1971 were eligible. They could apply for outright grants of up to $5,000 and loans at one per cent interest for amounts higher than that.

Because the federal government set a deadline of June 30 this year for farmers to apply, many of them did not submit their applications for this aid right away. They were shocked when on Dec. 28 it was announced in Washington that the program was being discontinued.

The Farmers Home Administration office in Greenville, a Department of Agriculture agency that has jurisdiction in the entire state, had accepted 11 applications for an estimated $1,375,000 in aid before the program was discontinued. An official in that office said he had expected to rceive 350 applications by the original June 30, 1973, deadline.

The other discontinued program, the Rural Environmental Assistance Program to which Mr. Perreault referred, offered farmers matching money for engaging in any one of 25 separate conservation projects. They included the planting of cover crops, which prevent erosion of soil during fallow periods.

Joseph M. Bouchard, who owns potato farms with a total of 273 acres in Richmond and South Kingstown, qualified for a government disaster aid loan because he suffered 21 per cent crop losses last year over the average for 1970 and 1971. But there was one catch. He, like so many others, had not filed his aid application by Dec. 28, when the program was suddenly discontinued.

Mr. Bouchard had intended to apply for the $5,000 grant and for a $30,000 loan to help pay some of his costs for seed, fertilizer spraying and equipment repair to help him plant this year's crop. (Under the program, the government did not give farmers cash. The farmers presented their bills, and the government directly paid them off.)

The government action has left Mr. Bouchard bitter. "If we don't get the loan, we will cut down our acreage about 40 per cent, because that's all we can afford to plant this year," he declared. "That will mean a shortage of potatoes another year. People are hollering about paying higher prices. If this continues, they will have to pay a lot more for potatoes and potato products."

He is equally embittered by the decision to discontinue the soil conservation program. "If they (the government) don't keep pushing this soil conservation money in, a lot of farmers will be forced to sell their land. If the government doesn't resume this program, the topsoil on unplanted land will be blown right into the woods and into the ponds and rivers. After your topsoil is gone, your crops have less yield per acre, and this means higher prices to consumers. If we can't farm our land and make a reasonable profit that way, we'll be forced to sell it for housing developments."

Mr. Bouchard said farmers are "disgusted with the way the government handled this. They should have given us a few days to get our applications in, instead of leaving us out in the cold."

One farmer who did get his application in on time is John S. Kesson, a prominent Middletown dairy farmer with a milking herd of 60 cows and 30 other calves. The wet season last year cost Mr. Kesson about one-third of his hay and corn crops, which he uses to feed his livestock.

He said last night that he is purchasing—from a supplier north of Syracuse, N.Y.—75 tons of hay, at $75 to $80-a-ton, to feed his cows. In addition, Mr. Kesson said that the corn he did harvest had so much water content and was of such poor quality that he has had to purchase 14 tons of grain supplements—at $60-a-ton—to give his livestock proper nutrients.

Mr. Kesson applied for the $5,000 grant and a loan of $2,500 at one per cent interest.

Even if the aid is approved, he said, "there absolutely won't be any profits this year." His cows produce about 14,700 gallons of milk each year—all of it purchased by H. P. Hood & Sons. Because of the competition, he said he didn't get any more money for the milk, but still had to absorb financial losses that the rainy season inflicted on him.

Mr. Kesson said he believes the disaster loan program "should be opened up again for a short time so that those who were led to believe it would continue until next June 30 can have a chance to file their applications."

One of the state's largest poultry farmers, Joseph Russo of Hopkinton, said he wasn't affected at all by the wet growing season last year. But, he added, "I was affected by the Russian grain sale, which created a shortage of grain here and forced up the price from $75-a-ton three months ago to about $150-a-ton now."

Mr. Russo, whose farm has 50,000 egg-laying chickens, which produce about 30,000 eggs each day, about 100,000 "growing stock"—chickens raised to be eaten—and 6,000 turkeys, said he purchases 60 tons of grain each week throughout the year.

The rising cost of grain, he said, already is reflected in egg prices, which have climbed five to eight cents a dozen during the last three weeks.

DISASTER RELIEF

Mr. BAYH. Mr. President, it is with a great sense of irony that I approach the vote on final passage of this bill to restore Farmers Home Administration emergency loans. I will vote for final passage to insure that at least individuals are eligible for disaster loans of some kind, rather than left out in the cold as farmers have been since the administration terminated this program on December 27, 1972. However, from my perspective as a Senator who has been involved in the problems of disaster relief for almost a decade, and who authored the Disaster Relief Acts of 1966, 1969, and 1970, it seems pretty clear that this bill does not represent a carefully considered solution to an old problem of disaster assist-

ance as much as it represents an extreme reaction to last year's rather precipitous action to help victims of Hurricane Agnes.

Let me make my point more clearly by sketching the history of the disaster relief debate. As a result of the Disaster Relief Act of 1970 which was developed by the Disaster Relief Committee which I chaired, interest rates were set at 2 percent less than the cost to the Federal Government. Today, interest rates would be set at about 4 percent under that provision. Forgiveness of these loans was permitted on amounts up to $2,500, excluding the first $500. I emphasize the exclusion of the first $500 since that provision, designed to prevent unnecessary expenditures, has since been dropped.

Last summer, after the Hurricane Agnes disaster and the publicity surrounding the tragedy, the administration hurriedly asked Congress to pass a new bill providing a $5,000 forgiveness feature without any exclusion for small loans combined with 1-percent interest rate on the loans. At the time of debate, I was no longer chairman of the Disaster Subcommittee of Public Works, so I was forced to rely on the administration's economic analysis of the impact of its proposal on the budget. Therefore, since I support sufficiently generous benefits to the hapless victims of disasters, I supported the proposal. In my view, the important goal was to provide a permanent program which would help all victims equitably and consistently.

But, suddenly in December 1972, the administration, without warning, suspended the funding for the very program which it had asked Congress to expand 5 months earlier. The administration did not cut the program back to its former status, but eliminated the benefits completely, and then called for new legislation repealing the forgiveness features completely, and bouncing the interest rate from 1 percent up to 5 percent. Rather than providing the country with a consistent disaster program, we have presented three very different payment provisions in less than 9 months.

Congress is now faced with the choice of approving legislation to do what the administration wants done—gut the program—or call for higher expenditures which the President has already said he will impound.

The final irony, Mr. President, is that Congress is faced here with a do-or-die decision presented by an administration which has already twice delayed its report to the Congress on the effectiveness of the 1970 Disaster Relief Act. The Disaster Relief Subcommittee, chaired by Senator BURDICK, has begun comprehensive hearings in an effort to improve the 1970 act, but is still waiting for the administration's report which was supposed to be sent up by January 1 of this year.

As a final observation, if Congress decides, as a result of these hearings, to change the formula for disaster benefits again, we will have had four different proposals in less than a year—a far cry from the permanent program envisioned. And if there are any disasters in the next interim months, those hit will truly be victims—victims of both a natural disaster and a logistical fiasco.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that a statement in the form of a letter with reference to this bill by Representative GILMAN of my State be printed in the RECORD at this point.

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

CONGRESS OF THE UNITED STATES,
Washington, D.C., March 26, 1973.

Senator JACOB K. JAVITS,
Russell Building,
Washington, D.C.

DEAR JACK: In light of the problems experienced by the farmers in Orange County (southeastern New York State) and Wayne County (western New York State bordering on Lake Ontario) with respect to obtaining emergency loan assistance, your help in making legislative history on H.R. 1975, amending the Emergency Loan Program, would be greatly appreciated while this measure is still under active consideration in the Senate.

I have developed a few points and observations which I suggest you may wish to include in the Record at an appropriate time in the course of debate when the bill comes before the Senate for deliberation.

1. It is evident that the affected farmers do qualify under the provisions of the Agnes-Rapid City Act (P.L. 92–385) and will receive emergency loans at 1% interest with $5,000 forgiveness. However, the one-year period of time for repayment of operating loans is clearly unrealistic and the stringent security requirements by the Farmers Home Administration virtually ignore the extent of the devastation wrought by Hurricane Agnes.

2. The irony of the situation is highlighted by the fact that while operating loans have been approved for 1973 crops, there is a void in refinancing the outstanding indebtedness as a result of the 1972 crop losses. Creditors and farmers alike ask how this indebtedness will ever be satisfied.

3. The House Agriculture Committee, in its report (No. 93–15) on H.R. 1975, recognized the need to liberalize credit terms under the Emergency Loan Program and I call your attention to the following statement found on page 4 of the report:

"The Committee observes that in many instances in the past, emergency loans were made under terms which eventually became too burdensome to the borrower. There were many occasions where a farmer was given a one-year loan only to discover that there was no possible way he could recover within a one-year period. The Committee intends that loans shall be made for a longer duration to give the farmer every opportunity to recover from his losses. Consideration shall be given by the Farmers Home Administration to this particular point because it is foolish in the long run to make a loan under terms too confining to allow the farmer to continue his operation."

Certainly, with the restoration of the Emergency Loan Program as provided in H.R. 1975, the Secretary of Agriculture should make operating and refinancing loans "at reasonable rates and terms for loans for similar purposes and periods of time" as stated in Section 321(a) of the Consolidated Farm and Rural Development Act. The Secretary must also be encouraged to observe with more empathy the Committee's intent to liberalize credit terms.

4. Under the provisions of H.R. 1975 as approved by the House and by the Senate Committee on Agriculture and Forestry, it is clear that the applicants who qualified for emergency loans pursuant to the Agnes-Rapid City Act (P.L. 92–385) and the Disaster Relief Act (P.L. 91–606) would continue to be eligible for emergency loans to meet their farm operating needs, regardless of the size of the farm, and should be allowed to apply for long-term refinancing assistance.

In this regard, the Secretary is encouraged to reexamine the Department's administratively-determined emergency loan, real estate indebtedness standard for the purpose of setting a more realistic level. In our State, as you know, there are a number of medium-sized family operators who, because of the extremely high capital requirements of "muckland" farming have indebtedness exceeding the existing non-statutory $300,000 limit.

5. I would also call your attention to a gray area which exists with respect to so-called "agribusiness", a coined word of recent vintage used to identify certain agriculture-related businesses such as commodity processing, packaging and shipping. Small Business Administration regulations have extended assistance to agribusiness enterprises under the regular loan program, but the regular loan agribusiness criteria were belatedly held not to apply to disaster loans.

As you know, Orange County farmers held written commitments on approved SBA emergency loans totaling more than $4.5 million which were cancelled just as the 1973 planting season was getting under way.

In a recent letter addressed to me, the Deputy Administrator of the Small Business Administration summarized this particular problem as follows: "In view of FHA's substantial emergency loan authority, and the parallel development of that authority along with SBA's in the recent disaster enactments . . ., the need for extension of SBA's disaster loan assistance into the agricultural area has not been evident, at least until now. SBA will obviously have to re-examine its agribusiness policy in its disaster assistance programs".

This re-examination and reassessment of administratively-determined definitions, regulations, and guidelines should, in conjunction with the Farmers Home Administration, be concluded at an early date to avoid the specter of bureaucratic red tape which leaves the disaster victim floundering between two agencies, both of which claim the responsibility to be that of the other.

Inasmuch as the liberalization of credit terms is clearly within the intent and authority contemplated by the Congress under the bill, it would appear that further amendment of H.R. 1975 is not necessary in this respect. It is sufficient to say that our exposure to the practices of the Farmers Home Administration and its interpretation of the law authorizing emergency loans adequately supports the statement that disaster relief to the medium-sized family-operated farms has been neither timely, adequate, nor with an appreciation of the extent of the Agnes disaster which fully justify the more liberal credit terms that the House Agriculture Committee envisions.

An identical letter has been addressed to Senator James L. Buckley, and Senator Herman E. Talmadge (Chairman, Senate Committee on Agriculture and Forestry) and the Honorable Frank Horton are being apprised of its contents by copy.

Thank you for your cooperation in this effort which relates directly to the past several weeks of difficult negotiations between the SBA and the FHA concerning the administration of the Emergency Loan Program.

With kindest personal regards,

Sincerely,

BENJAMIN A. GILMAN,
Member of Congress.

Mr. MANSFIELD. Mr. President, for the information of the Senate, I would like to state that when this bill is disposed of, the Senate will turn to the consideration of S. 929, a bill to amend the Par Value Modification Act, this afternoon.

The PRESIDING OFFICER (Mr. HELMS). The bill having been read the third time, the question is, Shall it pass? 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 Wyoming (Mr. MCGEE), the Senator from California (Mr. TUNNEY), the Senator from Nevada (Mr. CANNON), and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. ABOUREZK) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that the Senator from North Carolina (Mr. ERVIN) is absent because of death in the family.

I further announce that, if present and voting, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Iowa (Mr. HUGHES), the Senator from Mississippi (Mr. STENNIS), and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Colorado (Mr. DOMINICK), the Senator from Wyoming (Mr. HANSEN), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The result was announced—yeas 79, nays 10, as follows:

[No. 69 Leg.]

YEAS—79

Allen	Eastland	McIntyre
Baker	Fong	Metcalf
Bartlett	Fulbright	Mondale
Bayh	Gravel	Montoya
Beall	Griffin	Moss
Bellmon	Gurney	Muskie
Bennett	Hart	Nelson
Bentsen	Hartke	Nunn
Bible	Haskell	Pastore
Biden	Hatfield	Pearson
Brock	Hathaway	Pell
Buckley	Hollings	Proxmire
Burdick	Hruska	Randolph
Byrd, Harry F., Jr.	Huddleston	Ribicoff
	Humphrey	Roth
Byrd, Robert C.	Inouye	Scott, Va.
Case	Jackson	Sparkman
Chiles	Javits	Stafford
Church	Johnston	Stevenson
Clark	Kennedy	Symington
Cook	Long	Talmadge
Cotton	Magnuson	Thurmond
Cranston	Mansfield	Tower
Curtis	Mathias	Weicker
Dole	McClellan	Williams
Domenici	McClure	Young
Eagleton	McGovern	

NAYS—10

Aiken	Packwood	Scott, Pa.
Fannin	Percy	Stevens
Goldwater	Saxbe	
Helms	Schweiker	

NOT VOTING—11

Abourezk	Ervin	Stennis
Brooke	Hansen	Taft
Cannon	Hughes	Tunney
Dominick	McGee	

So the bill (H.R. 1975) was passed.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. BELLMON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make the necessary technical corrections in H.R. 1975.

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

RURAL ENVIRONMENTAL ASSISTANCE PROGRAM

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 2107.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 2107) to require the Secretary of Agriculture to carry out a rural environmental assistance program, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. TALMADGE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TALMADGE, Mr. ALLEN, Mr. HUDDLESTON, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

AMENDMENT OF THE PAR VALUE MODIFICATION ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 82, S. 929, that it be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 929) to amend the Par Value Modification Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Charles Waters and Mr. Rod Solomon, members of my staff and the staff of the Senator from Ohio (Mr. TAFT), be granted full privileges of the floor during consideration of S. 929, the Par Value Modification Act.

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

PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is my understanding that there may be rollcall votes on amendments this afternoon.

When the pending business is disposed of, it is the intention to proceed to the consideration of the various crime bills on the Calendar, beginning with S. 800, the so-called Omnibus Crime Control and Safe Streets Act of 1968, to be followed—not necessarily in this order, but very likely so—by S. 13, S. 15, S. 33, and S. 300.

Following the disposition of those measures, it is anticipated that we might consider the bill in which the distinguished assistant minority leader is interested—I am not confident on this—S. 1021. That will be followed, I believe, by S. 1235, reported by the Committee on Foreign Relations, but we will try to observe the 3-day rule, so that would not be before Monday.

On Tuesday, it is anticipated that we will take up S. 352, the so-called Postcard Voter Registration Act.

Mr. SCOTT of Pennsylvania. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SCOTT of Pennsylvania. I would hope that arrangements could be made to vote on the veto message fairly early in the day. I have some requests expressing the hope that we could vote perhaps between 12 and 2, if possible.

Mr. MANSFIELD. Would 2 p.m. be satisfactory?

Mr. SCOTT of Pennsylvania. Yes, 2 p.m. would be satisfactory.

Mr. MANSFIELD. I assure the distinguished Republican leader that I will do my very best to see that the vote occurs at 2 o'clock, but I have to consult with a few Members.

Mr. SCOTT of Pennsylvania. I understand. I thank the distinguished Senator.

AMENDMENT OF THE PAR VALUE MODIFICATION ACT

The Senate continued with the consideration of the bill (S. 929) to amend the Par Value Modification Act.

Mr. SPARKMAN. Mr. President, this bill, S. 929, would effect a 10-percent devaluation of the dollar by amending section 2 of the Par Value Modification Act to authorize and direct the Secretary of the Treasury to take the steps necessary to establish a new par value of the dollar of one dollar to equal 0.828948 Special Drawing Right or, in terms of gold, of one dollar to equal 0.23684 of a fine troy ounce of gold.

