They cite the present nationality break-down as about 100 million Russians as against about 120 non-Russians.—Ed.)

Mr. Wohl continued:

"For example Russians increased in number by a little less than 16 per cent between 1959 and 1970, while the Uzbeks increased by 53 per cent, Kazakhs by 46 per cent, and Azerbaijani and Kirgizians by 49 per cent. And beyond these statistics, the Soviet Communist Party is alarmed over nationalist stirrings in the 14 non-Russian republics and in several of the autonomous republics of Russia proper.

"In the most restive republics Moscow has reacted with party and government purges, arrests, and even capital punishment with the propaganda machine in favor of a united Soviet Union running full blast.

"In his report last December commemorating the first 50 years of the U.S.S.R. as a state General Secretary Leonid I. Brezhnev spoke of the 'further drawing together of the nations and peoples' of the Soviet Union. Their drawing together, according to Mr. Brezhnev, represents an objective meaning, an inexorable, a preordained process. In his report he adopted a position halfway between those who seek to accelerate the ultimate melting of the many nationalities into a single Soviet nation and the advocates of gradualism.

"Mr. Brezhnev referred to the common Soviet motherland (rodina), to the common fatherland (otchizna), but avoided speaking of a Soviet nation. Instead he used the term 'the Soviet people.'

"The terms "rodina" and "otchizna" have a Russian nationalist ring. They were currently used in the press of Czarist days and went hand in hand with Russification. Lenin never used these terms. Stalin unearthed them.

"The general trend of Mr. Brezhnev's address was against the gradualists: 'Any attempt to restrain the . . . drawing together of the nations, to create hindrances to it under one pretext or another, or artificially to consolidate national isolation . . . (are) inadmissible."

"In the Jan. 1 issue of Kommunist, the Communist Party's theoretical magazine, Russian Premier and candidate member of the Politburo, Mikhail S. Solomentsev, went even further. Mr. Solomentsev hailed the 'monolithic unity of the Soviet people' who are "children of the same fatherland."

"There is evidence that the Soviet leaders are divided about the right approach to the nationality problem.

"Pravda in several articles published in December rejected the thesis of 'speeding up' the drawing together of the Soviet nations. But with the recent hardening of the Kremlin's domestic policy against dissidents of all kinds, the majority of the Politburo now seems to have shifted in favor of a faster and more energetic course.

"A political analyst of Radio Liberty has tabulated the respective use by the 15 republican speakers of the terms "Soviet people" and "Soviet peoples" in an interesting treatment of the nationality problem at the December celebration. The tabulation showed that those who spoke most frequently to 'the Soviet peoples,' thus indirectly stressing the national individuality of their respective republics, also were those who participated the least in what is now occasionally called 'the cult of Mr. Brezhnev's personality.'

"Among the deviationists from Mr. Brezhnev's line were the first secretaries of Armenia, Turkmenistan, Kirghizia, Latvia, Uzbekistan, Azerbaijan, and Lithuania, all republics that in one form or another have been 'delinquent' in the "correct" solution of the nationality problem. The first secretaries of Azerbaijan and Lithuania avoided referring even once to "the Soviet people" in contrast to Russian Premier Solomentsev who used this term 11 times.

"In the context of Mr. Solomentsev's recent article in Kommunist it now looks as if the majority of the leadership had come around to favoring monolithism as the basic principle of Soviet nationality policy, which would mean victory for Mr. Brezhnev over the gradualists."

LEGISLATION TO EXTEND THE AGRICULTURAL ACT OF 1970 FOR AN ADDITIONAL 5 YEARS

HON. EDWARD YOUNG

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 29, 1973

Mr. YOUNG of South Carolina. Mr. Speaker, I am in favor of extending the Agricultural Act of 1970 for an additional 5 years. I favor this extension because in my lifetime this present farm program has proven to be the most effective agricultural program this country has ever known.

It has not been our most costly farm program, but it has provided the most practical solution to our farm problems.

Gentlemen, the American farmer is the most efficient farmer in the world today. In this country 5 percent of the people remain on the farm and they meet the responsibility of feeding this Nation. In many countries it requires 50 percent of the population to produce the food they need.

It is essential that we continue a program that has proven so effective.

The American farmer today, with the help of this present farm program, realizes only about a 5 to 6 percent return on his investment. If this return is reduced, we can reasonably expect even more out-migration from the farms. This our Nation cannot afford to have happen.

Thus, I present to you our proposal to extend for 5 more years the expiring provisions of the Agricultural Act of 1970.

It is a program that is effective and that is working. We need to continue it.

SENATE—*Monday, April 2, 1973*

The Senate met at 12 o'clock meridian and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

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

Lord of all our years and of each new day, we lay before Thee the needs of our Nation, the needs which are obvious and the needs yet obscure, beseeching Thee to give us the strength, wisdom, and courage for their solution. Renew the dedication of all the people to spiritual values and submission to the transcendent moral law Thou hast revealed. As we pray for the Nation, so we pray for ourselves in this place, that to our own human efforts and finite wisdom Thou wouldst add Thy divine blessing and infinite wisdom.

We pray in Thy holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 2, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of March 29, 1973, the Secretary of the Senate, on March 30, 1973, received the following messages from the President of the United States:

REPORT UNDER FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT

The Secretary of the Senate, on March 30, 1973, received a message from the President of the United States, which, with the accompanying report was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

In accordance with section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, Public Law 91–173, the Secretary of the Interior annually prepares a report to the Congress and to the Office of Science and Technology on progress made in administering the law.

It is my pleasure to transmit to you the report for Calendar Year 1971 and to commend it to the attention of the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *March 30, 1973.*

EXECUTIVE MESSAGE REFERRED

The Secretary of the Senate, on March 30, 1973, received a message from the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

President of the United States submitting the nomination of Graham A. Martin, of North Carolina, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Vietnam, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of March 29, 1973, Mr. WILLIAMS, from the Committee on Labor and Public Welfare, on March 30, 1973, submitted a special report entitled "Legislative Review During the 92d Congress by the Senate Committee on Labor and Public Welfare" (Rept. No. 93–96), which was printed.

Under authority of the order of the Senate of March 29, 1973, Mr. MAGNUSON, from the Committee on Commerce, on March 30, 1973, submitted a special report entitled "Committee on Commerce Oversight Report" (Rept. No. 93–97), which was printed.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, March 29, 1973, be dispensed with.