The enactment of this bill is required because the pressures on the dollar in the world money markets made it necessary for the President to declare a second devaluation of the dollar. This bill would give congressional sanction to this devaluation.

Congressional consent to this 10-percent reduction in the par value of the dollar is important for the effective implementation of the needed realinement of international currency values. This is the case even though financial transactions are presently being carried on on the basis of the new exchange rate pat-

tern. The United States agreed to make this realinement only after obtaining agreements from other nations regarding the exchange rate of their own currencies; for example the floating of the Japanese yen upward to a rate consistent with the Japanese balance of payment equilibrium, a continued float by the United Kingdom and Canada, and the initiation of a float by Italy.

The administration informed the committee that this decision to devalue the dollar will be the first of three important steps which the administration will take which will have as their purpose the achievement of balance in our trade and payments position. The other two steps described by the administration involve the phasing out of U.S. capital controls by the end of 1974 and the submission to Congress of comprehensive trade legislation to enable the United States to negotiate a reduction in trade barriers. This trade legislation has not been sent to the Congress but is expected shortly.

Some realinement of exchange rates are undoubtedly necessary to reflect the enhanced competitive position of our major trading partners. Devaluation of the dollar is no panacea but the committee believes it will be of some help in reducing our chronic balance-of-payments deficits and in achieving a trade surplus.

The committee believes that the President and the Congress should pursue responsible economic policies for strengthening the long-term competitive position of the United States in the world economy so as to preclude the need for further devaluation. This second devaluation of the dollar in 14 months should be regarded not as a victory but as a signal that more fundamental changes in our domestic and international economic policies are in order. This latest devaluation will only buy us more time. We must use that time wisely by focusing on the improvements needed to strengthen our ability to compete in world markets.

It is understood that an appropriation for a maximum of $2.3 billion will be needed to fulfill U.S. maintenance-of-value obligations in international financial institutions resulting from the change in par value authorized by this bill. Since legislative jurisdiction over the international financial institutions affected fall within the purview of the Senate Committee on Foreign Relations this bill was referred to that committee for consideration. The bill was favorably reported to the Senate by the Foreign Relations Committee on March 21, 1973.

Mr. President, I urge passage of this bill by the Senate.

Mr. President, in connection with the Committee on Banking, Housing and Urban Affairs' consideration of this bill, we heard testimony from Senator PETER DOMINICK on his bill, S. 395, which would permit private American citizens to own gold. We did not include the provisions of S. 395 in this bill. I told Senator DOMINICK in our hearings that I was sympathetic with his proposal and that I felt that additional hearings should be held on this matter. Senator STUART SYMINGTON raised the question of private ownership of gold in the consideration of this bill by the Foreign Relations Committee. I would like to announce at this time that 2 days of hearings will be held on this question on May 1, and 2, 1973, by the Subcommittee on Production and Stabilization of the Committee on Banking, Housing and Urban Affairs.

Mr. President, the Senator from Colorado (Mr. DOMINICK) told me that in view of these hearings he would not offer his amendment to the bill.

Mr. President, I ask unanimous consent that the following staff members be admitted to the Chamber during consideration of the bill: Dudley O'Neal, Mike Burns, Ken McLean, T. J. Oden, Tony Cliff, and Steve Paradise.

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

Mr. TOWER. Mr. President, the events which have brought us to consideration of this measure today are by now well known to most Americans. The United States has undergone a change in its economic position with respect to the rest of the world over the past two decades, which has been partly due to the desirable factor of tremendous improvement in the economic base of other countries and partly due to the undesirable factor of the maintenance of outdated trade and monetary policies by other nations. We welcome and have encouraged the economic growth of other countries, and will continue to do so in the future. But we must also ask that the "surplus" psychology that has characterized many other nations in their trade and monetary policies be altered to reflect new economic realities on the international scene. I believe that we are seeing considerable progress in this area, perhaps due more to the exigencies of dollar sales in money markets than to conscious planning, but at least we are seeing the initiation of steps to cure persistent imbalances in the world's payments system.

The present devaluation bill is in fact only an official recognition of a parity change between currencies that developed as a result of structural problems in the international trade and monetary system. The principal structural problems that caused this devaluation have been trade barriers abroad and the maintenance of artificially low currency values in some other countries under the fixed rate system. With this second devaluation, we have achieved a realinement among currencies that brings them into what we might term "proper" relation to each other, for the time being. But we will need to correct the trade imbalance problem over the next few years in order to make any fixed-rate set of parities remain relatively stable, including the present one.

The economic health of all countries depends on proper resolution of the chronic-surplus/chronic-deficit situation. For the most part now, this is a question of removing trade barriers that were developed to suit the international economic situation in the post-war period, and which are no longer justified on the basis of today's situation. These are both direct barriers such as quotas and tariffs, and many types of indirect barriers such as import licensing, "quality" standards, exchange controls, and the like. The White House has undertaken a tremendous effort to work out the removal of these unjustified barriers, and I support this effort totally.

One other factor that contributed to our trade slippage in the last decade was the problem of rapid inflation in the United States. We have taken strong steps to knock out cost-push inflation in this country and have largely succeeded. We are facing, it is true, commodity shortages of various types which are driving up our wholesale prices, but other areas of the world face these same shortages and we are probably not, on balance, losing ground internationally in our price structure due to these types of price increases.

In summary, then, Mr. President, the devaluation bill before us is simply a recognition of monetary changes that have occurred naturally in the exchange markets, based on certain trade problems that have not been resolved yet. The Senate should pass this bill today to fulfill our international commitments, and should help the administration work in the future toward restructuring the trade rules of the international community to bring about general equilibrium in trade and payments accounts, so that further monetary disruptions do not become necessary.

Mr. President, I am well aware that a number of amendments will be offered to the measure. I would hope that we can adopt this measure of the Senate as a clean bill without any amendments because it is addressed to our international monetary situation. It is a simple bill to reevaluate the dollar by raising the price of gold 10 percent. I hope we can keep this bill clean. This is a necessary ratification of a presidential act that was undertaken to meet an international monetary crisis.

I know that some of the amendments that are going to be proposed to this measure will be very meritorious. Some of them I agree with in substance and I laud the merits of them, but I feel constrained in this particular instance to oppose such amendments. There are several reasons. First, I think this should be a clean bill, dealing with the matter it deals with; second, I believe these other matters should be considered as an independent legislation; and third, I fear delay if we adopt some of the amendments proposed to this measure because it would result in the fact that conceivably a point of order might lie against the measure in the House. For example, a provision to provide a spending ceiling almost certainly would incur the raising of a point of order in the House which would mean we would not be able to sustain that kind of an amendment in conference. I hope we can act with great dispatch and I hope Senators who have

amendments will agree to a time controlled situation.

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized.

Mr. PROXMIRE. Mr. President, I intend to call up an amendment, but before I do I would like to briefly discuss the bill and then I shall yield briefly to the Senator from Virginia who also would like to discuss the bill. Then I shall call up my amendment.

I think we should first note that devaluation of the dollar, the second devaluation of the dollar, was not the victory that some are making it sound like, or an economic master stroke; it was a serious mistake, a blunder. When I say "mistake," it was an attempt to rectify a series of economic policy mistakes by the administration. It reflects the failure of the administration in our domestic and international monetary policy. Instead of applauding the administration, we should recognize what a burden this imposes. As I am going to point out, furthermore, it reflects a very serious mistake in judgment on the part of the administration.

On January 31, 1973, the economic report of the President was made available to the press and to the public. I wish to read one sentence from that report. Subsequent events in 7 or 8 days repudiate the judgment of the President's economic report as few economic policy expressions have been repudiated in recent history.

> One of the most striking changes has been in the attitude of the international economic community toward the American inflation; before August 1971 it was the major concern of foreign observers and investors. By the end of 1972, the American anti-inflation policy had become the marvel of the rest of the world. Largely because of this change the rest of the world is willing to hold increasing amounts of dollars.

Nine days after this statement was issued, foreign investors had dumped more than $7 billion in the German and Japanese foreign exchange markets. So I say it is rare that a statement such as this should be so swiftly contradicted. In fact, not since the "prosperity is just around the corner" statement of Herbert Hoover have we had such a dramatic and conspicuous repudiation.

There are many reasons for this. One was the incredible timing of moving to phase III, a move made at a time of increasing inflationary pressures, when wholesale prices were going through the roof and when we had increasing inflationary pressures in our economy. That was a blunder that will be admitted by every competent investor and investor's adviser in the United States.

In the second place, we had the President proposing to establish an increase in Federal spending, an increase of over $19 billion, a 7.5-percent increase, one of the biggest increases we have had in many years, certainly by far the biggest increase this country had after a war. In fact, after wars we usually reduce spending, especially military spending.

In the third place, this was the result of a failure to control, or at least to get information on, the speculative activity of American multinational corporations. I am going to be able to document in some detail, on the basis of a superb study by the Tariff Commission, the kind of immense power multinational corporations have and how they really dominate the foreign market in U.S. dollars and foreign currencies, and I am going to suggest amendments, both in terms of holding down excessive domestic spending, in the first place, and indicating, in the second place, what multinational corporations have been able to achieve in upsetting the dollar.

In addition to all the foregoing policy errors, the administration contributed the latest attack on the dollar by placing too much reliance upon the last devaluation as a permanent solution for our rising trade deficit. Instead of examining the more fundamental causes for the decline of our trade surplus, the administration has placed excessive reliance upon depreciating our currency. And yet, despite the optimistic predictions made at the time of the Smithsonian agreement, our trade surplus has not improved. In fact, it has worsened.

For example, during the third quarter of 1971 our merchandise trade deficit was approximately $500 million. In the fourth quarter of 1971 it jumped to $1.5 billion. In 1972 the deficit remained nearly constant in each quarter and reached $6.8 billion for the year.

In other words, we devalued the dollar in 1971 and what happened? Our trade deficit did not diminish and disappear. It got worse. It did not help. It hurt.

It is true that there is lots more involved here. For us to fail to recognize that this is not a solution and not act in more fundamental ways of holding down spending and controlling domestic financial policies in more effective ways would be a mistake.

I think we have to recognize that there are victims of this inflation policy. The number one victim is the U.S. consumer. He is hurt because he spends billions of dollars on things he buys that come from abroad, and the cost of virtually everything he pays for is going to go up.

Arthur Burns, Chairman of the Federal Reserve Board, has said that the consumers will have to pay at least $3 billion. He has repeated this as a conservative estimate of the burden placed on the American consumer. This is like a $3 billion sales tax.

In addition to the added cost of imports, the consumer will be hit because competition will be reduced. Competition of foreign imports is very important in the steel industry. It is very important in the automobile industry. It is very important in many other industries. Absent that competition, there will be a strong tendency for the price of domestic products to increase.

Also, to the extent that U.S. imports are diminished by devaluation, there will be fewer goods available for domestic consumption.

The New York Times had a newsstory today entitled "Signs of Shortages Discerned in U.S. Economy. Bottlenecks Hit Material and Personnel." This is the clearest kind of indication of inflationary pressures as a result of fewer goods from abroad competing.

I ask unanimous consent that this New York Times article be printed in the RECORD at this point.

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

[From the New York Times, Mar. 28, 1973]

SIGNS OF SHORTAGES DISCERNED IN U.S. ECONOMY—BOTTLENECKS HIT MATERIAL AND PERSONNEL

(By Leonard Sloane)

The signs of shortages of material and personnel are everywhere in the economy and the voices of those affected are becoming louder.

"To say that there is a shortage of lumber is the understatement of the year. Inventories of softwood lumber are 16 per cent below a year ago and at their lowest levels since World War II."—Dr. John Muench, forest economist of the National Forest Products Association.

"Prices of worsteds are unbelievable. If apparel manufacturers buy worsteds now, they're lucky to get delivery in the third quarter."—Paul Honig, president of the Anglo Fabrics Company.

"The delivery time on large-size capacitors has gone from six weeks to six months and we're scrounging. Wherever you can find them, you pay whatever price is asked."—Max Kupferberg, treasurer of Kepco, Inc.

"There's a problem in filling any skilled machinist job. We expect it to hit a high point at the end of this year."—Edward F. Lannigan, vice president for industrial relations of Reliance Electric Company.

The bottlenecks go beyond those that typically arise when the economy moves to a higher level of output. For today's barriers to full-throttle economic activity in the United States are part of a worldwide shortage of fuels, foodstuffs and other commodities that significantly exceeds the usual problems in an expansionary period.

Among the leading materials in short supply are gasoline, nonferrous metals, textiles, lumber and plastics. And despite the high overall national unemployment rate, vital categories of jobs in the executive, clerical and factory classifications have become more difficult to fill as productive rates increase and plant capacity levels are raised. Finally, there is the prospect of more upward pressure on prices.

"Either you've got to find ways of increasing supplies on some reasonable and economic basis or people begin to bid for the available supply," said Alan K. MacAdams, professor of management economics at Cornell University. "This is the real meaning of inflation."

STATISTICS TELL STORY

Some of the latest statistics that tell the story of the shortages and the efforts to alleviate their impact include:

The Association of American Railroads believes that the carriers are 100,000 cars short of the number needed to transport the nation's goods. There now are some 1.4-million freight cars in use, about 300,000 fewer than 15 years ago, although the average tonnage capacity per car has increased by approximately one-quarter.

American industry operated at 83.5 per cent of capacity last month, up ½ point from a month earlier and 5 points above February, 1972. According to Douglas Greenwald, chief economist of McGraw-Hill, when the utilization rate reaches 85 per cent, there is likely to be an increase in capital spending plans.

The average work week in manufacturing seasonally adjusted, rose to 41 hours in February—almost one hour more than in January. Average weekly overtime increased to 3.9 hours—the highest level since October, 1966.

New orders for machine tools which have been rising steadily for about two years, outpaced shipments last month by a 2-to-1 ratio. Even sales of used machine tools have been high. February sales of second-hand machine tools were the highest for the month since 1958.

HAND-TO-MOUTH BUYING

As the most recent business survey of the National Association pointed out, not only are numerous commodities in short supply, but also "many suppliers are requiring greater lead time and the shortage situation is making hand-to-mouth buying risky in more instances.

For example, United States stocks of gasoline fell to 215-million barrels in the week ended March 16, compared with 240-million barrels a year ago. Inventories of residual oil, used in commercial and industrial establishments, were down too—45.7 million barrels, compared with 49.8 million barrels.

Of the nonferrous metals in tight supply, zinc stands out. The St. Joe Minerals Corporation, in noting the continuing decline in domestic smelting capacity, said until price levels become profitable—the present United States price is 20.25 cents a pound—it could not justify expenditures for new facilities.

Textile shortages are selective, with woolen, denim and corduroy fabrics and worsteds most in demand. Robert L. Leeds Jr., chairman of Manhattan Industries, Inc., said: "Until last year, it was possible to buy piece goods in Japan at prices lower than in the United States, but since the devaluation of the dollar, this is no longer the case. Now it is the other way around. Japanese are buying in the American market."

Both the housing and the furniture industries are suffering from severe shortages of lumber, thereby causing long delays in the delivery of finished products. Even though production and imports of softwood and hardwood lumber are up and prices are advancing, the supply has been inadequate to meet booming demand.

The paper industry similarly is facing strong demand for virtually all its products, with supplies expected to get even tighter. Thus, although all paper machines at the International Paper Company's 18 primary mills in the United States are operating at full production, orders are backed up and many customers are on allotments.

Mr. PROXMIRE. Mr. President, also the New York Times contained an article this morning entitled "U.S. Trade Gap Widens." So it is not getting better. The most recent statistics, today, indicate that the balance of trade has gotten worse. Our imports with respect to our exports have given us a worse picture than we had before. I think we must recognize, as I say, that we simply should not be satisfied with this kind of depreciation of our currency as any kind of fundamental answer.

I do think the most important single step the Congress can take and the Government can take is to restrain excessive Federal spending.

Last year the Federal Government increased the supply of money, the availability of credit, by over 8 percent—a $19 billion increase in the supply of money, the largest increase, by far, in the history of our country in any year, and one of the biggest percentage increases.

I ask unanimous consent that the article entitled "U.S. Trade Gap Widens; Tougher Policy Urged," be printed at this point in the RECORD.

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

U.S. TRADE GAP WIDENS; TOUGHER POLICY URGED

EXPORTS IN FEBRUARY SURPASSED $5 BILLION FOR FIRST TIME

WASHINGTON, March 27.—The United States trade deficit worsened in February after a sharp improvement in January, even though exports in February topped the $5-billion mark in a single month for the first time, the Commerce Department reported today.

The export-import deficit in February was $476.2-million. This was larger than the January deficit of $383.8-million but well under the worst months of 1972, such as November's deficit of $663.6-million.

Exports in February were $5,064,600,000. Imports, at $5,540,800,000, were above the $5-billion mark for the fourth consecutive month with all figures seasonally adjusted.

The figures indicated a continued growth in both United States and world trade despite the recurrent international monetary turmoil.

Paul A. Volcker, Under Secretary of the Treasury for Monetary Affairs, said "there has been a little improvement" in the trend of the trade figures in recent months, but he repeated his view that "it is going to take time to get healthy again," he commented at a news conference.

In Tokyo, Henry Kearns, president of the Export-Import Bank, was quoted by The Associated Press as having predicted that the American trade balance would start showing an export surplus as early as July or August of this year and would continue in surplus indefinitely.

Mr. Kearns, conceding he was alone in the degree of his optimism within the United States Government, said he based his forecast on his bank's statistics for such items as foreign orders placed with United States suppliers.

He also said, the A.P. reported, that purchasing agents he spoke to during his recent trip in the Pacific area had unanimously told him that United States goods, following the two devaluations of the dollar, were now priced competitively.

Mr. Volcker, when asked today about the Kearns statement, said, "Those are Mr. Kearns's figures."

* * * * *

WASHINGTON, March 27.—The Commerce Department said today that foreign affiliates of American companies expect to increase their investment in plant and equipment by 7 per cent this year, with petroleum companies accounting for much of the increase.

The capital outlays abroad should total $16.3-billion in 1973, compared with $15.4-billion in 1972, the department reported. It said petroleum companies expect to increase such investment by $5.8-billion, up 11 per cent from last year in response to "rapidly increasing needs."

Manufacturing affiliates plan to increase spending abroad by about 2 per cent to a total of $7.3-billion in 1973, the department said.

Mining and smelting companies cut spending abroad by $1.3-billion in 1972, and no increase is expected this year.

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CONNALLY BACKS WHITE HOUSE

(By Brendan Jones)

John B. Connally, former Secretary of the Treasury, asserted last night that the United States needed a new hardnosed trade policy "to get an even break in the world marketplace."

Mr. Connally, who proved a tough bargainer in the negotiations that brought the major currency realignments of December, 1971, voiced support for a proposed new system of flexible tariffs and import safeguards.

The proposals, which are expected to be included in the Administration's new trade bill, have been made by both the White House and Chairman Wilbur D. Mills of the House Ways and Means Committee.

Presidential Power

In a speech prepared for delivery at a dinner of the Wharton Graduate Business School Club of New York at the Waldorf-Astoria, Mr. Connally said:

"The President needs freedom to swap cuts in United States tariffs for matching concessions from other nations, and he needs freedom when necessary to raise tariffs and impose quotas.

"There are people in some ivory towers around this country whose feelings are hurt because the old days [of liberal trade policy] are over. But a negotiating process which always negotiated the United States down and other countries up should be buried deep and permanently."

The dinner was held to honor Donald M. Kendall, chairman of PepsiCo, Inc., who received the club's Joseph P. Wharton business-statesman award. The award is named for the pioneer Philadelphia financier and steel man who endowed the Wharton School at the University of Pennsylvania.

Mr. Connally foresaw difficult bargaining ahead on economic and commercial issues with other nations. But he said he was optimistic that "good-faith negotiations" would succeed "provided that there remains a clear understanding that the United States now considers its own needs to be of equal importance with the needs of others."

He recalled that as Treasury Secretary, "I was sometimes accused of chauvinism, of being too tough in negotiations," and added:

"But if I reflected impatience in my talks with nations, it was the expression of an irresistible urge to speed the process of altering a monetary system that has crumbled and a trading system that is essentially inequitable."

Multinational Question

The award to Mr. Kendall was a recognition of his long efforts in developing this country's East-West trade, especially with the Soviet Union. In accepting, he noted that efforts were being made to weaken American multinational corporations at a time when the United States needed to strengthen its world market position.

In a reference to the Burke-Hartke bill which would restrict American corporate investments abroad, Mr. Kendall said that the charge that multinational companies were "exporting American jobs" was ill-founded. He cited a recent Department of Commerce study that showed that such overseas investors had created more American jobs than they had displaced.

Mr. Kendall also denied that multinational corporations had participated in the currency speculations that precipitated two devaluations of the dollar. He said it was "absurd" to believe "that even the largest of the multinationals has massive uncommitted reserves to whisk from country to country at the drop of an exchange rate."

Mr. PROXMIRE. Monetary experts think that this has a great inflationary effect and that the inflationary impact is one that is going down the pike.

Finally, we need to improve our competive posture through structural reforms. We must move far more vigorously and efficiently in enforcing our antitrust laws. We are not acting to eliminate many other elements in our economy which are under the control of the Federal Government.

The procurement policy, for example,

has had an inflationary effect, and we need to establish the kind of efficient and vigorous competition that is necessary if we are going to sell as much abroad as we buy from abroad.

I hope, for all these reasons, the Senate is not going to pass this bill and be a rubberstamp for something merely because the administration has asked for it.

We should not come to the conclusion that just because the administration has devalued the dollar we should follow through and do anything they ask about it. This field is specifically the responsibility of Congress, under article I, section 8, paragraph 5 of the Constitution, where Congress is specifically given the power to coin money and regulate the value thereof—I repeat, regulate the value thereof—determine its value. This is a congressional responsibility.

When President Nixon decided to devalue the dollar, there was no consultation with Congress. There was no recognition of the constitutional right of Congress to determine this. He just went ahead and did it. Under the circumstances, having made mistakes, our Government probably had to act. I am not saying it should not have, and I will support the bill on final passage, but I think we should recognize that we should not just take whatever the President sends down to Congress, and not amend it, and not provide protections which are more far-reaching as fundamental reforms.

When the President previously did the same thing and we adopted it, we were burned. This time we should act to make it effective.

Mr. President, before I call up my amendment, I would like to yield to the Senator from Virginia, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HARRY F. BYRD, JR. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that George Krumshaar and Ken Guenther may be present on the floor to assist me during the consideration of this bill.

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

Mr. HARRY F. BYRD, JR. Mr. President, I thank the Senator from Wisconsin for yielding to me.

Mr. President, this legislation will solve very little. This legislation does not address itself to the many grave economic problems, financial problems, facing the American people. This legislation merely formalizes what already has occurred.

Namely, there has been a loss in the value of a dollar in the markets of the world. The dollar on its own initiative has become less valuable.

What this legislation does is to formally recognize that fact. It does not get to the heart of the problem in any way, shape, or form.

It is the second devaluation of the dollar in a period of 14 months. Despite the importance of the subject which the Senate is debating today, I find very little interest in Congress in this matter.

Here is what the Under Secretary of the Treasury for Monetary Affairs, Mr. Volcker, said about this bill in testimony before the Senate Finance Committee on March 7, 1973, when I put this question to him:

Mr. BYRD. Now, you said in your dialogue with Senator Hansen, Mr. Volcker, that you found it necessary to take radical action. Would you indicate the radical action to which you referred?

Mr. VOLCKER. Well, we devalued the dollar twice and had a major exchange rate realignment in the last 14 months, twice. I consider that radical action.

On page 26 of the committee hearings, I put this question to him again:

Mr. BYRD. It is in your judgment radical action to devalue the dollar twice in 14 months.

Mr. VOLCKER. It is indeed. And this is nothing I look forward to repeating at all. It is radical action.

Those are not the words of the senior Senator from Virginia. Those are the words of the Under Secretary of the Treasury for Military Affairs.

So, according to the Treasury Department, the Senate today is considering a bill calling for radical action in regard to the American currency. I do not oppose this legislation. I shall vote for it when the roll is called. However, I want to emphasize, and I want the record to show, that in the judgment of the senior Senator from Virginia it does not in any way, shape, or form get to the heart of the financial, monetary problems facing our Nation. It is a costly bill. It is costly to the consumers of the United States.

The Chairman of the Federal Reserve Board, Dr. Arthur Burns, has testified that, as a conservative estimate, the devaluation of the dollar will cost the American consumer $3 billion. That is one cost.

The other cost is noted in the report of the Committee on Foreign Relations. It is noted also in the report of the Committee on Banking, Housing and Urban Affairs. On page 3 of the report of the Committee on Banking, Housing and Urban Affairs, we find this statement:

It is understood that an appropriation for maximum of $2.3 billion will be needed.

The report of the Committee on Foreign Relations is substantially the same.

Mr. President, this is an expensive bill. It will be costly to taxpayers and the consumers of America. It is a bill that has to be passed because the executive branch of the Government has already taken steps formally to devalue the dollar. I know of no logical way the Congress could not go along with that action. But we must do it with our eyes open.

When devaluation was announced by the administration some weeks ago, it was heralded as a great achievement. There is no great achievement in this action. It is a costly endeavor. It is costly to the consumers, and it is costly to the taxpayers. It is brought about by runaway spending by the Federal Government, which has resulted in a lack of confidence in the American dollar. Until we restore that confidence, we will find ourselves called upon for additional devaluation. That, in turn, will mean a greater cost to the consumers and the taxpayers.

So there are all sorts of ways that this legislation and the action of devaluing the dollar will affect the American people and the American servicemen overseas.

I say again, in concluding my remarks, that the bill solves none of the Nation's problems. Devaluation is not a solution. Devaluing the dollar will cost the consumers, according to the estimation of the Federal Reserve Board, at least $3 billion. It will cost the taxpayers, according to the committee reports, at least $2 billion.

We must get to the heart of the problem. We must put a ceiling on Government spending and get away from the smashing Federal deficits.

These inflation creating deficits are eating into the pay checks of every workingman and the grocery money of every housewife.

Mr. PROXMIRE. Mr. President, before I proceed with my amendment, the Senator from New York (Mr. JAVITS), who is always generous to me, has asked me to yield to him for 5 minutes. If I may do so, I, of course, yield to him for 5 minutes.

Mr. JAVITS. Mr. President, I requested the courtesy of the Senator from Wisconsin yielding because my observations go to the bill.

First, Mr. President, I asked the Treasury Department, in connection with this measure, which was also considered by the Committee on Foreign Relations, of which I am a member, whether the United States has undertaken any international commitment to maintain the existing exchange rate structure. Their answer was "No." I ask unanimous consent that an appropriate excerpt from the letter of Paul Volcker to me, dated March 20, 1973, be printed in the RECORD at this point.

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

THE UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS,
Washington, D.C., March 20, 1973.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: The United States has undertaken no international commitment to maintain the existing exchange rate structure. Conversely, we have taken no commitment, either conditioned or unconditioned, to devalue the dollar further. The President said in a news conference on March 2, 1973 that "there will not be another devaluation." This is the position of the United States and we have no commitments in conflict with this position.

What I have just stated is in no way inconsistent with the discussions we have had in Europe over the past two weeks on cooperative methods of assuring orderly conditions in foreign exchange markets. These discussions were undertaken in the context of our strong conviction that the exchange rate adjustments agreed to in December 1971 and in February 1973 are realistic and broadly reasonable. To the end of contributing to order and stability in markets, we agreed with our major trading partners that in principle official intervention in exchange markets may be useful at appropriate times to facilitate the maintenance of orderly condi-

tions. Each country stated it will be prepared to intervene, at its own initiative in its own market, when necessary and desirable and in a flexible manner.

I hope this answers your questions and that you can give your full support to S. 929.

Sincerely yours,

PAUL A. VOLCKER.

Mr. JAVITS. Mr. President, I do not include the entire letter because the first paragraph relates to an executive session of the Committee on Foreign Relations.

Mr. President, the Senator from Virginia is correct. This is no solution, and it is expensive. However, it is essential, because of our expenditure level exceeding what the world is willing to accept by way of an outpouring of dollars, which many of the countries feel they are required to take because of the status of the dollar as a reserve currency. Therefore they would feel the devastating effect of material depreciations of the dollar unless there be some agreed rate of devaluation. That is the nubbin of the matter.

There is some $800 billion of float in the dollar, or overhang, which needs to be funded in order for the United States not to have more current liabilities than current assets. We are solvent, Mr. President, but we have to depend upon the enormous assets of this country as they are amassed on a more capital basis than the liquid liability of outstanding dollars.

What has not been noted in the very fine statement of Senator BYRD is that what hurts us also is that for years we did not stand up to the cost of the Vietnam war. We spent and spent and spent, and we did not tax and tax and tax. That was a deliberate political decision, because we did not want our people to take the brunt of the Vietnam war or to realize what it was costing. We are surely paying dearly for that action but we are paying for that reason.

Another reason, and one of critical importance to the country, which is even superior to the reason I have just mentioned is the fact that our economy is not as vigorous, not as intelligent, not as productive, and not as inventive as it formerly was. Perhaps it was not possible to maintain absolute supremacy, but it certainly is not impossible to maintain more of it than we have. We are still a very rich Nation, and we still represent 30 percent of the world's gross product with only 6 percent of its people. That is a ratio of 5 to 1. Those are the current figures. That is our position now, but we are not doing as well as we did only two decades ago, when we had half the world's gross product.

Maybe that is a good thing. You cannot be quite so rich on such a poor street; and many of the people of the world are very, very poor. So I do not say, necessarily, that that is a bad thing for our Nation, but it is a bad trend, Mr. President. The erosion is a bad trend, just as the Senator from Wisconsin (Mr. PROXMIRE) points out. Surely, we have been bested in competition in many items in which we were heretofore paramount, but we are supposed to be smart enough, quick enough, and able enough to find lots of other items in which we cannot be bested, like jet passenger planes, where we are still top dog, and other sophisticated forms of hardware, as they are called.

So this imbalance in our international trade also represents a measure of our inadequacy, the fact that we have not kept up, that the American worker is not as productive as he used to be, that the American inventor is not as ingenious, and that the American engineer is not as smart, or that they are not putting out enough. This is a tremendous challenge, Mr. President, for our country, and there is no use in begging the question as to what has caused the erosion of our position.

One last point: The devaluation of money can only hold us level. We will not get ahead on that basis. You cannot get ahead on monkeying around with money. You can only get ahead by actually showing your ability in goods and services.

We have great opportunities for investment in the world. These multi-national corporations, which need to be regulated, can be a blessing in a disaster, because they are producing the foreign exchange in earnings and interest which compensate for our trade deficits. But in order to do what we have to do, we have to get level. We cannot lose any advantage which results from the exchanges of money, from somebody else's money being undervalued and ours overvalued. These are strictly corrections, and nothing else. If the American people will understand that, Mr. President, then we will have a clearer sight at our problem, and we will realize that fundamentally and basically it is the productivity and the ingenuity of the American economy that need to be bucked up, and especially the morale of the American worker and the American technician.

I thank the Senator for yielding.

Mr. BUCKLEY. Mr. President, the entire international monetary system today is undergoing its most significant change since the present set of international monetary arrangements were established at the Bretton Woods, N.H., Conference of 1944.

The system which Bretton Woods established, known as the gold-exchange standard, is what I would describe as a "fair weather" monetary agreement. It was based on the belief that a stable international monetary framework for the postwar growth of international trade could be fashioned out of a government supported price for gold to maintain a worldwide system of fixed exchange rates. This agreement would prosper so long as there was economic "fair weather." The storms which resulted from a 25-year accumulation of pressures built up through the emergence of Europe and Japan as major economic powers were more than the Bretton Woods system would support. This body ratified the first devaluation of August 1971, and is now called upon to ratify the second devaluation in 14 months.

The need for a devaluation of the dollar has merely ratified what was already and accomplished fact in the market place. It recognizes the fact that equilibrium in our international balance of payments could not be maintained at the existing exchange rate. I am highly pessimistic, however, as to the likelihood that any exchange rate for the dollar established by governmental fiat can be sustained in the marketplace because of the inevitable changes in the economic circumstances between us and our major trading partners. As a consequence, I would strongly urge that the dollar be allowed to float permanently so that the political and economic trauma that the free world has had to endure each time the international value of the dollar has had to be altered can be avoided in the future.

Whatever the nature of a reform of the international monetary system, a return to anything resembling the Bretton Woods gold exchange system is most unlikely because of its spectacular failure in recent years. As a consequence, the Congress now has an opportunity to eliminate from the statute books, an anomaly of 40 years' duration, the prohibition against the private ownership of gold.

The statutory prohibition against the private ownership of gold no longer retains a shred of justification as gold is no longer a vehicle for international monetary settlements; gold having been replaced by other financial instruments in the past few years. Even if the world's major trading nations agree to return to a fixed exchange rate international monetary system, instruments other than gold, such Special Drawing Rights or some equivalent, will be employed. Therefore, whether we operate on a fixed or flexible exchange rate system or some intermediate alternative, the U.S. monetary gold stock is no longer in need of the protection afforded by the prohibition of the private ownership of gold by U.S. citizens.