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on March 30, 1973, the President had approved and signed the act (S. 583) to promote the separation of constitutional powers by suspending the effectiveness of the Rules of Evidence for U.S. courts and magistrates, the amendments to the Federal Rules of Civil Procedure, and the amendments to the Federal Rules of Criminal Procedure transmitted to the Congress by the Chief Justice on February 5, 1973, until approved by act of Congress.

BUDGET OF THE DISTRICT OF COLUMBIA—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. ROBERT C. BYRD) laid before the Senate a message from the President of the United States, which, with the accompanying document, was referred to the Committee on Appropriations. The message is as follows:

To the Congress of the United States:

I am today transmitting for your consideration the budget of the District of Columbia for fiscal year 1974, together with a supplementary budget request covering necessary additional expenses for fiscal year 1973.

These budget proposals reflect views expressed by citizens of the District of Columbia at City Council budget hearings and have been examined by the Mayor and the City Council in accordance with their responsibilities under Reorganization Plan No. 3 of 1967. The Office of Management and Budget has also reviewed these proposals as specified in the District of Columbia Revenue Act of 1970.

As a result of prudent and effective fiscal management on the part of the municipal government, this 1974 budget will provide adequately for District needs during the coming year without requiring either additional Federal funds or increased city revenue. The fiscal year 1974 proposals call for the expenditure of $841.2 million in operating funds and $150 million in capital funds.

Timely Congressional action last year on the District's 1973 budget was of great assistance to city officials in planning and executing sound programs to serve the people of Washington. I urge the Congress again to act expeditiously on the District budget for 1974.

RICHARD NIXON.

THE WHITE HOUSE, *April 2, 1973.*

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. ROBERT C. BYRD) laid before the Senate a message from the President of the United States submitting the nomination of Lt. Gen. Ormond R. Simpson, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general, which was referred to the Committee on Armed Services.

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 following bill and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 5293. An act authorizing additional appropriations for the Peace Corps;

H.J. Res. 337. Joint resolution authorizing and requesting the President to proclaim April 1973 as "National Check Your Vehicle Emissions Month"; and

H.J. Res. 437. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week".

HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were severally read twice by their titles and referred, as indicated:

H.R. 5293. An act authorizing additional appropriations for the Peace Corps; to the Committee on Foreign Relations.

H.J. Res. 337. Joint resolution authorizing and requesting the President to proclaim April 1973 as "National Check Your Vehicle Emissions Month"; and

H.J. Res. 437. Joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week"; to the Committee on the Judiciary.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

INTERNATIONAL CENTER FOR FOREIGN CHANCERIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 93, S. 1235.

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

The assistant legislative clerk read as follows:

S. 1235, to amend Public Law 90–553, authorizing an additional appropriation for an International Center for Foreign Chanceries.

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

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 6 of Public Law 90–553 (82 Stat. 958) is hereby amended to read as follows:

"There is hereby authorized to be appropriated, without fiscal year limitation, not to exceed $2,200,000 to carry out the purposes of section 5 of this Act: *Provided,* That such sums as may be appropriated hereunder shall be reimbursed to the Treasury from proceeds of the sale or lease of property to foreign governments and international organizations as provided for in the first section of this Act."

MEAT PRICE CONTROLS—THE FARMER IS THE SCAPEGOAT

Mr. MANSFIELD. Mr. President, once again, the farmer has been made the scapegoat because of events affecting the economy and, in that respect, he finds himself in the company of Members of Congress who are, all too often, blamed for the ills of the Nation.

The latest action by the President on Thursday last in imposing a ceiling on meat prices is, I think, both unjust and unnecessary. The average rancher today has an income of somewhere around $12,000 a year and he has earned that the hard way over a number of years; I believe I could say the last two decades, because of the increase from a low point of somewhere around $6,000 up to the present figure.

The farmer does not work an 8-hour day. The farmer represents, at the most, 6 percent of the total population and because of the difficulties which have been his, that percentage is steadily going down. The latest move by the President will not be of benefit to the farmer or to

the economy. Why pinpoint meat prices? Why not clothing, automobiles, lumber, and many other commodities and products which I could mention? Why should the farmer, alone, be penalized

Mr. President, let me read a portion of a commentary by Mr. James J. Kilpatrick, a conservative columnist for whom I have the highest regard because, while we may differ, I appreciate his honesty and his forthrightness, and I can understand his logic. The excerpt reads as follows:

The Springfield News & Leader, out in Greene County, Mo., came up with a pointed editorial. Steers were then selling at around $44 to $45 per hundredweight.

If beef prices had increased since 1950 at the same rate as postage stamps, the editor observed, beef would have been at $77. If beef prices had merely kept pace with increases in hourly pay in industry, the figure would have been $80. If the price on beef had followed the price of medical care, a producer would have been getting $179 per hundredweight. Granted, meat prices are high today compared to meat prices a few years ago, but these are not the only comparisons that ought to be made.

Mr. President, in 1951, the beef producer received an average of $34.92 per hundredweight. This was the highest price until 1972 when the average annual price was $35.83 per hundred. Prices have gone up in the last 2 or 3 months and, at the present time, stand somewhere in the vicinity of approximately $44, based on the best estimate possible, and this is a result of a decline over the past several weeks. When comparing these prices, one should keep in mind that during the two decades since the Korean war, the costs to the farmers in all categories have increased substantially. Furthermore, over the years, the farmers have had their ups and downs because the very nature of his occupation makes him a gambler. He has to be because of weather, prices, and other factors inherent in his profession.

The President, instead of penalizing the farmer, should take a new look at the inflationary picture and the first thing he should do would be to abolish phase III with its "flexibility" and a "club in the closet" approach because it just will not work, and return to phase II which did work reasonably well. It did keep inflation down and it did give a sense of security and stability to the American people, as a whole.

The time to act is now, not just on a piecemeal basis, and the time to act is now because of four factors:

First. Inflation, in practically all segments of the economy;

Second. The two devaluations of the dollar which have already occurred and now the "floating" of the dollar;

Third. The drop in the stock market; and

Fourth. The continued adverse balance of trade.

Mr. President, the farmer is a consumer, too, and he is entitled to parity with labor and not a "club in the closet" to be used against him alone.

Mr. President, I ask unanimous consent that the column entitled "Everything Is Going Up, So Why Pick On the Farmer?" written by James J. Kilpatrick, and published in the Baltimore Sun of Sunday, April 1, 1973, and also a table on "Choice Steer Prices, Omaha Market—All Weights" covering annual average 1950–72 and also monthly averages for 1951, 1952, 1971, and 1972 be printed in the RECORD.