The time is appropriate to reform as much of the international monetary mechanism as can prudently be done. The devaluation of the dollar to a level more likely to be sustainable, at least for the near future, is unquestionably necessary in order to match the law with reality, it should not, however, be confused with basic reform. It is equally appropriate that we cleanse from the statute books such laws as the statutory prohibition against the private ownership of gold which no longer serves a useful function.

We have, in short, no alternative but to enact this bill—but we need to do much more if we are to achieve true monetary reform.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF THE PAR VALUE MODIFICATION ACT

The Senate continued with the consideration of the bill (S. 929) to amend the Par Value Modification Act.

AMENDMENT NO. 20

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from

South Carolina (Mr. HOLLINGS), the Senator from Illinois (Mr. STEVENSON), the Senator from Virginia (Mr. HARRY F. BYRD, JR.) the Senator from North Carolina (Mr. ERVIN), the Senator from Alabama (Mr. ALLEN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Florida (Mr. CHILES), the Senator from Nevada (Mr. CANNON), the Senator from Iowa (Mr. HUGHES), and the Senator from Colorado (Mr. HASKELL), I call up my amendment No. 20, which would establish a ceiling on fiscal year 1974 spending at $265 billion, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place insert the following new section:

SEC.—. Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government shall not exceed $265,000,000,000.

Mr. PROXMIRE. Mr. President, this is an amount which is almost $4 billion below the level which President Nixon has established for outlays for spending in his new budget.

WHY OFFERED ON THIS BILL

The devaluation bill, which is the bill before us, is an appropriate vehicle for a ceiling amendment. In fact, it is an excellent vehicle for the amendment.

First of all, we need a spending ceiling. We need it this year. We need it as soon as we can get it. I shall discuss the merits of my $265 billion ceiling, but first of all, we need a ceiling. We need it now, for fiscal year 1974, and not for 1975.

Second, if a ceiling amendment is to have any significance or meaning as a guide to action, it must be debated and passed early in the calendar year. It should be on the books long before June 30th, the start of the new fiscal year. The devaluation bill is before us and action on the amendment now makes it possible to establish a ceiling before the new year starts.

In the past, opponents of ceiling amendments have tried to have it both ways. If we offer an amendment early, they cry out that it is too early. We should wait until the new fiscal year, they say.

But if we wait until the new fiscal year, they say it is too late. They say that it will take the executive agencies several weeks to get their cuts lined up and several more weeks to put them into effect. Therefore, they argue, the executive really has to put a 12 month reduction into effect over a 9 or 10 month period. And they may be right about that.

For that reason, I think we should act on it and act on it now if it is going to give the executive branch time to limit their spending to the spending ceiling.

Third, the Joint Committee on the Budget has made some tentative and preliminary proposals concerning a congressional ceiling and the need for congressional institutions and procedures to support it. So have a number of individual members of the House and Senate.

But all of these programs look to next year. They would merely set up the machinery by which a congressional ceiling could be established. But it would not be until fiscal year 1975—or a year from now—before a specific proposal to set a specific ceiling on a specific budget would be before us.

The crisis, however, is now. I think we should act now. Further, in his economic message, the President urged us to establish a ceiling on the budget this year.

On page 75 of the Economic Report, the Council of Economic Advisers said the following, on behalf of the President:

That is why the President has urged the Congress to establish a rigid ceiling on fiscal year 1974 expenditures before it passes any other spending legislation this year.

Now, obviously, if we are going to act before we pass on spending legislation, we had better act now because most of the appropriation bills in the House are already up for action. We have been holding hearings on appropriation bills in the Senate, and some are nearing action. For the guidance of all of us when we mark them up, we should know what kind of ceiling we have. So the time has come, and we should act, and act now.

Finally, the devaluation bill specifically is an appropriate bill or instrument for a ceiling amendment.

Devaluation, as the distinguished Senator from Virginia (Mr. HARRY F. BYRD, Jr.) and I have pointed out, is the result of inflation at home. And that inflation is related to the Federal budget.

Devaluation makes sense only in the context of a tough anti-inflationary policy here at home. Therefore this bill is a proper instrument on which to vote a domestic spending ceiling. There are other bills, of course, but they may well come before us far too late.

WHY WE NEED A SPENDING CEILING

We need a spending ceiling, first and foremost, because President Nixon's budget is a very, very high budget.

Many people do not realize this.

In fact, I would say the generality of the public and perhaps even some Members of Congress, do not appreciate how high the budget is. This is a $268.7 billion budget. That is a 7½ percent, $19 billion increase in 1 year and $22 billion more or 9 percent more than the $246.3 billion President Nixon originally proposed for fiscal year 1973.

This is the first time in my knowledge, ever, in history, that both military spending and overall spending has gone up in the year following the end of a war.

In my view, both should be held down.

A lot of nonsense has been talked about this new budget and how tight it is. The opposite is true. The military budget is $4 billion higher than last year. The budget for HUD, believe it or not, is $1.4 billion more than last year, and that is an increase of about 30 percent.

The HEW budget is $4 billion higher than last year.

There is a big increase in social security. Spending for natural resources and environment is up. Interest costs are higher. What is termed "international affairs and finance" or that amount of foreign aid which is listed under foreign aid in the budget, is up by about a half billion.

So that this is no tight budget. This is a bigger budget increase over last year. It is $85 billion more than President Johnson's highest budget. And they called President Johnson the "big spender."

For all these reasons, the budget total, the overall budget, is too high. We need a ceiling of $265 billion, because the $268.7 billion spending in the new budget is too high.

The $265 billion ceiling is what I am proposing here, which still means a 6-percent increase over last year. In my view, that is enough. That is the reason I chose $265 billion as the ceiling amendment.

TWO ELEMENTS TO AMENDMENT

My amendment contains, or will shortly contain, two elements. The first and foremost point is that it establishes a ceiling on "outlays" or "spending" for fiscal year 1974 at $265 billion.

The second element is that it will provide an anti-impounding provision that limits the President in his ability to impound funds provided we stay below his budget levels. Shortly I will accept the amendment of the Senator from Texas (Mr. BENTSEN) as a modification of my amendment in order to provide an anti-impounding procedure.

Mr. BENTSEN. Mr. President, will the distinguished Senator from Wisconsin yield at that point temporarily?

Mr. PROXMIRE. I am happy to yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I am a cosponsor of the amendment by the distinguished Senator from Wisconsin and I think it shows congressional responsibility in this situation and the desire on the part of Congress duly to exercise some control over spending and to do something about inflation. In the words of the President, to get together.

Mr. President, I believe the Congress is well aware of the need to reduce spending and deflate the size of the Federal budget deficit. Ever since the Senate considered an expenditure ceiling during October of last year, thousands of words have been expended on the need to control Federal spending in a regulated, coordinated way—but we continue spending in a piecemeal fashion with scant regard for what the total will be. The Congress has cut the President's budget requests every year, but has added programs of its own and spending is still outrunning income. There is blame enough to go around for both the President and Congress for past excessive spending.

But now facing us, Mr. President, are indications that inflation is gaining a new momentum, driving prices even higher and the value of our American incomes lower.

Inflation is really the cruelest tax of all because it most affects those of fixed and low incomes. The distinguished Senator from Wisconsin and I are members of the Joint Economic Committee which has recently completed hearings on the state of the economy. The testimony we heard was not encouraging, to say the least.

In the last 7 months the Consumer Price Index has risen at an annual rate of over 4 percent.

We are advised by the administration that some of these are short-run increases. However, the best measure of future inflationary pressures, the wholesale industrial price index, has increased at a rate of 4.1 percent in the last 12 months and at an annual rate of 5.9 percent in the last 3 months. If you annualize last month's increase in wholesale industrial prices, it is 12 percent.

This Nation is in for some serious inflation problems by year's end unless we act now.

There is a growing concern that phase III will not do the job, in the absence of a more effective control program, there are two things we can do to reduce inflation. We can reduce the supply of money with tighter monetary policies or we can reduce Federal spending. In 1969 and 1970 the administration tried to use tight money as its chief inflation fighting tool. It did not work. It produced high interest rates on homes which many of our people will be paying for 30 years. It caused our economy to stagnate and produced 6 percent unemployment. But it did not bring a reduction in the inflation rate. Our only course must be to reduce Federal spending.

For this reason I am lending my full support to this amendment setting a ceiling $4 billion lower than proposed by the President.

I think it is high time the Congress moves toward carrying out some reductions in Federal spending that will be necessary to stave off the inflation that seems to be reemerging as the major problem facing our economy. Some hard decisions are going to have to be made by Members of the Congress to reduce spending and it will mean deferring some important projects and programs. But it seems to me that the alternatives to these cutbacks, painful though they may be, seem far more harmful to our Nation's future.

What I am concerned about in this particular piece of legislation as now drafted, is that it might be misinterpreted by the President, that he might decide this gives him a blank check or would be an unlimited assumption of authority to impound funds under the antideficiency act which is now before the courts, and additional legislation which is being drafted in great detail by the distinguished Senator from North Carolina (Mr. ERVIN).

For this reason, Mr. President, I now call up my Amendment No. 51, which is a technical amendment and which I have discussed with the distinguished Senator from Wisconsin (Mr. PROXMIRE) and which I intend as a modification to his amendment and ask that it be stated.

Mr. PROXMIRE. Mr. President, I am happy to yield to the Senator for that purpose. I understand that his amendment is a modification of my amendment.

The PRESIDING OFFICER (Mr. HELMS). The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BENTSEN. 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 the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 1, line 1, immediately before "Expenditures," insert the subsection designation "(a)".

On page 1, after line 3, add the following:

"(b)(1) Notwithstanding the provisions of any other law, the President shall reserve from expenditure and net lending, from appropriations or other obligational authority heretofore or hereafter made available, such amounts as may be necessary to effectuate the provisions of this section. In no event, however, shall such reservations be made until there is sufficient information available to indicate clearly that the figure referred to in subsection (a) of this section is going to be exceeded.

"(2) In carrying out the provisions of paragraph (1) of this subsection, the President shall reserve amounts proportionately from appropriations or other obligational authority available for all programs and activities except for expenditures and net lending for—

"(A) interest;

"(B) veterans' benefits and services;

"(C) payments from social insurance trust funds;

"(D) public assistance maintenance grants;

"(E) medicaid;

"(F) social services grants under title IV of the Social Security Act;

"(G) food stamps;

"(H) military retirement pay; and

"(I) judicial salaries.

"(3) In carrying out the provisions of paragraphs (1) and (2) of this subsection, no amount specified by the Congress in any appropriations or other obligational authority for fiscal 1971 and no amount of unobligated balances in any appropriations or other obligational authority specified for obligation in fiscal year 1974 in the President's budget for fiscal year 1974, may be reduced by more than 10 per centum.

"(c) In the administration of any program as to which—

"(1) the amount of expenditures is limited pursuant to subsection (a) of this section; and

"(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution; the amount available for obligation (as determined by the President) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

"(d) In carrying out the provisions of subsections (a) and (b), should the President find it necessary or desirable to exceed the 10 per centum limitation provided in paragraph (3) of subsection (b), he shall notify Congress of those programs and activities for which he believes it desirable to reduce funds in excess of such 10 per centum, and the amounts of such excess reductions. Any such excess reduction shall be effective upon the day the President so notifies the Congress, except that if during the first period of sixty calendar days of continuous session of Congress after the date on which such notice is transmitted to it, Congress agrees to a Concurrent Resolution stating that it does not favor that excess reduction, such excess reduction shall thereafter no longer be effective.

For the purpose of this subsection, (1) continuity of session is broken only by an adjournment of Congress sine die, and (2) 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 sixty-day period.

"(e) If the committee to which a resolution with respect to a proposed excess reduction has been referred has not reported it at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of any other resolution with respect to the proposed excess reduction which has been referred to the committee.

"(1) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same proposed excess reduction), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(2) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same proposed excess reduction.

"(f) When the committee has reported, or has been discharged from further consideration of a resolution with respect to a proposed excess reduction, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(1) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(g) Motions to postpone, made with respect to the discharge from committee, of the consideration of, a resolution with respect to a proposed excess reduction, and motions to proceed to the consideration of other business, shall be decided without debate.

"(1) Appeals from the decisions of the Chair relating to the application of the rules of the Senate of the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a proposed excess reduction shall be decided without debate."

Mr. BENTSEN. Mr. President, I have sent to the desk certain changes in amendment No. 51 of a technical nature.

The first of which clarifies that we are applying the 10-percent limitation to congressionally approved figures of obligational authority for fiscal year 1974.

The second includes within the 10-percent limitation any amount of unobligated balances from prior years which is specified for obligation in fiscal year 1974 by the President's budget. This will insure that if the Appropriations Committee relies on these past obligational authorities in making appropriations for fiscal year 1974 that authority will be included in the 10-percent limitation.

The third change is to make reserva-

tions in excess of 10 percent effective on the day the President gives notice to the Congress.

If during the next 60 days the Congress acts to disapprove the reduction then the reservation will cease, and the President must propose another one. This is a practical change to insure that the President does not propose a cut with which we agree only to find the agency as already spent the funds some time during the 60 days. I am concerned about preserving congressional priorities but I also want to see us stay within this ceiling.

Mr. PROXMIRE. Mr. President, I am happy to modify my amendment in accordance with that of the Senator from Texas.

The PRESIDING OFFICER. The amendment is so modified.

Mr. EAGLETON. Mr. President, will the Senator from Wisconsin yield to me for the purpose of asking a question?

Mr. PROXMIRE. I am happy to yield.

Mr. EAGLETON. Will the Senator yield to me later, so that I can offer a substitute to the Proxmire amendment as modified by the Bentsen amendment?

Mr. PROXMIRE. Yes indeed. As soon as I finish my presentation, the Senator will get the floor to offer his amendent.

Mr. EAGLETON. Fine. I thank the Senator.

Mr. BENTSEN. In the absence of some language as to how this ceiling is to be implemented, I believe the President will claim he is being given a blank check.

Mr. President, my amendment is similar to the amendment offered last year by the distinguished Senator from Idaho (Mr. JORDAN). That amendment passed the Senate by a vote of 46 to 28.

This amendment, like the Jordan amendment, would require that any reductions necessary to implement the ceiling be made proportionately and across the board. For example, if it was felt that putting a 7-percent limitation on expenditures was necessary to achieve the $265 billion limitation, that would be applied to each and every program, and each and every program that had a dollar sign by it and an item in the budget under contractual authority.

It exempts the same list of uncontrollable items. And like the version which passed the Senate last year, it provides that spending authority could not be reduced by more than 10 percent in any activity, program or item that has a dollar amount in an appropriation bill.

Some concern was expressed last year that given the list of exemptions and congressional authority already granted, 10 percent reductions would not be enough, that we would not achieve the $265 billion by that route. So we provided for that by saying that the President would have authority to go beyond 10 percent if it was necessary to get to the $265 billion but if he did that, Congress would have the right by concurrent resolution to deny that excess reduction within 60 days. It should be a high priority item and a resolution that the committee could be discharged from its responsibility if it had not given early consideration to that matter. I am concerned about giving that additional amount of flexibility to the President. But it will be necessary in order to assure that we achieve the $265 billion limitation.

The question has been asked: What would happen if Congress continued to turn down during that 60-day period the reductions in excess of 10 percent? I do not believe that is a realistic situation because Congress would be responsible in that regard. He would have to come back with additional reductions if those specific numbers were turned down, but we would finally achieve a compromise that would be equitable and accomplish the job.

I hope that, if we enact this $265 billion expenditure ceiling early in the year, the 1974 spending authority would not cause outlays to exceed that figure. However, in order to provide some flexibility I have included a provision that should the President find it is necessary or desirable to reduce any program by more than 10 percent in implementing this ceiling, he must notify Congress of such a reduction and Congress could veto that action within 60 days. Provision is also made to expedite both committee and floor action on such a measure.

Mr. President, I wish I did not feel it necessary to give the President even this much flexibility, but the Congress has not yet provided itself with the facilities to coordinate its spending actions so that we can exercise the control necessary to hit a target figure even for obligation authority, much less for the actual outlays. There is no committee or organization within the Congress that can translate spending authority into actual outlays for any given year. We must depend upon the agencies in the executive branch and the computers at the Office of Management and Budget to tell us what outlays result from the authority we grant.

And, Mr. President, we wonder why we have lost control over Federal spending. If we are to regain that control, we must give ourselves the personnel, the organization, and the machinery to make informed decisions on both authority and outlays. But that is not going to happen in time for fiscal 1974.

Mr. President, this amendment does not solve all of the Congress budget problems. Nor does it attempt to deal with the propriety or lack of propriety of Presidential impoundments under the Anti-Deficiency Act. The Joint Study Committee on the Budget and the Government Operations Committee are seeking to deal with those questions in other legislation and they are the proper ones to accomplish that. We should wait to have that before going ahead on the impoundment provision. And whatever action we take here, the impoundment issue will ultimately be settled in the courts.

But this amendment is necessary to prevent the expenditure ceiling from being used as a means of voiding congressional spending priorities; without this amendment, it surely would be voiding it. It will put the President on notice that the Congress is through writing blank checks—that we are tired of filling up the well for him to pour.

Thus, I urge acceptance of this modification to the amendment of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I want to thank the Senator from Texas very much. In my view, his modification to my amendment will contribute greatly to the merits of my amendment. It is clear that any amendment, as has been pointed out, would mean that we have not crossed the very vital bridge of other priorities. Once we have set the ceiling, once we have established the fact that Congress is going to be fiscally responsible, then it seems to me the priorities established by Congress in our appropriation measures should be followed.

CEILING REMOVES IMPOUNDING ARGUMENTS

In my view, if Congress establishes a ceiling and sticks by it, that removes any genuine argument the President has for impounding funds.

If Congress establishes a fiscally responsible ceiling, then Congress, in my view, has the right to determine spending priorities, and the President then has both the duty and the responsibility to carry them out faithfully.

Members of the Senate may differ over what our priorities should be. We can work that out over the term of this session. But if we establish a ceiling and stick with it, then whatever priorities we work out, through the cut and thrust of our debate, the bills we pass, and the programs we push forward or cancel, should prevail. That is why my $265 billion ceiling also will have an anti-impounding provision, to make certain that once we establish a ceiling at or below the President's proposed spending, our priorities will prevail.

PRESIDENT LOSES IMPOUNDING ARGUMENT

In the absence of a spending ceiling, the President's right to impound funds on grounds of fiscal responsibility—that there is a raging inflation at home and the devaluation of the dollar abroad—is in my view undeniable. If he acts to save the economy and to save the dollar, any Congress which tries to spend more than we should is going to lose the argument. The President is bound to win, and he should win.

But if we establish a ceiling, then the President is no longer justified in freezing funds which Congress has authorized, merely on the ground that he does not like the programs.

This is not to say that many programs cannot be improved. Of course they can. They should be improved, and that goes for programs we like as well as programs we do not like. One can find waste not only in the military budget but also in education and health and housing and in the space budget and, in fact, everywhere anyone really takes the time and effort to look.

None of us objects to improving programs. Most of us object to killing them off or impounding the funds provided we act responsibly on an overall basis.

If we establish a spending ceiling, then I believe the President has no leg to stand on with respect to impounding funds for fiscal reasons. If he does not like a program, provided we are below this budget, it would be incumbent for him to come to Congress and to ask for

a change in the law or a rescission of the funds, before he cut those programs or impounded the funds.

All of us know that there are any number of specific programs in which constructive changes could be made both to save money and to make them more efficient and effective. But legislative proposals should be made and authority sought before they are killed by administrative action.

We should insist on that. We must assert the traditional rights of Congress to legislate and to control the purse strings.

BELIEVE PRESIDENT WOULD BE RESPONSIBLE

If we establish a ceiling at or below the President's budget level, I believe that the President will be politically responsible and end the arbitrary impounding of funds. But until a ceiling is established and the budget is under control, the President has Congress over a barrel, and we in Congress ought to be intelligent enough to recognize it.

If Congress is going to go to the mat with the President over priorities and the impounding of funds, we must first set our own house in order and limit spending.

Then our views and our priorities make sense. Without a ceiling, the President is bound to win the budget struggle.

DIFFERENCE BETWEEN OUTLAYS AND APPROPRIATIONS

One of the things that has caused so much disagreement over the issue of a spending ceiling is the difference between an "outlay" or "spending," on the one hand, and an "appropriation" or "new obligational authority," on the other.

The President's spending proposals and our proposal for a ceiling both have to do with "outlays" or "spending" in fiscal year 1974.

The $268.7 billion in spending in the President's budget comes from a variety of sources. Only about half of it is appropriated this year by Congress. A big chunk of it comes from past appropriations. We already have a backlog of $299 billion in past appropriations and spending authority. Some $42.4 billion of the $299 billion is included in the "outlays" the President proposes in fiscal year 1974.

Additional funds come from the social security and highway trust funds.

So what is spent in fiscal year 1974 and what is appropriated in fiscal year 1974 are two entirely different things.

In fact, they are so badly related that it takes a $3 cut in appropriations to effect a $1 cut in "outlays" or "spending" this year. That is the rule of thumb.

The $268.7 billion "outlay" budget of the President is made up of funds appropriated in the past, from trust funds over which Congress has little immediate control, for interest on the debt which varies with economic conditions, and for required payments under contracts such as the Commodity Credit Corporation, where the bills are paid first and the agency submits the amount to Congress as an accomplished fact.

That is the problem we face, and that is why the only way Congress can gain control of the purse strings this year is to vote a spending ceiling on the President's right to spend.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield to the Senator from New York.

Mr. JAVITS. I would like the Senator to know that these questions are friendly, not unfriendly. They are intended to elucidate the situation. The reason for my asking them is that I serve on the Government Operations Committee and, and other members of that committee, as the Senator knows, Senator ERVIN including myself, have been trying to fashion some generic bill to deal with the constitutional issue of impoundment, upon which we and others on the committee feel very strongly. So I just give the Senator the framework within which I am asking these questions.

Mr. PROXMIRE. I ask the Senator from Texas (Mr. BENTSEN) if he would take part in this colloquy, to the extent that he would like to, because the Senator from New York is going to address some questions on the impounding provisions which have just been incorporated into the amendment.

Mr. JAVITS. I note that the amendment of the Senator from Wisconsin cuts the spending figure to $265 billion. I note, also, that his press release, which I have read very carefully, says that he actually considered the administration's $268.7 billion figure and that he and his colleagues felt that it should nonetheless be cut to $265 billion. He gives no reasons except that it is just a cut.

The question I ask the Senator is this: Would we not be better advised to leave the level at $268.7 billion, in view of the fact that we, ourselves, have not yet set up the necessary machinery to determine what should be a proper ceiling, and that the President's appraisal is the best we have at this time. If we tried to use $265 billion, we would be guessing and would be reaching for a figure simply to cut his, without necessarily being able to make a case for it. However, knowing Senator PROXMIRE as well as I do and respecting him as much as I do, is there a case prepared for the cut? Why is it necessary to reduce the President's ceiling by $3.7 billion?

I should like to point out to the Senator that, where the shoe pinches, in housing, in health, in manpower training, in poverty, and so forth, the individual amounts involved are not very great, not when you lay that beside $79 billion for defense or other big items in the budget.

So the $3.7 billion reduction is really an important item when it comes to the things which many of us feel have been neglected in terms of priorities. The $3.7 billion, while only 1.5 percent of the total ceiling is important because that will figure in the question of allocating priorities.

Mr. PROXMIRE. I say, first, to the Senator from New York that the Senator from Missouri, it is my understanding, will offer an amendment to raise the level to the $268 billion. I do not know if it is $268.7.

Of course, the crux of the discussion on the Eagleton amendment will be whether or not we should stick close to what the President has proposed or whether we should go as far down as I have.

I have a whole series of reasons for taking the $265 billion figure. The Senator should know that some 6 weeks ago I developed, with the help of the staff of the Joint Economic Committee and my own staff, a counter budget; that we went through every major item and determined the level of spending we thought could be justified.

On the basis of that counterjudgment we determined that $265 billion would provide what I think is a generous budget and would be effected—here are many ways to do it—by keeping military spending at the current level rather than raising it by $4 billion, by $1 billion below what the President requested in foreign aid, and by one or two other relatively modest reductions, and then restoring all of the reductions the President made in the welfare programs. That is one scenario. You would not have to accept those to adopt my position.

I understand the President arrived at his $268.7 billion by calculating what a full employment balanced budget was and by starting with that. He did not start with what we need in the various programs.

I think because inflation is so serious we can argue that a full employment balance is not adequate to restrain an economy in which the No. 1 problem is inflation. No. 2, during the last 6 months of calendar year 1973, if we go ahead with the President's budget of $268.7 billion, the full employment deficit will be $3.7 billion. In other words what I am proposing would bring it into balance in this period, and a surplus next year.

I think from an economic standpoint and from the standpoint of recognizing spending priorities and needs, that this is a responsible and logical approach.

Mr. JAVITS. I thank the Senator. I will await with interest the statement of the Senator from Missouri (Mr. EAGLETON).

Mr. PROXMIRE. Later on in my speech I will point out that whereas the administration argued that they made the most meticulous examination of spending, we have secured their justification and they are anything but meticulous. It is based on generalization and not on detailed analysis. I can document that, and I intend to do so.

Mr. JAVITS. I thank the Senator.

Will the Senator yield so that I may address a question to the Senator from Texas?

Mr. PROXMIRE. I yield.

Mr. JAVITS. On the impoundment issue, I am moved only by the fact that there are serious constitutional questions about impoundment as it terminates a program, such as the dismantling of OEO, or for practical purposes, by denying it any funds, as in the case of the Neighborhood Youth Corps.

We have this matter under consideration. We do not wish to concede the constitutional point until we are ready to argue the statute dealing with the relationship between Congress and the Presi-

dent on that score. Therefore, I wish to ask this question.

Does the Senator think that under those circumstances it is desirable to make any provision respecting impoundment in this ceiling bill? In other words, are we not conceding the right of the President to impound? That is part A. If we adopt the Senator's amendment, are we not conceding the right of the President to impound, and that is something we do not want to do yet. We may or may not do it in the future depending on the definitive legislation from the Committee on Government Operations.

Second, even if we went the Senator's route, does he not think we should have a saving clause saying this is for 1 year only, which it is, and tack it onto this amendment, which is for 1 year?

We do not want to give away the ball game. I do not think we should act now but at least we should have a provision, which I shall be glad to offer, to say that nothing in this amendment, which is only applicable for the temporary period of 1 year to implement the ceiling, shall prejudice the right of Congress to legislate in this field, passing on that constitutional power?

Mr. BENTSEN. I share the concern of the Senator from New York. I went to some lengths to avoid the question the Senator has raised. We have this matter in committee and also the distinguished Senator from North Carolina is working on this matter. I understand the bill is almost at the markup stage. In addition, we know we have this matter before the courts where it will ultimately be decided. We tried to avoid the question to the extent we could, and still be practical. We thought the President had to have the authority to get back to the $265 billion limitation. It is a matter of being pragmatic.

On the second point, we are talking about only 1 year. That is what the Senator from Wisconsin was saying.

At this time we do not have the mechanics relating to income and outgo, which will be the ultimate accomplishment of a sophisticated piece of legislation that we are considering now, what is before the committee. I would have no objection to the 1-year limitation, myself. I defer to the Senator from Wisconsin.

Mr. PROXMIRE. That is an excellent suggestion. That is the intention. I am a member of the committee of the House and the Senate of this whole problem. The reason we are doing it this way is that it will not be ready until next year, and I think the Senator's suggestion is excellent.

Mr. JAVITS. I will draft something and may offer it.

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

Mr. PROXMIRE. I yield.

Mr. MONDALE. Mr. President, I listened to the statement of the Senator on the introduction of his amendment. I share his view that we must have a spending ceiling and reassert congressional priorities within that ceiling, and we must do so as quickly as possible, for a host of reasons.

I am sympathetic with the thrust of the Senator's proposal. However, I have one question of fact I would like to ask the Senator. I think the answer is in his remarks. His amendment, which is now part of the Proxmire amendment, is designed to deal with how the President reduces spending for the purpose of coming under the spending ceiling. It does not deal with the other issue, which is called impoundment. The President claims he has unlimited power to reduce the program or eliminate it. The President claims the authority to spend or not to spend as he sees fit.

Mr. BENTSEN. Mr. President, the Senator from Minnesota is correct. I have tried to avoid the impoundment question because it was before the appropriate committee in the Senate and the court. I felt this was a grave constitutional question, and one that should not be resolved by amendment on the floor of the Senate, without full consideration by the committee. I was waiting for that piece of legislation. I understand it will be forthcoming soon.

Mr. MONDALE. I thank the Senator for his clarification. The reason I ask, and I would appreciate the Senator's response, is that I am afraid if we give the President a spending ceiling that I think we all want, without some very specific control over this generalized impoundment, he will use the spending ceiling to excuse a whole host of things. He will not only continue to impound, as he has in the past, but say that he has been directed by Congress to do so.

Mr. BENTSEN. We have carefully provided in this amendment that he cannot pick and choose the program he will cut; it has to be the same in each program; a line item, anything that has a dollar figure, which the House and the Senate decide merits a dollar figure would be controlled by this 10-percent maximum curtailment. If it were 7 percent on one item it would have to be 7 percent on all of them.

Mr. MONDALE. What is being proposed essentially is the Jordan amendment adopted in the last Congress.

Mr. BENTSEN. That is right, which passed here by a vote of 46 to 28.

Mr. MONDALE. And which I supported.

There is some concern—and I would like the Senator to give me his views on this—that if we give the President the spending ceiling, we will have great difficulty getting control, later on, on the broad issue of impoundment. If we give him the spending ceiling, he will use the spending ceiling to blame the Congress for the cuts in human programs. Parenthetically, I might add that the $265 billion ceiling would result in cutting out billions of dollars in human programs. Then when we try to control impoundments, we will find that he is in a far better strategic position to oppose our seeking to have control over impoundments. Does the Senator from Texas share that concern?

Mr. BENTSEN. No, the Senator from Texas does not.

Mr. PROXMIRE. Mr. President, if the Senator will yield unless I misunderstood the Senator, he said the $265 billion ceiling will result in billions of dollars being cut from human programs. He is wrong. I have a list of all the human programs that have been passed by Congress. If we put them all into effect, the total is less than $2.7 billion. Certainly, if we cannot cut more than that amount out of the military budget and out of the foreign aid budget and, as a matter of fact, out of the space budget, I will be astounded. Certainly, out of the military and foreign aid budget alone we should provide for that $2.7 billion, and there is $3 billion to restore control.

I think there is confusion over outlays and obligational authorities. In outlays what we need is very little, and that is what the Senator is talking about.

Mr. MONDALE. The Senator has yielded to me for a question, so I will be very glad to defer to the Senator to complete his statement, but I have two concerns over the proposed amendment, even though I agree that we should set a ceiling as quickly as possible and set priorities, and they are: No. 1, the cut proposed by this amendment is too deep. I would oppose a $267 billion ceiling, because I think it takes another $1 billion out of compelling human programs that we cannot afford. No. 2, the amendment does not deal with the general question of impoundment at all.

I think, unless we do that, the President is going to use this ceiling to justify further selective cuts, even though it might not be within the meaning of the Bentsen amendment. I can hear the answer being made to the doctors, the teachers, the poverty workers, the environmentalists, the housing specialists: "Congress told me to cut these programs." So we will be held to answer for these cuts.

Further, if we give him the spending ceiling without providing for control over impoundments such as envisioned in the Ervin amendment, he will be in a strategic position to oppose our effort to get congressional control.

I am told that is the reason Mr. MAHON, chairman of the House Appropriations Committee, fights so hard on the question of control over impoundments, because he is fearful that if the President gets this spending ceiling without control over impoundment on the part of Congress, the President will get what he wants.

Mr. BENTSEN. Mr. President, I will say to the Senator from Minnesota that what he says would be ideally true if we could accomplish it now, but I do not think we can do it. What we have here, in effect, is a stopgap measure. It is a 1-year limitation on the effectiveness of this law. But when we take these people and what they represent, we are saying, under the Bentsen amendment their cuts will be the same, be it for child welfare, national defense, farmers' programs. If the President cuts 3 percent on one, he cuts 3 percent on each. Congress would set the priorities. We have let the President cut back to the ceiling. We have set this procedure for the forthcoming fiscal year. It is the best we can come up with after a great deal of thought and study.

Mr. PROXMIRE. Let me read the list of what has been restored:

All of OEO, $425 million.

In agriculture, all of REAP, REA, housing—domestic farm labor, disaster loans, special milk.

For HEW, health services planning and development, preventive health services, library services, civil rights education, NIH, student loans, health and manpower.

For HUD—incidentally, it is substantially higher in 1974 than in 1973—it includes low-rent public housing, housing for elderly and handicapped, counseling services, grants for basic water and sewer facilities, rehabilitation loan fund.

Also, under Labor, all of manpower revenue sharing and all of emergency employment assistance.

Under EPA, all of resource recovery, and new technology for air pollution.

Under Veterans' Administration, all of compensation and pensions.

All of Arms Control and Disarmament Agency.

All this for less than $2.7 billion.

We ought to take a look at what these outlays have been before we argue that we are going to cut human programs. This is something that can be done with the kind of reduction in the military and foreign aid budgets which, on the basis of our experience last year and the year before, Congress is going to put into effect.

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

Mr. PROXMIRE. I yield.