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

CHOICE STEER PRICES, OMAHA MARKET—ALL WEIGHTS

Annual average

1950	$28.88
1951	34.92
1952	32.37
1953	22.77
1954	23.45
1955	22.16
1956	20.09
1957	22.61
1958	26.39
1959	26.93
1960	25.18
1961	23.78
1962	26.45
1963	22.70
1964	22.21
1965	25.12
1966	25.69
1967	25.27
1968	26.83
1969	29.66
1970	29.33
1971	32.03
1972	35.83

Monthly average 1951

January	33.63
February	35.34
March	35.34
April	35.78
May	35.12
June	34.58
July	34.67
August	35.13
September	35.95
October	35.17
November	34.95
December	33.86

Monthly average 1952

January	33.95
February	33.65
March	33.46
April	33.12
May	32.80
June	31.50
July	32.10
August	32.25
September	32.06
October	31.77
November	31.41
December	29.52

Monthly average 1971

January	28.83
February	31.80
March	31.42
April	31.96
May	32.35
June	31.91
July	31.90
August	32.77
September	32.21
October	32.11
November	33.30
December	33.92

Monthly average 1972

January	35.74
February	36.19
March	35.13
April	34.53
May	35.66
June	37.88
July	38.21
August	35.66
September	34.85
October	34.85
November	33.56
December	36.79

EVERYTHING IS GOING UP, SO WHY PICK ON THE FARMER

(By James J. Kilpatrick)

SCRABBLE, VA.—The Black Angus cows move across our quiet meadows, here in the Blue Ridge Mountains as slowly as shadows, as softly as dark seaweed in some great gray-green rolling sea. Until this past year or so, local farmers might have been better off investing in seaweed or shadows than in cows and calves. They have known hard times. Now they're solvent, and they want to stay that way.

This is cattle country, and in some ways fairly typical cattle country. Virginia has a few large producers, dealing in thousands of animals a year, but most of our livestock men are small operators. This is the picture elsewhere. In the nation as a whole, an estimated 250,000 large producers account for 80 per cent of the beef, but another 1.7 million farm families also earn their living on livestock.

It has been, to put the matter mildly, a very poor living. A typical small rancher in the Southwest, according to a recent study, netted only $327 in actual profits on his few head of cattle last year. A major producer in Idaho or Montana, according to the same report, netted $30,000 on an investment of $460,000—a return of less than 7 per cent without taking his years of labor into account.

In recent months, as meat prices have increased, livestock producers have begun to share in the general increase in disposable income that city dwellers have been enjoying right along. These farm families are getting a pleasant taste of new cars, color television, new furniture and electric appliances. Now they turn on the TV, and see that the wives of workers who make automobiles, furniture and electric appliances are mounting a boycott on meat in an effort to drive the price back down. My country friends are burned up, and justifiably so.

It is a curious notion, or so it seems to me, which holds that food costs should stay down while everything else goes up. No one has proposed a boycott on housing or clothing or automobiles. The housewives who are leading this movement would be angry and alarmed if their own husbands' salaries were subjected to organized assault. Why do they want to hurt the farm family whose average income last year was under $6,800.

The Springfield *News & Leader*, out in Greene county, Mo., came up with a pointed editorial. Steers were then selling at around $44 to $45 per hundredweight. If beef prices had increased since 1950 at the same rate as postage stamps, the editor observed, beef would have been at $77. If beef prices had merely kept pace with increases in hourly pay in industry, the figure would have been $80. If the price on beef had followed the price of medical care, a producer would have been getting $179 per hundredweight. Granted, meat prices are high today compared to meat prices a few years ago, but these are not the only comparisons that ought to be made.

Why does beef cost so much? The answer lies, at bottom, in the inexorable law of supply and demand. Meat production has remained relatively stable, but thousands of families who couldn't afford sirloin steak in the past are now able, willing and eager to put steak on the table. Their cumulative demand drives the price up. Other factors, of course, are involved—import controls, price controls on other goods, even the impact of the food-stamp program. The basic factor is old-fashioned demand.

The housewives' boycott may produce illusory benefits. Temporarily, meat prices may be driven down; over the long haul, organized consumer resistance is bound to be self-defeating. Instead of responding to increased demand by increasing their herds

livestock men will counter by keeping production stable. The farmer has to have some incentive for increasing his investment and thus increasing his risk. The housewives, if they succeed, will take that incentive away.

If we will be patient, a satisfactory answer can be found in simply leaving the market alone. Even at today's prices, livestock producers are not getting rich. For a whole lot of hard work, they're earning a little more money. In simple justice, who can fairly object to that?

Mr. GRIFFIN. Mr. President, there is a great deal of criticism of President Nixon's order of last Thursday because he did not roll back the price of beef, pork, and lamb. Surely the action of the President was a balanced decision which took into account the fact that meat prices at the supermarkets have reached a point just about as high as the housewife can possibly tolerate. President Nixon's order says that prices shall not go higher.

I believe there are a number of things that can be done to fight the battle against inflation. One of the most important actions could be taken right here tomorrow when the Senate will decide, at 2 o'clock, whether to sustain the President's veto of the first major budget-busting bill of this session. At that time, we will see whether or not Congress—particularly this body—will play a responsible role in trying to hold a ceiling on Federal expenditures.

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

Mr. GRIFFIN. I yield to the distinguished majority leader.

Mr. MANSFIELD. The distinguished acting minority leader has used the word "balance." I do not think any balance is entailed when the farmer is singled out for specific action, as he was last Thursday.

So far as budget busting is concerned, I would point out that Congress will again, for the fifth time in a row under the present administration, reduce the President's budget request below the figure he requested.

I point out that in the last 4 years, the first 4 years of the Nixon administration, Congress did reduce the President's budget requests by $20.2 billion, but that in that period, the administration accumulated an additional deficit of $104.3 billion.

I am confident that again this year, Congress will reduce the overall spending requests proposed by the administration and it will add some of the savings to matters of higher priority. This is the issue at stake tomorrow, when the Senate confronts the question of whether to override the President's veto of the vocational rehabilitation measure. To this vital proposal, Congress has given a higher priority than has the administration. In turn, Congress will place in a lower priority status certain administration spending requests and will cut those items accordingly. In this fashion, I am confident Congress will reorder the Nation's priorities and will reduce overall spending in doing so.