Mr. TOWER. The Senator from Wisconsin expects most of these cuts to come out of the defense budget, and not the foreign aid budget. Is that what the Senator from Texas anticipated?

Mr. PROXMIRE. I am just answering the Senator from Minnesota by pointing out that this is something that can be accomplished without cutting human programs. It may be that the majority of Congress may want to reduce those so-called human or welfare programs. Maybe it does. I am saying that this is a modest diminution of what the President is proposing. Last year the Congress cut the defense budget by $5 billion. It cut the foreign aid budget more than I am suggesting here. In other words, if we do what we did last year, we would possibly have lower than a $268 billion budget—in fact, a $265 billion budget we are proposing.

Mr. TOWER. I may point out that 60 percent of the defense budget is for personnel. That means it would not come out of personnel, but procurement and military construction, and perhaps result in base closings.

Mr. BENTSEN. Approximately 56 percent of the defense budget is in personnel costs, so a cut across the board would come out of controllable items.

Mr. TOWER. Would come out of what?

Mr. BENTSEN. Would come out of controllable items.

Mr. TOWER. That would mean procurement and construction.

Mr. BENTSEN. It would come out of controllable items in the defense budget.

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

Mr. PROXMIRE. I yield to the Senator from Arizona.

Mr. GOLDWATER. When the Senator talks about decreasing the defense budget, approximately 50 percent of it is to be used for pay increases that have already been made.

Mr. PROXMIRE. I understand that fully. I understand there are going to have to be increases for pay and inflation. But the Vietnam war is over. By 1973 we will have spent close to $6 billion on Vietnam. I am saying we can fund $4 billion because of pay and inflation, and have some left over. Then there would be a modest reduction in defense that would give us $2 billion to hold it down to the level of last year. I am saying that the proposal I make is not very drastic.

Mr. GOLDWATER. We are talking about a very major portion of the defense budget—now close to 60 percent—that is wrapped up in pay. We are trying to force down this amount so that it will be less by virtue of the fact that the number of men and women involved will be fewer. We are not ready to argue whether we are ready to delete this specific item or that.

Mr. PROXMIRE. That is correct. It may very well be that Congress will decide the military budget will be cut more or less. I am trying to establish a $265 billion budget. I think it is not a drastic reduction. This reduction in spending will permit the restoration of some of these so-called human programs.

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

Mr. PROXMIRE. I yield.

Mr. BENTSEN. We are talking about controlled items. The joint economic report shows that we have about $75 billion in controllable items, out of the $265 billion budget we are proposing. So if we go to a 10-percent cut, we are talking only about a $7.5 billion cut. And that is across the board on all the controllable items, and the priorities will have been set by the Congress itself. That is what we are trying to preserve.

Mr. PROXMIRE. The Senator is correct.

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

Mr. PROXMIRE. I yield.

Mr. MONDALE. Mr. President, it seems to me that the amendment in its present form includes two principles that are essential for a reassertion of the congressional authority in the control of the overall outlays. However, it is missing a third. I think we all agree that some ceiling is needed. I would like to have a higher ceiling than the Senator would. However, I think we all agree, or most of us, on what the proposal of the Senator from Texas (Mr. BENTSEN) seeks to achieve. At least, the last time we voted on essentially that proposal, approximately 65 Senators voted for it.

What is missing and what is bothering me—and I would like to have the Senator give me his views on this matter—is that there is still, according to the President, even with the amendment as modified, unlimited authority in the President to cut and eliminate anything he wants to, any time he wants to. We need the Ervin amendment which seeks to meet the question of the President's unprecedented theories about his powers to impound anything he wants to.

Mr. PROXMIRE. Mr. President, that is the whole point of the Bentsen amendment. That is why I wanted it.

Mr. BENTSEN. Mr. President, there is no unlimited authority in the President. He asks to do it across the board in each and every program on the same percentage. However, I think this means to cut it back to the $265 billion. So, there is a very strict limitation on what he can do.

Mr. MONDALE. Under this, that is correct. However, he can still say, "Not under the Proxmire amendment or the Bentsen amendment, but under my general power to cut all funds, I will cut out all programs that I do not want." That is what he can say.

He can say, "The Bentsen amendment gives me the authority to reduce the items pro rata to get down to the spending ceiling. However, I am cutting out this program as President because I am the Commander in Chief and have control over the economy and the other things I claim to have authority over. I will cut out the program."

Mr. PROXMIRE. Mr. President, my answer to the Senator from Minnesota is that he makes a good point. But of course, we cannot do everything on this bill. If we try to do that, we will not get anywhere.

We have to decide what we can do now. Other things may come along. After we agree to the amendment, the House may act on Representative MAHON's proposal that has great merit, I think. I would like to see that matter considered. However, we do what we can do. And my amendment would let us have far greater powers to prevent impoundments than before.

The President is still free, as the Senator from Minnesota has pointed out. However, we have to be careful about proceeding further on this point. The urgency is to establish a ceiling and impoundment provisions.

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

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. Mr. President, I would like to pose a question to the Senator from Wisconsin, the Senator from Texas, and perhaps the Senator from Minnesota.

It puzzles me as to why this amendment would be offered at this time. I believe that the Senator from Texas stated a little while ago that the Senator from North Carolina was going to bring out a bill dealing with this matter within the next 2 or 3 days. Did I not understand that to be true?

Mr. BENTSEN. On the question of impoundment, that is correct. However, that does not deal with the ceiling or expenditures or the impoundments of funds.

Mr. PROXMIRE. The reason I offered the amendment on the devaluation bill is that the President asked Congress to establish a ceiling before any action on any spending bills. And I think that was a reasonable and proper suggestion.

As a member of the Appropriations

Committee and as chairman of the appropriations subcommittee that has the third highest budget to consider, I would like to see a ceiling established, and established as soon as possible. I cannot think of a bill more appropriate than the devaluation bill, because we are in this difficulty because of our inflation problem. And a major reason for that problem is because we have had a very big Federal spending and a very huge Federal deficit. One way to cope with that problem is to establish a ceiling.

Mr. SPARKMAN. Mr. President, I am thoroughly in sympathy with our establishing a ceiling. I have felt that we ought to accept the President's ceiling rather than try to set one and go lower. However, have we not set up a joint committee for the purpose of studying this very question?

Mr. PROXMIRE. The Senator is correct. I am on that joint committee, and that joint committee has, as the Senator knows, already issued an interim report unanimously and has come to the conclusion that they will not have recommendations for fiscal year 1974 appropriations. The first fiscal year for which we will have it is for 1975 and subsequent fiscal years.

For this budget, we cannot deal with the many problems we have. We have to schedule hearings over a number of months and then debate and discuss the matters and come out with recommendations. However, that will be after next year.

Mr. SPARKMAN. I am glad to have that explanation. I was under the impression that an effort would be made to establish a ceiling this year and not proceed to work out both priorities and a ceiling for the coming fiscal year. However, I can understand the situation that the Senator has just explained.

This thought occurs to me. If I may go further, let us assume that this is added to this bill and let us be realistic about it. What is going to happen when it gets to the House of Representatives? I think we all know that Representative WILBUR MILLS is not going to let this amendment stay in the bill. And I imagine that, when the chairman of the Finance Committee is present on the floor, he will raise some questions about it, also.

Mr. PROXMIRE. That may well be the situation in the House. They may have a ceiling that will be higher or lower.

Mr. SPARKMAN. Mr. President, I was not thinking about that. The jurisdiction of this, as I interpret it, lies with the two revenue committees—the Ways and Means Committee in the House and the Finance Committee in the Senate.

Mr. PROXMIRE. May I say to the Senator from Alabama that my understanding is that the Appropriations Committee probably asserts the most convincing case.

Mr. SPARKMAN. The Senator may be right.

Mr. PROXMIRE. Mr. President, in the past they have been attached to tax bills. There is no reason why it cannot be attached to the pending bill because it is germane. We all recognize the very serious importance of having a ceiling that will stick.

Mr. SPARKMAN. Germaneness is not a matter concerned here. However, when it reaches the floor of the House, it will be a different matter. I think we ought to consider the two sides of this thing.

I believe in a ceiling. However, I have not felt that we were ready to set the amount here. Of course, I was hoping that the joint committee was coming up with something.

Mr. PROXMIRE. It seems to me that we are pretty much forced to act if we are to have a ceiling that will be effective. If we wait much longer, it will be before the House and it will move along there. Then we will have a different proposition. Besides appropriating in any area, we are pretty much tied to it.

Mr. SPARKMAN. I recognize that problem. And I have thought about it in connection with some bills we have already passed.

While I was for them, I was wondering whether we were acting wisely in establishing the amounts we did for those bills.

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

Mr. PROXMIRE. I yield.

Mr. MONDALE. Mr. President, the point that I am getting to is somewhat related to the Senator's point. It seems to me that we are missing someone important—the Senator from North Carolina (Mr. ERVIN), the congressional scholar on Federal impoundments and on the question of the constitutional rights of Congress.

His bill affecting impoundment, which he is working on now and which is close to completion, as I understand it, is, I think, the missing element in what we are doing. I think, if a spending ceiling leaves the Senate without something dealing with fund impoundment, we will have done far less than we have expected. As a matter of fact, it may be an invention which will turn to plague the inventor, because I would not be a bit surprised if the President used this amendment to cut the heart out of many programs, and then blame Congress for doing so.

So I would like to see us wait until Senator ERVIN comes back. I think then we could put together a bill that we could live with, and could act much more swiftly than we can today.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, let me say just this: I am in essential agreement with what the Senator from Minnesota has said. I think perhaps we are taking a big bite without considering the little bites that go to make it up, and I think the matter of impoundment is one of them.

Several Senators addressed the Chair.

Mr. PROXMIRE. Mr. President, before I yield to the Senator from Texas, may I point out that the Government Operations Committee, under the leadership of Senator ERVIN, is working on this principle, but once again, it is generally applicable machinery that they are trying to develop, and probably not machinery that could be adapted and applied to the problem commencing this year. If we are to act this year, we have to act soon.

I yield to the Senator from Texas.

Mr. TOWER. Mr. President, it is my understanding that the Senator from North Carolina is going to report soon. It occurs to me that his bill would be a more appropriate vehicle for what we are trying to do here, because there we will be considering more comprehensively, I think, the matter of impoundment. It would seem to me to be logical to pull down the amendment on this bill and await Senator ERVIN's bill, and get the matter in more proper context.

Mr. PROXMIRE. Let me say to the Senator from Texas that this is exactly the kind of bill that we have to adapt the amendment for if it is going to work. The problems with an impoundment bill are several. For one thing, it could involve extensive hearings and debate in the House of Representatives, and is very easily subject to a veto. This bill, let us face it, is one the administration has to have. If we are going to have a ceiling and the appropriate kind of action on this problem, it seems to me this is the time to do it.

Mr. TOWER. Legislative blackmail.

Mr. PROXMIRE. What is that?

Mr. TOWER. Legislative blackmail is what it is.

Mr. PROXMIRE. Oh, no, not at all. I do not think we intend that. I think many people who support the President will think it is time for a ceiling, and he asked for a ceiling.

Mr. TOWER. May I say he did not ask for it on this bill.

Mr. PROXMIRE. He asked Congress to enact a ceiling itself. Not on any particular bill.

Mr. BENTSEN. Mr. President, if the Senator will yield for a comment, I would like to say to the Senator from Minnesota that I share his concern. This is a really grave constitutional question, but that does not get into the mechanics of setting a limit on expenditures. That is what we are talking about here, a limit on expenditures, trying to see some way to fit it into fiscal 1974, getting it done while we are considering authorizations. But the two are separate issues, and do not have to be considered as a whole.

Mr. MONDALE. Mr. President, last time, when we voted on the Jordan amendment, we voted essentially on how to allocate funds within a ceiling.

Mr. BENTSEN. Trying to retain the priorities of Congress.

Mr. MONDALE. Yes. My argument is that I think circumstances have changed. Since we voted on the Jordan amendment, the President has resorted to a massive new practice of impoundment and spelled out a new theory of almost one-man rule. It seems to me that we have to make certain that he complies with the Bentsen amendment, because I am afraid if we do not have something covering the general issue of impoundment, he will blame all of his cuts on this amendment, and do exactly as he pleases.

In addition to that, I come back to the point that I think we could dispose of this issue more responsibly if we had the presence of the Senator from North Carolina. I am just saying that for myself;

I am not authorized to speak for him in any way. I have not talked to him.

I, for one, and I think my colleagues agree, highly value the advice and counsel of the Senator from North Carolina (Mr. ERVIN) on this issue.

Mr. BENTSEN. I share the high esteem of the distinguished Senator from Minnesota, but I think we would make a serious mistake if we used the mechanics of trying to cut expenditure down to the ceiling approved by Congress, that the President said he thought he ought to have. We would have to have some mechanics to accomplish that.

I would suggest to the Senator that we put on a 1-year limitation. By the time we came up with a procedure to adopt a budget, we would not be able to accomplish that by the year 1975. So this proposal is what accomplishes that for us. It accomplishes it for 1974, so that the President can use the fund as a further excuse for maintenance, although I think he would rather have to stretch his imagination.

Mr. MONDALE. I agree that he would try to stretch it.

Mr. BENTSEN. We will not circumvent the issue. We will not have to subtract one iota from his power by the Bentsen amendment to the Proxmire amendment.

Mr. MONDALE. I thank the Senator from Texas. He has stated my case very well.

Mr. NUNN. Mr. President, I am in sympathy with the Bentsen amendment. I have legislation very similar to that of the Senator from Texas. But I am sure that the Senator is aware that there was to be a meeting of the Committee on Government Operations tomorrow morning, that was scheduled for tomorrow morning, but which will be held next week. I am also aware that the Government Operations Subcommittee on the Budget has 20 or 30 proposals that are similar to the Proxmire amendment and also the Bentsen amendment, and also that detailed hearings will be started on April 1 in the committee of which the Senator from Montana (Mr. METCALF) is the chairman.

I personally have read his proposal, and I think he has an excellent point, very similar to what the Senator from Texas (Mr. BENTSEN) is proposing. But I think if we give ourselves a little more time, we will come up with a much more meaningful, much more well-thought-out proposal.

I agree with the Senator from Texas, the Senator from Wisconsin, and the Senator from Minnesota, in particular on many of these items. I think, personally, the question of impoundment and the question of a spending ceiling are tied together. I think the Bentsen amendment is a way to actually give the President authority to impound funds under the priority system set up by Congress. So I think the two are interrelated. I would like to see the Senate deal with this subject without going through the same degree of hearings which are going to be taking place.

I also think that for us to set a ceiling of a real figure, which we have not had considered by the Appropriations Committee, on which we have had no testimony—not yet, at least—I am not aware of it—just trying to take a figure from the air, certainly is not rational judgment.

Whether I agree with it in the final analysis is another question. For Congress to set a figure without a hearing or without any rational discussion appears to be an irresponsible budgeting process.

Mr. PROXMIRE. This is a very unfortunate world. It is an imperfect Congress and an imperfect Senate. We should take all the time we need on these questions. We should take all the time we need to debate the question. The President's own ceiling, as I pointed out, justifies our providing a ceiling on the basis of arriving at a judgment of an economic balance, on the basis of a full employment budget. Our ceiling is aimed at recognizing that the President's budget will be inflationary during the rest of calendar 1973, the first half of fiscal 1974—a deficit of $7 billion, so that it would be more fiscally responsible to the President in that sense and, furthermore, with an analysis of where the money will go and where the money will come from, we can reduce the military budget by holding it down to the present level. We can reduce the foreign aid budget and hold it down to its present level as last year it was cut over $1 billion. That takes time and I say to the Senator from Georgia that we do not have the time to do it. If we wait for the bill in the Government Operations Committee, it will be 2 or 3 weeks before it will be on the floor. It has to be debated and go to the House and there have to be hearings in the House. There is no pressure to pass that bill or for the President to sign it. The devaluation bill he has to have. The House has to act on it rather promptly. There just is no other vehicle on which we can act now. It is true that the permanent machinery can be more maturely developed more adequately than what we have here, but this is the best we have.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senators from Texas and Georgia would allow me just to interject a question here, may I ask what the prospects might be for getting a time limitation on the bill and/or amendments thereto?

I have discussed this possibility with several Senators who have amendments and I find that a great many of them are amenable to such suggestion, so that we might know whether there is that possibility.

I ask that question at this time.

Mr. PROXMIRE. Mr. President, on the amendment I have pending, if we could have 1 hour, half an hour on each side, that would be satisfactory, beginning tomorrow.

I have one other amendment on requiring multinational corporations to report their foreign currency activities. That is a big amendment. I have a great deal of material on it. If I could have 1 hour, with a half an hour to a side on that amendment——

Mr. LONG. Mr. President, reserving the right to object, this amendment is the type of thing that the House always regards as a revenue amendment. This amendment would make a revenue bill out of a bill that is not a revenue bill. Most Senators do know, and all Senators should know, that the Constitution requires that revenue bills originate in the House of Representatives.

The Senate has tried to contend in years gone by that appropriation bills are not revenue bills, but that does not make any difference so far as the House is concerned; they will not consider them.

If you put such an amendment on this bill, I predict that the bill will come back to us with that little blue sheet on it which they print over there, which says in effect that the Constitution requires that legislative bills originate in the House, so here is your bill back.

That is what happens if they are lucky. What happens if you are not lucky is that you never see the bill again. That is the end of it.

I am surprised that a senior member of the Committee on Banking, Housing and Urban Affairs, who is for this bill, would want to kill the bill in this fashion. I would think that he would want, if he is for the bill, to see it passed. We just got through passing a revenue bill and I am glad to see that he did not bring it up on that one. It would not be subject to a constitutional objection if we had put it on the bill we passed last night; but this is not a revenue bill. I predict with confidence that if we are lucky, the best that can happen is that we will see the bill come back to us with that little blue sheet affixed to it, the sheet that the Parliamentarian over there slaps on it. So that is all you will achieve. You will buy a two-way ticket to the House and back for this bill.

I do not know why Senators insist on doing that. If you want to try to act on it, you would think you would put it on an appropriation bill which the House considers a revenue bill, even though we do not think it is; but that has been the historic truth. It would not be subject, in any event, to the constitutional objection that revenue bills originate in the House.

Mr. PROXMIRE. May I say to the Senator from Louisiana that the House will construe an appropriation amendment as a revenue amendment. If they do, we cannot do much about it, but I would hope they would not do that in this case. The Senate before has originated ceiling amendments——

Mr. LONG. On revenue bills——

Mr. PROXMIRE. Nevertheless, the ceiling amendment originated here and not in the House and was accepted and made effective.

Mr. LONG. My point is, yes, we have had a spending ceiling on bills offered, and I should know, because they have been offering bills that I was managing because they were revenue bills, but I do not know why Senators will insist on going through the motions of killing bills just to be the first to vote for a spending limitation.

We have a joint committee working on one. They will propose legislation. They will hold hearings. They will propose, and I am confident where a bill originates in the House, they will propose it to a House-passed revenue bill. But I do not

know why the Senate would want, in the face of what the Constitution says—at least from the point of view of the House—and perhaps you can argue that a spending limitation is not a revenue bill. You can argue that, but you are wasting your time to argue that before the House—I assure you.

Mr. PROXMIRE. We have to recognize that the committee is not going to act in time to affect the 1974 budget. They have indicated as much. Hearings are scheduled for weeks into the future. There will be no markups or coming to a conclusion before the end of the fiscal year, so we cannot wait for them, or there will not be a ceiling.

Mr. LONG. I guarantee there will not be one if you put it on this bill. That is the one thing I can say. They will say this is an effort by the Senate to do this, or that. Actually, we already have enough of an argument going on between us and the executive about impoundment, usurpation, and so forth, without going back and bringing that other argument up all over again.

So far as this Senator is concerned, it was not the Finance Committee that initiated the bill but if the Senate sees fit to consign an otherwise good bill to the boneyard by putting this amendment in the bill, the Senator can do so, but I think it is a very unwise thing to do.

Mr. TOWER. Mr. President, reserving the right to object——

Mr. PROXMIRE. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Wisconsin has the floor.

Mr. MONDALE. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, I had not proposed any request yet. Could we hear from the Senator from Minnesota now?

Mr. EAGLETON. Mr. President, I have a substitute for the Proxmire-Bentsen amendment which I would like to offer before sundown or sunup tomorrow; 30 minutes would be all I would need to take.

Mr. MONDALE. Mr. President, I hate to be in the position of objecting to any motions made by the leadership, because that is the only way we can get anything done around here. But for several reasons I think I would have to object. I would also have to serve notice on the Senate that I would need a considerable amount of time to discuss any amendment if it did not include the provision dealing with general impoundment. That will be difficult for us because the distinguished Senator from North Carolina (Mr. ERVIN) is not here today and he has done all this work on it, and the distinguished Senator from Maine (Mr. MUSKIE) and others on the Government Operations Committee are very close to marking it the Ervin bill. In addition, it is very likely that the Proxmire amendment, or any spending ceiling, would be considered as a revenue measure, and maybe we are tacking it onto the wrong measure. If I am not misinformed, very shortly the debt ceiling will be coming out of the Finance Committee of the Senate. This is a revenue measure originated in the House which would be a more appropriate vehicle, in my opinion. And we can take time to consider the Ervin impoundment provisions, because the debt ceiling is even better than the gold devaluation—the President has to sign that one——

Mr. LONG. That is the bill on which the provision was put last time and no one argued about it. That bill is not subject to a constitutional objection if it goes on the debt limit bill, but it is if you put it on this one.

Mr. MONDALE. For that reason I am hoping the leadership will not make the motion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. I think my question has been answered. I will not, of course, pursue the matter any further today. I would simply want to say that there will be no more yea-and-nay votes today.

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

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. I think that under the circumstances, since we cannot get a time limitation, what the Senator from Louisiana says is absolutely correct: They will push our bill aside and bring up their own bill, which will be a clean bill, and we will never get it out of conference.

So this is really an exercise in debate, and probably is great for the edification of the American people, but it is not going to result in this getting passed on this bill, because the House is not going to lie down for it. I think the chairman knows that. Obviously, the Senator from Louisiana knows it.

If we cannot get an agreement on a time limitation, what I probably will do is move to table the amendment and get a test on it that way.

Mr. ROBERT C. BYRD. I assume the Senator will not make that motion today.

Mr. TOWER. I am withholding it for the moment.

Mr. ROBERT C. BYRD. Then, I would be safe in saying that there will be no more yea-and-nay votes today.

Mr. TOWER. Unless the yea-and-nay votes were asked on a tabling motion.

Mr. ROBERT C. BYRD. Even in that event, I think the leadership would want to move to adjourn and have that vote tomorrow, so that all Senators would be on notice. It would be a pretty important vote, and they would not want to miss it.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. JACKSON, Mr. MATHIAS, Mr. HATFIELD, Mr. BEALL, Mr. ALLEN, Mr. CHILES, Mr. NUNN, Mr. GRIFFIN, Mr. HRUSKA, Mr. COOK, Mr. LONG, and Mr. ROBERT C. BYRD.

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

AMENDMENT OF THE PAR VALUE MODIFICATION ACT

The Senate continued with the consideration of the bill (S. 929) to amend the Par Value Modification Act.

Mr. PROXMIRE. Mr. President, I can complete my remarks in 3 minutes.

1974 SPENDING CUTS TOTAL ABOUT $3 BILLION

I have calculated that for $3 billion or less, we could put back into the spending budget virtually every major program the President has cut this year—the funds for OEO, REA, REAP, NIH, housing, manpower training programs, the Veteran's compensation and pension cut, and many other cuts.

Mr. President, I ask unanimous consent that a table which sets forth the various programs that could be restored and the amounts be printed at this point in the RECORD.

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

MAJOR OUTLAY CUTS IN THE FISCAL YEAR 1974 BUDGET

	Amount
Program:	
OEO	$425, 593, 000
Agriculture:	
REAP	172, 500, 000
REA	216, 166, 000
Housing—Domestic farm labor	3, 425, 000
Disaster loans	20, 000, 000
Special milk	56, 025, 000
	468, 116, 000
HEW:	
Health services planning and development	99, 900, 000
Preventive health services	10, 730, 000
Library services	33, 987, 000
Civil rights education	11, 827, 000
NIH	28, 268, 000
Student loans	150, 000, 000
Health manpower	100, 000, 000
	434, 712, 000
HUD:	
Low rent public housing	10, 000, 000
Housing for elderly and handicapped	10, 043, 000
Counseling services	3, 250, 000
Grants for basic water and sewer facilities	7, 295, 000
Rehabilitation loan fund (Brooke amendment)	38, 965, 000
Others	[1] 55, 000, 000
	69, 553, 000
Labor:	
Manpower revenue Sharing (includes Neighborhood Youth Corps)	474, 000, 000
Emergency employment Assistance	520, 000, 000
	994, 000, 000
EPA:	
Resource recovery	75, 000, 000
New technology for air pollution	53, 000, 000
	128, 000, 000
Veterans' Administration: Restore compensation and pension cut	2, 200, 000
Arms Control and Disarmament Agency	2, 682, 174, 000

[1] The Brooke amendment was not funded. So this amount does not represent a cut from fiscal year 1973 but an estimate of what should be in the budget but is not in the budget.

Mr. PROXMIRE. Mr. President, in addition, I ask unanimous consent that a

table showing the difference between outlays and budget authority for fiscal years 1973 and 1974 for certain housing and urban development programs be printed in the RECORD at this point.

[In millions]

Program	Fiscal year— 1973	1974	Change
Counseling services:			
Outlays	$1.0	$1.0	----------
Budget authority	0	0	----------
Model cities:			
Outlays	583.0	600.0	$17.0
Budget authority	500.0	0	−500.0
Neighborhood facility grants:			
Outlays	26.0	35.0	9.0
Budget authority	40.0	0	−40.0
Open space land programs:			
Outlays	57.0	70.0	13.0
Budget authority	100.0	0	−100.0
Water sewer grants:			
Outlays	130.0	122.7	−7.3
Budget authority	0	0	0
Urban renewal:			
Outlays	950.0	1,050.0	100.0
Budget authority	1,450.0	137.5	−1,321.5
Rent supplement:			
Outlays	117.0	157.0	40.0
Budget authority	48.0	0	−48.0
Sec. 235:			
Outlays	320.0	387.0	67.0
Budget authority	170.0	----------	−170.0
Sec. 236:			
Outlays	105.0	188.0	83.0
Budget authority	175.0	0	−175.0
Low-rent public housing:			
Outlays	1,110.0	1,250.0	140.0
Contract authority [1]	473.4	350.0	−123.4
College housing:			
Outlays	11.0	18.0	7.0
Budget authority	5.0	0	−5.0

[1] Contract authority for public housing included $245,000,000 for operating subsidies in fiscal year 1973. In 1974, all the authority is for operating subsidies. In other words, no new starts.

	Fiscal year— 1973	1974	Change (billions)
HUD:			
Outlays	$3,364,451	$4,767,996	(1)
Budget authority	5,048,000	3,712,864	(2)

[1] Up $1,400,000,000.
[2] Down $1,335,000,000.

Mr. PROXMIRE. That is the arithmetic.

We have heard outcries about the President freezing funds for water construction grants—the $6.9 billion frozen funds. But do Senators know that the outlays or spending for that program go up about $1 billion in 1974, from $727,000,000 to $1.6 billion? The freeze or the cuts affect future contracts and do not affect spending in the 1974 fiscal year budget at all.

New urban renewal funds are virtually frozen in fiscal year 1974. But urban renewal spending goes up from $1 billion in fiscal year 1973 to $1,050 million in fiscal year 1974. Mass transit in the HUD budget goes up by $100 million.

An example of just the opposite effect may also help make this problem clear. Last year and this year—fiscal year 1973 and 1974—we will appropriate, if the administration gets its way, almost $1 billion for the new aircraft carrier CVN–70. But actual spending for CVN–70 in these 2 fiscal years, so far as we can determine, will be about $34 million.

Mr. HATHAWAY. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. HATHAWAY. During the colloquy between the Senator from Wisconsin and the Senator from Minnesota, the Senator from Wisconsin mentioned that the amendment that has been accepted by the Senator from Wisconsin, which was offered by the Senator from Texas (Mr. BENTSEN), was all we could hope to get, even though it was imperfect. I wonder whether the Senator would clarify that statement, because the Senator from Minnesota is going to offer an amendment—and perhaps there will be one by the Senator from Oklahoma, joined by the Senator from Ohio (Mr. TAFT)—that would cut across this impoundment question and cover all appropriations and have a mechanism whereby the cuts would be made by the President on a proportional basis; and if he wanted to go over the proportional basis, he would have to submit it to Congress for ratification.

My question is this: Why can we not have amendments such as that, rather than the one the Senator from Wisconsin has accepted?

Mr. PROXMIRE. I want to take a careful look at the amendment offered by the Senator from Minnesota, and I have not had a chance to do that. I have not had a chance to examine the amendment by the Senator from Missouri. I may have a different view of those amendments tomorrow.

I did have a chance to examine the amendment offered by the Senator from Texas, and it seems to me that it does accomplish a great deal we would like. It does not leave the impoundment situation as wide open as it was. If the President makes reductions, he must make them across the board. It confines him to a 10-percent cut in any program, and I think it is a constructive advance.

I am concerned about taking this complex issue and going further than that without hearings, without much more debate than we have had here. I think the important thing to do in the next day or so is to establish a ceiling on spending, so that it is clear to the country and to the administration that the Democratic Congress means business with respect to holding down spending; also, for the guidance of the appropriations subcommittees and others, so that we will be in a better position to act, recognizing what kind of constraints we will be under.

Mr. HATHAWAY. I agree wholeheartedly with the Senator from Wisconsin that we should have a ceiling, although I think the ceiling should be higher than the one that has been recommended. But I also think we ought to have imposed upon the President the obligation to make cuts across the board, on a proportional basis; and if he wanted to go further than that, he would have to get congressional consent. By leaving it open to him to take one of the two avenues—either making proportional cuts or simply making impoundments—does not seem to me to be an exercise of good judgment on our part.

Mr. PROXMIRE. I share the view of the Senator. In fact, I will be happy to support the Mahon principle, as I understand it, which would give Congress the right, by majority vote, to override any Presidential impoundment. I think that is good. That is what I think the Senator has in mind.

Mr. HATHAWAY. That might be a good approach. But I think the approach of the Senator from Minnesota is even better, because it takes care of that in one fell swoop. If the President wanted to make such an impoundment or a cut, other than a proportional cut, he would have to come to us for permission.

Mr. PROXMIRE. It is possible that overnight we can work this out with the Senator from Texas (Mr. BENTSEN), the Senator from Minnesota (Mr. MONDALE), and the Senator from Missouri (Mr. EAGLETON), who also has an excellent proposal which I think we have not had a chance to consider at all.

Mr. HATHAWAY. I thank the Senator from Wisconsin.

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

Mr. PROXMIRE. I yield.

Mr. MONDALE. What I am worried about is that the whole issue about the President's alleged powers of unlimited impoundment—powers which he does not have, but which he claims to have, and which he is operating on—remains untouched by these amendments, Several things follow from that.

First, I think we will find that the President unfairly will blame Congress for the cuts he makes under his general impoundment. We have seen how they do that. When the health professionals and the educators and the poverty workers and the environmentalists and the housing people write and say, "How come there are no resources left?" the letter that will come back will very subtly suggest that it is Congress that holds the dagger.

Second, I believe that if we give the President the spending ceiling, we have given him all he wants. Then, when we try to get the impoundment powers later on—and I am sure we are going to make an attempt—he will be in an excellent strategic position to veto and not let us have those impoundment powers. Thus, we will have to pass it with a two-thirds vote over his veto, and I am not sure we can get it.

So I think the issue of the spending ceiling and general impoundment should be handled together.

The final point is that I think it should be pointed out that the chairman of the Appropriations Committee of the House, Mr. MAHON, if I understand correctly, opposes exactly what we are doing today, for the reasons I have given. He thinks we should establish the impoundment issue first and then go back and deal with spending, because if we do it the way we are proposing, we will be in a tactical position that is impossible.

The final point I want to make is that I do not like the House proposal for congressional veto of Presidential impoundments because I do not think we can win a single one. It puts the burden on the Congress rather than on the President, and anybody who has inertia on his side usually wins and inertia would be on the side of the President. Mr. President, you would have 60 days to overcome a Presidential veto. After the second

or third time, because of necessity, we would have to relent to wholesale impoundments.

The Ervin proposal solves this problem. The distinguished Senator from North Carolina (Mr. ERVIN) is not with us today because of a family tragedy. He proposes that the burden be with the President to affirmatively procure congressional approval. That is the only way that makes sense.

Mr. PROXMIRE. Mr. President, what the Senator says makes sense to me, and I would be happy to support it. I have the same problem with that other Senators have. It might go a little too far. We have not had sufficient hearings to refine the impoundment idea that much. But let me consider it overnight, and I may be happy to support that. I think the Senator from Missouri has a presentation, and perhaps we can arrive at something that we can all support.

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

Mr. PROXMIRE. I had promised to yield to the Senator from Missouri.

Mr. EAGLETON. Mr. President, will the Senator yield so that I may offer my substitute for his amendment?

Mr. PROXMIRE. I would like to complete my statement first.

Mr. JAVITS. Mr. President, will the Senator yield briefly?

Mr. PROXMIRE. I yield.