ORDER OF BUSINESS

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

THE CONFRONTATION AT WOUNDED KNEE

Mr. HELMS. Mr. President, every day there is a new crisis involving the Indians at Wounded Knee. The confrontation grows uglier and uglier. Although the hostages have been released, a Federal marshal was wounded last week. Even the TV crews have pulled out, because of the tenseness of the situation. If the American public were to believe everything that they see and hear in the Nation's media, they would think the American Indians were rising up as one body against their Federal oppressors, driven to desperation by their grievances, and making a dramatic stand to appeal for justice.

There is only one thing wrong with this picture: It is simply not so.

The handful of Indians at Wounded Knee are surrounded by U.S. marshals. But the U.S. marshals are surrounded by protective forces of the Oglala Sioux Tribe just waiting to get their hands on the seedy band of militants that has besmirched their proud name.

In other words, this dramatic confrontation is nothing but hogwash and hokum. The bullets are real, but any idea that the militants holed up at Wounded Knee are truly representative of the Oglala Sioux, or even of that hypothetical group which the press refers to simply as "the Indians," strains the credulity of the American people. The social problems on the Indian reservations are no doubt real, too, but neither the tactics of the militants nor their official political program gives any confidence that they could solve these problems.

There is a confrontation all right, but it is a staged one. It is contrived. It is intended to exploit the feelings of the Indian people on the one hand and the propensity of the press to wallow in sympathy with anyone who asserts a so-called "grievance" against the U.S. Government. Now that the black militants, the student radicals, and the Vietcong have been squeezed dry of sensationalism, the media need a new cause to help undermine free government.

As for the Indian militants themselves, it is a classic exercise in the highly refined techniques of radical politicization. It is designed to force the Indian people—and principally those upon the reservations—to accept the narrow, extremist social and political views of the so-called American Indian Movement—AIM. It is well-known that AIM is primarily an urban organization, with no understanding or experience of problems on the reservation. Its principal leadership is drawn heavily from criminal elements. It is using gangster-style activities to intimidate and overthrow the traditional leadership of the Indian tribes. Simultaneously, AIM is trying to browbeat the U.S. Government into accepting AIM as sole spokesman for the Indian tribes. The real target of AIM is power.

Suffice it to say that these facts make it very disturbing that AIM with few exceptions, is already presented in the press as the normal and natural expression of Indian aspirations. No inquiry is made into AIM's social demands. No analysis is offered as to the probable effect of AIM's revolutionary proposals. No exhaustive investigative reporting is trained upon AIM's past activities. The overall picture given is that "the Indians" have grievances, that they have been treacherously betrayed by the bureaucracy in Washington, and that in sheer desperation the noble reformers of AIM are making a last-ditch attempt to appeal to the conscience of the American people.

Frankly, I doubt that there is a single citizen of the United States who does not have grievances against the bureaucracy in Washington, but most of us refrain from going on the warpath. We use the constitutional processes of Government to make necessary changes. We do not adopt terrorist and destructive activities. I, myself, as a U.S. citizen, have a grievance against the bureaucracy, and that grievance is the way in which the officials of the Office of Economic Opportunity developed a cozy working relationship with AIM and poured thousands of U.S. tax dollars into an organization whose principle occupation has been to overthrow the orderly processes of the U.S. Government. But that is a subject to which I will return in a few minutes.

The fact is that AIM is advancing its program without any real concern for the hard problems of the Indian tribes or for their wishes. It is conducting political and terrorist agitation to overthrow the tribal leaders who have been elected through orderly techniques of local government. I make no brief for any particular Indian leader or group of leaders. I will leave the workings of the Bureau of Indian Affairs to those who are regularly concerned with those problems. But no one should be allowed to short-circuit the constitutional system and threaten U.S. citizens whether those citizens be Indians or anyone else.

AIM's program is so absurd that it can scarcely bear the light of public scrutiny. Few people realize that AIM is calling for the virtual secession of the Indian tribes from U.S. jurisdiction, while at the same time demanding special privileges with respect to judicial intervention, tribal lands, and the Federalization of crimes against Indians. They are seeking $15 billion in Federal aid. They demand that relations with the Indians be regulated entirely by treaties, even though the Indians have been U.S. citizens since 1871. The concept of a nation making treaties with its own citizens is absurd.

But all these demands—and they are made in great detail—are irrelevant in so far as they are made by self-appointed spokesmen whose only claim to representation is that they claim loudly. They call for the consolidation of all Indian groups into one—obviously their own. They call for Indian sovereignty, and they demand that the Government deal with them. All of this is without reference—indeed, often in direct opposition—to the opinions, decisions, and plans of the tribal chiefs, and their peoples.

In short, it is the typical demand of a revolutionary elite asserting that they

know more about the situation than the people on behalf of whom they present their claim. The people are always the biggest obstacle to revolution because they are too dumb to understand. Therefore the revolution must be imposed whether they like it or not. It is this sense of revolution that is most attractive to the sympathizers of revolution in some branches of the media and in some branches of the Government. Just as Mao Tse-tung was identified as an agrarian reformer, and Castro as a Christian leader, and the Vietcong as beleaguered underdogs in a civil war against corrupt imperialists, so too the self-appointed would-be ruling elite of Wounded Knee is hailed as the flower of the Indian nations.

The libel upon the Indian people is totally unacceptable. The half-dozen leaders of AIM are nothing more than common criminals and men of despicable character. Their police records have even seeped through to public notice, although I have taken the trouble to do a little more investigating on this score. It is not surprising then that AIM provided the impetus for the criminal destruction of the BIA building contents last November, nor that circumstances have implicated AIM leaders in other cases involving arson, riot, and destruction of property. One should certainly have expected the criminal activities for which the AIM leaders are under indictment at Wounded Knee. Their previous convictions ranged from repeated common drunkenness through assault and battery, forgery, burglary, and armed robbery. Indeed, according to one Indian leader, AIM "was cooked up in the Minnesota penitentiary." But now we are asked to forgive everything, because they commit their crimes in the name of politics.

Mr. President, I would like to recount the police records of the principal leaders in the seige at Wounded Knee. It is unpleasant to go in such detals. I believe that every man should be allowed to pay his debt to society and given the opportunity for a fresh start. These men, however, apparently used the opportunity for a fresh start in crime, even though they dress up their actions with the trappings of injustice and politics.

Russell Chares Means, the principal spokesman at Wounded Knee; has a string of arrest dating back to 1957 for petty theft, common drunkenness, assault with a deadly weapon, disorderly conduct, and failure to provide for a minor child. As he became involved in AIM activities, such bookings escalated into trespass, unlawful entry, carrying a concealed weapon, and arson. He is the only AIM leader who is a Sioux.

Dennis Banks, a cofounder of AIM, according to news reports was convicted 15 times on charges including assault and battery and burglary. He was also arrested for forgery of a Government check, although the charge was later dismissed.

Carter Augustus Camp has a record similar to Means for repeated drunk driving, resisting officers, aiding and abeting a felon, and possession of marijuana.

Vernon Franklin Bellecourt, another cofounder of AIM, was convicted of burglary in 1950 and sentenced to 5 to 40 years. In 1956, he was again convicted of armed robbery. He was also held as a parole violator and for check fraud. When he began working with AIM, his activities led to charges of rioting and inciting a riot.

Clyde Thomas Bellecourt, brother of Franklin, was convicted of armed robbery in 1954 and sentenced to serve 2 to 15 years. After parole, he was convicted again in 1958 of burglary, sentenced to 5 years in prison; paroled again; convicted of burglary in 1960, and paroled in 1964. In 1969, he was charged with aggravated robbery and pleaded guilty to simple assault. Thereupon he took up his AIM activities.

Mr. President, some of these details are spelled out in an article that appeared in the Washington Evening Star for November 12, 1972, and I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

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

THE THREE INDIAN LEADERS HAD LONG RECORDS

(By Michael Satchell)

Three of the principal leaders of the Indians who looted files, destroyed or stole irreplacable Indian artifacts and caused nearly $2 million in damage during the occupation of the Bureau of Indian Affairs building are well known to police in Minneapolis, where they have extensive criminal records.

A high police official there said Denis Banks, Clyde Bellecourt and his brother, Vernon Bellecourt, have served sentences in Minnesota penitentiaries for a variety of felony offenses, including burglary, aggravated assault and armed robbery.

All three are leaders of the American Indian Movement. Banks, one of the cofounders of AIM is the national field director and lives in Minneapolis. Vernon Bellecourt is a national codirector of the organization and also runs the Denver, Colo., chapter. Clyde Bellecourt is executive director of the Minneapolis group, one of the largest with more than 100 members.

A $113,000 U.S. GRANT

AIM also has a $113,000 federal grant to operate educational facilities for Indians.

The FBI is conducting a "full-scale" investigation into the destruction and theft at the Bureau of Indian Affairs and Justice Department sources said, "We will prosecute in any area we can."

The two Bellecourts, Banks and a fourth Indian, Russell Means of Porcupine, S.D., emerged as the leaders of the six-day occupation of the bureau. Means was formerly an AIM National Director, but resigned and returned to the Oglala Sioux Pine Ridge reservation in South Dakota.

During the siege, Vernon Bellecourt and Means were the most visible leaders, serving as spokesman for the protesters and handling inquiries from the news media. Inside the building, Banks and Clyde Bellecourt were involved in security and other internal aspects of the occupation.

BURNETT CRITICAL

The AIM leaders took over the Trail of Broken Treaties campaign, a peaceful lobbying effort organized principally by Robert Burnett, a Rosebud, S.D. Sioux. Burnett gradually lost control of the program and has since condemned the AIM leaders for their theft of Indian documents and destruction of art.

A Minneapolis police official said Banks has been convicted 15 times on charges including assault and battery and burglary.

Clyde Bellecourt, the officials said, was found guilty of armed robbery in 1954 and was sentenced to serve 2 to 15 years in prison. After parole, police said, he was convicted in 1958 of burglary, sentenced to 5 years in prison, paroled again and then was convicted of burglary in 1960 and paroled in 1964.

Police said Clyde Bellecourt now is facing charges of aggravated criminal property damage involving vandalism at a Minneapolis restaurant.

Vernon Bellecourt was convicted of burglary in 1950 and armed robbery in 1953, receiving a prison sentence of 5 to 40 years, police said.

VOWED TO FIGHT

Members of the American Indian Movement formed the nucleus of the group that occupied bureau headquarters, armed themselves with deadly makeshift weapons, including gasoline bombs, clubs and lances, and vowed to fight to the death to prevent the government from retaking the building.

The organization, according to one national Indian activist, "was cooked up in the Minnesota penitentiary," AIM is described by other leaders as "militant" and "action oriented," and from their descriptions of tactics, operation and goals, seems to exhibit some characteristics of the more militant black activist groups such as the Black Panthers.

George Mitchell of Washington, a codirector with Vernon Bellecourt, said AIM operates "survival schools" for Indian children, with schools in Cleveland, Milwaukee and Minneapolis and on the West Coast.

"SURVIVAL SCHOOLS"

The curriculum, Mitchell said, is about 80 percent "true Indian history" and about 20 percent "the three Rs."

A spokesman for the Office of Economic Opportunity confirmed this week that AIM received the $113,000 grant on May 1 to fund the schools in Milwaukee, Minneapolis and St. Paul. The schools were described on grant applications as institutions for rehabilitating dropouts.

"We call them survival schools because in this society, you've got to condition youngsters to survive," Mitchell said.

AIM was started July 28, 1968, in Minneapolis, Mitchell said. He said he was a cofounder with Banks and Vernon Bellecourt. The organization now has about 4,500 members in 67 chapters in the United States and two in Canada.

Financial support is provided through the Department of Health, Education and Welfare, and the Office of Economic Opportunity, along with substantial funds from church groups and private individuals.

AIM chapters operate with virtually autonomy, with about half located on reservations and the others in urban areas. A feature of their broad program for economic and social gain and tribal self determination is the "security force."

During the occupation of the bureau, several of the weapon-carrying guards were red berets signifying membership in the AIM security patrol. "We have quite a bunch of them," Mitchell said in describing the AIM security guards. "They are our own police."

AIM maintains a six-man office in Washington headed by Mitchell and a 20-man office in Milwaukee. It has full-time staffers on salary, including the Bellecourt brothers and Banks. An approximate number of full-time employees could not be determined.

Mitchell confirmed that AIM leaders were in possession of treaties and documents stolen from the bureau, but said he did not

know who had them, or where they were. He said that if the leaders were prosecuted, he had heard there was a possibility the documents would be destroyed.