Mr. JAVITS. I did not hear all of the remarks of the Senator from Minnesota (Mr. MONDALE), but he discussed his remarks with me in advance. I want to express my interest in the remarks the Senator made, and I thank the Senator from Wisconsin for yielding.

Mr. PROXMIRE. Mr. President, I will not yield further until I have finished, which will not be more than 5 or 6 minutes.

SPENDING AND APPROPRIATIONS ARE TWO DIFFERENT THINGS

Mr. President, like the flowers that bloom in the spring what we appropriate has almost nothing to do with spending. The spending for this year, unless we limit it by a ceiling, is decided almost entirely by the President.

We can limit it and effect it in only one major way. And that way is to establish a ceiling on it. And to my colleagues who argue that we must not establish a ceiling for fear that good programs will suffer, I say to them that if they are willing to cut the military budget back to last year's level and to take a $1 billion from the $10 billion foreign aid program, and to take a billion or two elsewhere—all of which Congress has done every year, year in and year out over the last 25 years to every President's budget—we could fund all the programs the President has cut for the next fiscal year and still save $3 to $4 billion and establish a ceiling at $265 billion or a level which is below the President's budget.

If a majority of Congress wants that to happen, my amendment is one way to make it possible while remaining fiscally responsible.

For all these reasons, Mr. President, I believe we need the $265 billion ceiling now.

Now is the time. This is the bill. Let us act before it is too late.

The claim is made that the Congress should not interfere with the President's budget decisions and ceiling because the executive has studied these matters thoroughly. The argument is made that the Office of Management and Budget and the agencies have thoroughly reviewed Government programs to determine which ones do not work or are in some sense wasteful.

The administration, of course, does all that it can to advance this idea. In yesterday's New York Times, Mr. Casper Weinberger, in the process of castigating the Congress as solely to blame for the spending problem, praised the President for his careful analysis of Government programs. He states:

> President Nixon's second step was to order the most exhaustive evaluation of Federal programs ever undertaken. Those in the Office of Management and Budget who conducted the evaluation used only one criterion: Does the program work?
>
> Of the more than 1,000 Federal grants programs reviewed, 115 were found to be riddled with waste and inefficiency. There is no money for such programs in President Nixon's 1974 budget.

In an effort to determine just how careful an evaluation the administration had made of Government programs, I wrote to Mr. Roy Ash on February 6 and asked him to present more information on the fiscal 1974 program reductions when he appeared before the Joint Economic Committee to testify on the President's budget. I asked him to explain the rationale behind each program cut. He did not have this information when he appeared, but subsequently did respond to a request from myself and Senator HUMPHREY to provide the evaluation studies to support the President's decisions.

It is difficult to describe the material Mr. Ash has sent to support the President's budget cuts. They are not studies or evaluations of programs at all. They are primarily undocumented assertions, descriptions of the programs, explanations of the actions taken, nonsequiturs, and phony cuts. But they do not indicate that the Executive has carefully studied these matters. The Congress has no reason to have more confidence in the President's budget decisions than their own.

Let me give you a few examples of the nonsense the President has sent to Congress as justifications for the budget cuts.

The President cut $75 million in what he calls low priority medical services to adults, and OMB tells us the justification is: "Lack of dental care is seldom life-threatening and is less critical for adults than for children." No further analysis or explanation is given.

The President has terminated the Emergency Employment Assistance program and, as justification, OMB asserts that unemployment is no longer serious enough to merit this program, that remaining unemployed would not be served by this program and that State and local governments do not need this program. Similar assertions are made for housing, health, OEO, and so on. In no case is there an analysis to support the assertion.

In one incredible case we have an assertion based on an assertion. The urban renewal program is condemned with quotes from speeches given by former HUD Secretary Romney. According to Romney the program is ineffective because:

> These categorical programs are no longer adequately responsive to the crisis of our central cities. We have poured billions into these programs with little result. To continue would mean throwing more billions of the taxpayers' money away. Larger infusions of money have not served to solve the problems. Something else is needed.

Maybe something else is needed, but let us base the decisions on some careful studies.

In three of the four health programs that are cut, part of the justification is that funds can be obtained from special project grants. Nowhere does this document tell you that special project grants have been cut 36 percent since fiscal year 1972.

But the most incredible area is defense. In this area the budget is not cut but increased—the savings are fabricated. For example, a fiscal 1974 saving of $1.2 billion is claimed with two sentences of "analysis," one of which says:

> Reduced proposed inactivity rates for real property maintenance, material depot maintenance, operating force support, and supply operations.

The key word of course is proposed, which means a saving is claimed because the Secretary of Defense cut the military's wish list.

There are many other examples of the shoddy evaluations done by OMB. The Joint Economic Committee is making a more detailed evaluation for the Congress. But it is already clear that the administration has not made a careful evaluation of Government programs in establishing its ceiling.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter that I wrote to Roy Ash on February 6, 1973.

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

FEBRUARY 6, 1973.

Hon. ROY ASH,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. ASH: To assist the Committee in understanding the spending choices the Administration has made for fiscal 1973 and 1974, additional information on the cuts listed on pages 49–57 of the Budget would be valuable. In conjunction with your testimony before the Committee on February 8th, I would therefore ask you to bring a written explanation of these items that is more detailed than that available in the budget. In particular, we need brief statements of: (a) why each cut was made, and (b) the specific nature of each cut.

If you have any questions about this request, Mr. Jerry Jasinowski of the Committee staff will be happy to assist you.

Sincerely,

WILLIAM PROXMIRE.

ECONOMIC IMPACT OF FISCAL YEAR 1974 BUDGET

Mr. PROXMIRE. Mr. President, I wish to point out that the 1974 budget will impact the economy during the last half of 1973 as well as the first half of 1974.

The impact of Federal spending during calendar year 1973 will be quite inflationary.

On a national income accounts basis, Federal expenditures during calendar year 1973 will increase by 9.3 percent over 1972.

The deficit, on a national income accounts basis, will increase from $18.5 billion in 1972 to $22.5 billion in 1973, an increase of 14.5 percent.

On a full employment budget basis, Federal expenditures increase by 10.1 percent in calendar year 1973.

On a full employment budget basis, the Federal deficit increases from $6 billion to $7.1 billion, an increase of 18.3 percent.

During the last 6 months of calendar year 1973—first 6 months of fiscal year 1974—the full employment budget deficit will be $3.7 billion.

The effect of the Proxmire amendment is to cut $3.7 billion from the fiscal year 1974 budget and thus make it possible to bring Federal expenditures into balance during the last half of 1973, as measured by the full employment budget.

AMENDMENT NO. 68

Mr. EAGLETON. Mr. President, I have an amendment to S. 929 and I offer it as a substitute for the Proxmire-Bentsen amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

In lieu of the language proposed to be inserted by the amendment of Mr. PROXMIRE and others (No. 20 as modified) insert the following:

SEC. . (a) Expenditures and net lending during the fiscal year ending June 30, 1974, under the budget of the United States Government shall not exceed $268,700,000,000.

(b) Whenever the President determines that appropriations or other obligational authority hereafter made available would require or permit expenditures and net lending during fiscal year 1974 to exceed the limit prescribed by subsection (a), he shall propose, by special message transmitted to the Congress, reservations from expenditure and net lending, from appropriations or other obligational authority heretofore or hereafter made available, of such amounts as are necessary to keep expenditures and net lending during fiscal year 1974 within such limit. A proposal under this subsection shall be transmitted to both Houses on the same day and shall be delivered to each House while it is in session.

(c) The President is authorized, after the close of the thirty-day consideration period (as defined in subsection (e)) applicable to a proposal transmitted under subsection (b), to reserve from expenditure and net lending the amounts set forth in such proposal, unless, before the close of such thirty-day period, the Congress has passed legislation rescinding appropriations or other obligational authority available for expenditure or net lending during the fiscal year 1974 in an aggregate amount not less than the aggregate amount of reservations set forth in such proposal. If, before the close of such thirty-day period, the Congress has passed such legislation, but it does not become law, then the figure set forth in subsection (a) is hereby increased by an amount equal to the aggregate amount of reservations set forth in such proposal.

(d) During the thirty-day consideration period applicable to any proposal transmitted by the President under subsection (b), any proposed legislation to rescind appropriations or other obligational authority shall be highly privileged in both Houses of the Congress and rules similar to the provisions of sections 911, 912, and 913 of title 5, United States Code, shall apply to such proposed legislation, except that amendments to such proposed legislation shall be in order. This subsection is enacted as an exercise of the rulemaking power of the Senate and House of Representatives, respectively.

(e) The thirty-day consideration period applicable to any proposal submitted under subsection (b) is the first period of thirty calendar days of continuous session of the Congress after the date on which the proposal is transmitted to the Congress. For purposes of the preceding sentence, (1) continuity of session is broken only by an adjournment of the Congress sine die, and (2) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the thirty-day period.

(f) In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to subsection (c), and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution,

the amount available for expenditure (as determined by the President) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TOWER. Is the amendment of the Senator from Missouri in order?

The PRESIDING OFFICER. It is a substitute for the Proxmire amendment.

Mr. TOWER. Mr. President, a further parliamentary inquiry. The Proxmire amendment has been modified to accept the Bentsen amendment. Did he accept it as a modification?

The PRESIDING OFFICER. The Senator from Wisconsin modified it in his own right.

Mr. TOWER. I thank the Chair.

Mr. EAGLETON. Mr. President, may I address a question to the acting majority leader?

Mr. ROBERT C. BYRD. Yes.

Mr. EAGLETON. I wonder if this would perhaps be a satisfactory time to cease deliberations on S. 929 so that between now and tomorrow the Senators from Wisconsin, Minnesota, Texas, myself, and others who are interested in the question can put our heads together and see if there is a common ground to meet the objections raised by the Senator from Alabama, the Senator from Louisiana, and other Senators?

Mr. ROBERT C. BYRD. Yes; I would answer in the affirmative the question of the Senator from Missouri. I think it would be a good idea to cease here for the day.

Mr. TOWER. Mr. President, I ask unanimous consent that when the Senate resumes consideration of S. 929 I be recognized.

The PRESIDING OFFICER. Tomorrow?

Mr. TOWER. Yes.

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

Mr. PROXMIRE. Mr. President, I did not hear the unanimous-consent request.

The PRESIDING OFFICER. That when the Senate proceeds to the consideration of the bill tomorrow, the Senator from Texas be recognized.

Mr. PROXMIRE. Mr. President, will the Senator from Texas yield for a question on that?

Mr. TOWER. Yes.

Mr. PROXMIRE. Does the Senator from Texas intend to move to table the Eagleton amendment or the Proxmire-Eagleton amendment?

Mr. TOWER. In due course, but not immediately, because obviously some more debate should take place.

Mr. PROXMIRE. Mr. President, I have no objection.

(The remarks Senator BARTLETT made at this point on the submission of Senate Concurrent Resolution 19, relating to the establishment of an appropriation ceiling, are printed earlier in the RECORD under Submission of a Concurrent Resolution.)

SUBCOMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY MEETING DURING SENATE SESSION TOMORROW

Mr. BAYH. Mr. President, I request unanimous consent that the Subcommittee To Investigate Juvenile Delinquency of the Committee on the Judiciary may be authorized to meet to conduct hearings on the nature and extent of methaqualone abuse and diversion in the United States during the session of the Senate tomorrow.

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND FOR THE RESUMPTION OF CONSIDERATION OF S. 929

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for the recognition of Senators on tomorrow, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes each, at the conclusion of which the Senate resume its consideration of the unfinished business.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if the orders for the recognition of Senators have not expired by the close of the morning hour, the unfinished business not be laid before the Senate until such time as the orders for the recognition of Senators have been consummated and there has been a period for the transaction of routine morning business in conformity with the previous order.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10 a.m. After the two leaders have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. JACKSON, Mr. MATHIAS, Mr. HATFIELD, Mr. BEALL, Mr. ALLEN, Mr. CHILES, Mr. NUNN, Mr. GRIFFIN, Mr. HRUSKA, Mr. COOK, Mr. LONG, and Mr. ROBERT C. BYRD, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes each.

At the conclusion of routine morning business, the Senate will resume its consideration of the unfinished business, S. 929, the dollar revaluation bill. There will be yea-and-nay votes thereon.

The distinguished ranking Republican member of the committee (Mr. TOWER) has requested and received consent to be recognized at the time the unfinished business is laid before the Senate tomorrow, and he has already indicated to the Senate that he will, at some point during the day, move to table the amendment by Mr. PROXMIRE.

So there will be yea-and-nay votes tomorrow. Hopefully, the Senate will complete action on the bill tomorrow. We cannot be assured of that in view of the fact that there is no time agreement on the bill or on amendments thereto.

If action is completed on the bill at a reasonably early hour on tomorrow, the Senate will then take up the various crime bills. If the Senate does not complete its action on the unfinished business tomorrow, the various crime bills and other measures on the calendar would go over until Friday.

ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock a.m. tomorrow.

The motion was agreed to; and at 6:39 p.m. the Senate adjourned until tomorrow, Thursday, March 29, 1973, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 28, 1973:

DEPARTMENT OF JUSTICE

Allen L. Donielson, of Iowa, to be U.S. attorney for the Southern District of Iowa for the term of 4 years; reappointment.

V. DeVoe Heaton, of Nevada, to be U.S. attorney for the District of Nevada for the term of 4 years; vice Bart M. Schouweiler, 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. Carlos M. Talbott, [redacted] FR (major general, Regular Air Force) U.S. Air Force.

Col. John P. Flynn, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force, for appointment to the temporary grade of brigadier general in the U.S. Air Force to be retroactive to the effective date of May 1, 1971.

Col. David W. Winn, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force, for appointment to the temporary grade of brigadier general in the U.S. Air Force.

IN THE NAVY

The following named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

Lando W. Zech, Jr.	John B. Berude
Reuben G. Rogerson	Thomas B. Russell, Jr.
Cyril T. Faulders, Jr.	Elmer T. Westfall
Robert P. McKenzie	Paul C. Boyd
Henry P. Glindeman Jr.	Charles S. Williams, Jr.
James R. Sanderson	Edward P. Travers
Gordon R. Nagler	William H. Ellis
Robert F. Schoultz	Ralph H. Carnahan
Robert H. Blount	James B. Stockdale
Harold G. Rich	William J. Crowe, Jr.
George P. March	Robert S. Smith
Jeremiah A. Denton, Jr.	Richard A. Paddock
	Roy F. Hoffmann
Donald P. Harvey	William H. Harris
John D. Johnson, Jr.	Robert H. Gormley
Robert K. Geiger	James H. Foxgrover
Kenneth G. Haynes	Ernest E. Tissot, Jr.
Kenneth M. Carr	Gerald E. Synhorst
Paul A. Peck	Carl T. Hanson
Ralph M. Ghormley	William J. Cowhill
John T. Coughlin	Albert L. Kelln
Carlisle A. Trost	

HOUSE OF REPRESENTATIVES—*Wednesday, March 28, 1973*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Acquaint now thyself with God and be at peace; thereby good shall come to thee.—Job 22: 21.

Our Heavenly Father, in this quiet moment of meditation and prayer help us to find in Thee our true peace. Let us not be led astray by the foolish customs of the world, nor kept from doing our duty at the call of selfish spirits, nor drawn into wrong ways by the example of unworthy men.

In every experience of daily life may we know that Thou art with us, in every temptation may we find strength in Thee, in every trouble feel the support of Thy spirit, and in every anxiety to lay hold of Thy peace. May Thy grace enlighten us in darkness, strengthen us in weakness, and renew in us the spirit which makes life worth living.

Bless our country, our leaders, and our people. Whatever light may shine, whatever darkness may fall, keep us in the fellowship of those who trust and obey Thee.

In the spirit of Him who walked in Thy way 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.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 5445. An act to extend the Clean Air Act, as amended, for 1 year;

H.R. 5546. An act to extend the Solid Waste Disposal Act, as amended, for 1 year; and

H.J. Res. 5. Joint resolution requesting the President to issue a proclamation designating the week of April 23, 1973, as "Nicolaus Copernicus Week" marking the quinquecentennial of his birth.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3577. An act to provide an extension of the interest equalization tax, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3577) entitled "An act to provide an extension of the interest equalization tax, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. BENNETT, and Mr. CURTIS to be the conferees on the part of the Senate.

The message also announced that the Vice President, pursuant to Public Law 86–42, appointed Mr. HUMPHREY to the Canada-United States Interparliamentary Meeting to be held in Washington, D.C., April 4 to 8, 1973.

The message also announced that the Vice President, pursuant to Public Law 83–420, appointed Mr. CLARK as a member on the part of the Senate, of the board of directors of Gallaudet College.

AMERICAN POW'S AND FIGHTING MEN

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MONTGOMERY. Mr. Speaker, today is a great and historical date for our country in that the last of the officially listed American prisoners of war will be