"I cannot justify the destruction of the art and artifacts," Mitchell acknowledged. "I am appalled that they were destroyed or taken. I hope they are returned, intact, to the proper people."

Mr. HELMS. It was a pretty crew, therefore, that appointed themselves spokesmen for all the Indians. Recently, the Washington Post printed a letter from the president of the Oglala Sioux Tribe, Dick Wilson. His letter is eloquent and speaks for itself. However, I would like to call attention to one particular paragraph:

I believe in tribal self-government and Indian people speaking up for themselves. But I don't believe in taking hostages, in threatening lives. And, I don't believe in disrupting government operations. I think that is plain stupid, and it doesn't help a single Indian. It sure doesn't help my people. That's why I have been opposed to the AIM movement and have made no bones about saying how I feel. Because I spoke my mind, the AIM people have been against me and have made threats against me and my family.

Mr. President, I ask unanimous consent that the entire text of Mr. Wilson's letter be printed in the RECORD at this point.

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

THE OGLALA SIOUX PRESIDENT ON INDIAN GOVERNMENT AND THE AIM MOVEMENT

During the last few days I have been reading what the white man's newspapers have been saying about the goings-on on our reservations. It has made me really wonder. Why don't the reporters try to find out what's going on before they start writing?

If you want to know what is going on at Wounded Knee now you have to understand what has been happening to our people for the last hundred years. After the United States army invaded our country and our warriors finally had to surrender in 1877, the United States set up an occupation government for us. We were run by the Bureau of Indian Affairs and on our reservation, the superintendent was the mayor, the city council, and the chief judge, all rolled in one. He really was a tin god. Yes, there were also some Indian spokesmen, but they were nothing but puppets.

Our occupation government lasted for a long time. More than 50 years passed before the first change came. Under the Indian Reorganization Act of 1934 we were finally given a chance to set up our own government. We did that by vote of the people in 1935. A majority of the people voted to set up our self government, but there was a strong minority against it. A lot of people were accustomed to being run by the Bureau of Indian Affairs and wanted to keep it that way. Our self government was set up by a vote of 1,348 for and 1.041 against. The opponents of self government, the people who preferred paternalism, have been agitating against our tribal government for a long, long time.

But our tribal self government has existed since 1935. The people elected a president and a tribal council in accordance with our tribal constitution. The council passes ordinances and the president and his staff have to carry them out.

The present council and I, as president, were elected by the voters of the Oglala Sioux Tribe in the tribal election of December 1971. I received 1,554 votes and my opponent received 1,130 votes. We were the top two candidates in the primary, where there were six candidates. The councilmen were elected in the same election, each of them running from his district. We have no political parties in our tribe. Each candidate runs on his own.

Since we took office in 1972, the council and I have tried to run the affairs of the tribe to the best of our ability. It is a hard job. Our people have lots of problems and we sure need more help than we have been getting. But we have tried hard and we have tried to do our best. Everybody knows now who is in charge of this reservation. It is the tribal government, not the Bureau of Indian Affairs.

As I have said, there are some people who haven't liked the tribal government ever since it was set up and they still have supporters today. When they are agitating, they are not just agitating against me personally but against a tribal government that takes charge; they really don't want their own people to run the affairs of the reservation. They have more faith in being run by outsiders than in their own people they believe in paternalism.

I believe in tribal self government and Indian people speaking up for themselves But I don't believe in taking hostages, in threatening lives. And I don't believe in disrupting government operations. I think that is plain stupid, it doesn't help a single Indian. It sure doesn't help my people. That's why I have been opposed to the AIM movement and have made no bones about saying how I feel. Because I spoke my mind, the AIM people have been against me and have made threats against me and my family.

It would really be funny, if it weren't so serious, that some of the paternalists on our reservation who want to abolish the tribal government and go back to being run by the superintendent have linked up with the same people who tore up the Bureau of Indian Affairs in Washington. But that is what has happened at Wounded Knee. Both sides have only one interest, to embarrass the tribal government of the Oglala Sioux Tribe.

But we are going to stick to our job. We are going to do what is right. We are going to see to it that we have law and order on our reservation and we are going to do our very best to give our people a better life. What we are asking the newspapers to do is to be fair to us. Is that too much?

DICK WILSON,
President of the Oglala Sioux Tribe.
PINE RIDGE, S. DAK.

Mr. HELMS. Mr. Wilson is the elected representative of the Oglala Sioux, but he is by no means the only Indian leader who opposes AIM. The Mohawk Indian publication Akwesasne Notes recently printed a partial list of tribal chiefs throughout the United States who disagreed with the activities of AIM.

Mr. President, I ask unanimous consent that the partial list of tribal chiefs opposed to AIM be printed in the RECORD at this point.

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

LIST

Donald R. Antona, President of Intertribal Council of Arizona.

Juan B. Abeita, Iseto Pueblo Governor.

Paul Tafoya, Santa Clara Pueblo.

James Porter, Nambe Governor.

Leonard C. Burch, Southern Uts Mountain Tribal Chairman.

Hubert Velarde, President, Jicarilla Apache Tribe.

Pat Toya, Jemez Pueblo Governor.

Harry L. Martinez, Acoma Pueblo Governor.

Clarence Hamilton, Hopi Tribal Council Chairman.

Noah Powell, Principal Chief, Eastern Band of Cherokee Indians, North Carolina.

Enos J. Francisco, Jr., Vice Chairman of the Papago Tribal Council.

Buffalo Tiger, Chairman of the Miccosukee Tribal Council, Frog Station, Florida.

Antone Gonzales, Sr. Chairman of Colorado River Indian Tribes.

Bruce Townsend, President, Oklahoma Intertribal Council.

B. Bob Stopp, Cherokee Nation of Oklahoma.

Joseph Upicksovn, President, Arctic Slove Regional Corporation.

H. Lee Motah, President, United Tribes, Western Oklahoma and Kansas.

Peter Masten, Jr., Chairman, Hoopa Valley Business Council.

James Henry, Tribal Chairman, Turtle Mountain Band of Chippewa.

Mr. HELMS. I might also add that the facts tend to support Mr. Wilson's views. The dissidents on the Oglala Sioux Reservation have tried to impeach him four times, and have been repudiated as many times by their own people. It was the latest rejection that led AIM to indulge in terrorist tactics by seizing hostages, making threats, and assaulting Federal marshals with deadly fire at Wounded Knee. The AIM leaders have been driven to desperation not by their treatment by the U.S. Government, but by their rejection by the bulk of their own people.

What, then, gave AIM its start? At crucial stages in its development, AIM has been given material and moral assistance from the very Federal Government it is attacking.

One of AIM's first activities was the organization of so-called survival schools for Indian children in Milwaukee, Minneapolis, and St. Paul. These are apparently organized along the lines of the infamous Black Panther schools for the political indoctrination of the young. According to the Evening Star article I referred to earlier, the curriculum contained about 80 percent so-called true Indian history, and about 20 percent the three R's. Incredibly, these schools were funded with a $113,000 grant from OEO. Despite the notorious and unsavory character of the leaders of AIM, whose records were easily available if the slightest check had been made, OEO put them in charge of molding the characters of young Indian children. The curriculum alone is suspicious enough, but funding a group led by criminals with Federal funds is inexcusable.

It was this group, then, that came to Washington under the name of "The Trail of Broken Treaties," to lay waste to the BIA. OEO spokesmen have denied that any OEO funds were used for the planning and organization of "The Trail of Broken Treaties." Nevertheless, the $113,000 grant was suspended in November of the then OEO Director Philip Sanchez, when it became apparent that a tie might exist between the BIA takeover and the AIM school grant.

However, an emergency OEO grant of $66,500 was made for the announced purpose of sending the invaders home. This grant was made under very unusual circumstances which demonstrate the close working relationship between OEO and the invaders.

Testimony before the House Interior

Committee shows that, in the first place, the money was given personally to two AIM spokesmen in the form of cash, all $66,500 of it. No accounting was ever received as to how the money was distributed, if it was. What seems to be simply a pro forma request was made for an accounting, but none was received at the time or subsequently. OEO said that they seldom got an accounting of money spent for "family" matters. In fact, the representatives of OEO were escorted from BIA after delivering the currency, but before it was allegedly distributed.

Second, this testimony further shows that the money was made available on a crash basis, even before the grant could be processed, because OEO promised to reimburse AIM for funds they already had in the Riggs Bank in Washington. These funds were $45,000 proceeds from an earlier OEO grant. OEO negotiated with Riggs to allow an overdraft of $20,500 for a few days while the emergency grant was processed.

Thirdly, the peculiar justification presented for the grant needs special scrutiny. The Government was essentially faced with a blackmail situation and it chose to give in to blackmail. To put it bluntly, the Government chose to make a $66,500 cash payoff to AIM to get them to give up their illegal actions. Evidently, this is what has given AIM the feeling that crime, indeed, does pay.

The legal basis for the grant was pure slight of hand. The general counsel of OEO, Burt A. Gallegos, testified that the money was given on the basis of emergency provision in the Economic Opportunity Act of 1964. This law provided—

> Financial assistance for the provision of such medical supplies and services, nutritional foodstuffs, and related services, as may be necessary to counteract conditions of starvation or malnutrition among the poor.

One would hardly have thought that this clause would be invoked when the alleged starvation was willingly undertaken by the victims themselves on behalf of a program of illegal actions. Yet Gallegos, without batting an eye, summed it up this way:

> We were also satisfied that the necessary providing to the Indians, most of whom are poor, an effective but orderly opportunity to present important grievances that they legitimately wish to present to the government, and which they were entitled to present under the Constitution, laws and treaties was consonant with the policy of the EOA [Economic Opportunity Act]. . . . The statutory provision, although of course it centers on problems of nutrition and health is not narrowly construed nor narrowly intended, and it is our understanding that it was intended by the Congress to present a strong and flexible authority for dealing with emergency conditions.

Buttressed by such apologists in government, AIM left with its booty. However, they did not go home. AIM went to Scottsbluff, Nebr., in mid-January to organize another demonstration that ended in a junior high school being firebombed with two molotov cocktails. Five members of AIM were arrested by local authorities on arson-connected charges.

The demonstrations were then taken to Custer, S. Dak. AIM-led mobs broke into the courthouse. The chamber of commerce building was burned to the ground. Two police cars were heavily damaged, and police equipment was stolen.

At this point, AIM was also hot in the middle of its ill-fated campaign to impeach Oglala Sioux President Dick Wilson. The selection of Wounded Knee, with all of its highly emotional historical connotations, was carefully done with an eye to inducing sympathetic elements in the media to play up the confrontation as though the Indians and the U.S. Cavalry were meeting eyeball to eyeball. The truth of the matter is that the real confrontation is between the handful of militants among the Indians, and the great majority of Indians and authentic Indian leaders who reject the militants and their radical program.

Mr. President, I want to make it clear that nothing I have said here today reflects upon the Indian people as a whole, or minimizes the very real problems which they have in today's society. The Indians are the victims of AIM; they are the real target. AIM's aim is to polarize the Indian community in order to split off the real leaders from as much of the community as possible. In any human society there are going to be shortcomings and failures; it is a plain fact of human nature that difficulties and hardships can be nurtured into grievances, and grievances into hostility. The difference is that the objective situation is overlaid with emotional rancor, and the victim is thus prepared to sunder his ties with the society that has supposedly made him unhappy.

It is an old story. By now the techniques have been perfected by revolutionaries of all stripes and motivations. First comes the zeroing in on any local problem that can be identified in a sharply defined class of people. Then comes the so-called development of class consciousness, that is to say, agitation to reinforce the idea that they are being discriminated against as a group. If this is successful, then the group has been alienated first from its old leaders, then from the society in which it occupies a niche. Those who do not go along are induced to remain passive through social pressures, threats, and even terror.

The whole scenario need not be played through, but AIM is making a blatant attempt to play the part as arrogantly as it can. Fortunately, the Indian peoples are not going along; AIM's most important source of support comes from simplistic white men. The Indians reject AIM because it is totalitarian in its philosophy and techniques. It is unconstitutional in its demands, and criminal in its activities. Its proposal for the reassertion of Indian sovereignty and retrocession of U.S. citizenship would be a step backward from which the Indians would never emerge into the modern world. The appointment of AIM as sole Indian representative would grant enormous power to a group of gangsters who are grasping for control.

The Indians today already enjoy a semiprivileged status as long as they live within the tribal structure of the reservation. It is up to the freely elected Indian leaders to govern the tribes; the United States should not arbitrarily impose self-appointed leaders such as AIM upon the Indians. As the Supreme Court stated as recently as Monday, March 26, in McClanahan against Arizona State Tax Commission:

> Indians today are American citizens. They have the right to vote, to use state courts, and they receive some state services. But it is nonetheless true, as it was in the last century, "that the relation of the Indian tribes living within the borders of the United States is an anomalous one and of a complex character. . . . They were, and always have been, regarded as having a semi-independent position when they preserved their tribal relations; not as States, not as nations, not as possessed of the full attributes of sovereignty, but as a separate people, with the power of regulating their internal and social relations, and thus far not brought under the laws of the Union of the State within whose limits they reside."

Mr. President, since many of my colleagues may not be familiar with the 20 demands of AIM, I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks, and that they be followed by the commentary on them prepared by Mr. Frank Carlucci, Deputy Director of OMB.

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

"TRAIL OF BROKEN TREATIES": FOR RENEWAL OF CONTRACTS—RECONSTRUCTION OF INDIAN COMMUNITIES AND SECURING AN INDIAN FUTURE IN AMERICA

1. Restoration of Constitutional Treaty-Making Authority. — The U.S. President should propose by executive message, and the Congress should consider and enact legislation to repeal the provision in the 1871 Indian Appropriations Act, which withdrew federal recognition from Indian Tribes and Nations as political entities which could be contract by treaties with the United States, in order that the President may resume the exercise of his full constitutional authority for acting in the matters of Indian Affairs—and in order that Indian Nations may represent their own interests in the manner and method envisioned and provided in the Federal Constitution.

2. Establishment of Treaty Commission to make New Treaties.—The President should impanel and the Congress establish, within the next year, a Treaty Commission to contract a security and assistance treaty, or treaties, with Indian people to negotiate a national commitment to the future of Indian people for the last quarter of the Twentieth Century. Authority should be granted to allow Tribes to contract by separate and individual treaty, multi-tribal or regional groupings, or national collective, respecting general or limited subject matter—and provide that no provisions of existing treaty agreements may be withdrawn or in any manner affected without the explicit consent and agreement of any particularly-related Indian Nation.

3. An address to the American People and Joint Session of Congress.—The President and the leadership of Congress should make commitment now and next January to request and arrange for four Native Americans—selected by Indian people at a future date—the President of the United States and any designated U.S. Senators and U.S. Representatives to address a Joint Session of Congress and the American people through national communications media, regarding the Indian future within the American Nation, and relationships between the Federal Government and Indian Nations—on or be-

fore June 2, 1974, the half-century anniversary of tthe 1924 "Indian Citizenship Act".

4. Commission to Review Treaty Commitments and Violations.—The President should immediately create a multi-lateral, Indian and non-Indian Commission to review domestic treaty commitments and complaints of chronic violations and to recommend or act for corrective actions, including the imposition of mandatory sanctions or interim restraints upon violative activities, and including formulation of legislation designed to protect the jeopardized Indian rights and eliminate the unending patterns of prohibitively expensive lawsuits and legal defenses—which habitually have produced indecisive and indeterminate results, only too frequently forming guidelines for more court battles or additional challenges and attacks against Indian rights. (Indians have paid attorneys and lawyers more than $40,000,000 since 1962. Yet many Indian people are virtually imprisoned in the nation's courtrooms in being forced constantly to defend their rights, and while many Tribes are forced to maintain a multitude of suits in numerous jurisdictions relating to the same or a single issue, or a few similar issues. There is less need for more attorney assistance than there is for institution of protections that reduce violations and minimize the possibilities for attacks upon Indian rights.)

5. Resubmission of Unratified Treaties to the Senate.—The President should submit to the U.S. Senate of the next Congress those treaties negotiated with Indian Nations or their representatives, but never heretofore ratified nor rendered moot by subsequent treaty contract with such Indians not having ratified treaties with the United States. The primary purpose to be served shall be that of restoring the rule of law to the relationships between such Indians and the United States, and resuming a recognition of rights controlled by treaty relations. Where the failure to ratify prior treaties operated to affirm the cessions and loss of title to Indian lands and territory, but failed to secure and protect the reservations of lands, rights, and resources reserved against cession, relinquishment or loss, the Senate adopt resolutions certifying that a prior *de facto* ratification has been effected by the Government of the United States and direct that appropriate actions be undertaken to restore to such Indians an equitable measure of their reserved rights and ownership in lands, resources and rights of self-government. Additionally, the President and Congress should direct that reports be concluded upon the disposition of land rights and title which were to be protected, when such rights and land title were lawfully vested or held, for people of Native Indian blood under the 1848 Treaty of Guadalupe Hidalgo with Mexico.

6. All Indians To Be Governed by Treaty Relations.—The Congress should enact Joint Resolution declaring that, as a matter of public policy and good faith, all Indian people in the United States shall be considered to be in treaty relations with the Federal Government and governed by doctrines of such relationship.

7. Mandatory Relief Against Treaty Rights Violations.—The Congress should add a new section to Title 28 of the United States Code to provide for the judicial enforcement and protection of Indian Treaty Rights. Such section should direct that, upon petition of an Indian Tribe or prescribed Indian groups and individuals claiming substantial injury to, or interference in the equitable and good faith exercise of any rights, governing authority, or utilization and preservation of resources, secured by Treaty, mandatorily the Federal District Courts shall grant immediate enjoinder or injunctive relief against any non-Indian party or defendants, including State governments and their subdivisions or officers, alleged to be engaged in such injurious or interfering actions, until such time as the District U.S. Court may be reasonably satisfied that a Treaty violation is not being committed, or otherwise satisfied that the Indians' interests and rights, in equity and in law, are preserved and protected from jeopardy and secure from harm.

8. Judicial Recognition of Indian Right to Interpret Treaties.—The Congress should by law provide for a new system of federal court jurisdiction and procedure, when Indian treaty or governmental rights are at issue, and when there are non-Indian parities involved in the controversy, whereby an Indian Tribe or Indian party may by motion advance the case from a federal District Court for hearing and decision by the related U.S. Circuit Court of Appeals. The law should provide that, once an interpretation upon the matter has been rendered by either a federal district or circuit court, an Indian Nation may, on its own behalf or on behalf of any of its members, if dissatisfied with the federal court ruling or regarding it in error respecting treaty or tribal rights, certify directly to the United States Supreme Court a "Declaratory Judgement or Interpretation"; regarding contested rights and drawn at the direction or under the auspices of the affected Indian Nation, which that Court shall be mandated to receive with the contested decision for hearing and final judgment and resolution of the controversy—except and unless that any new treaties which might be contracted may provide for some other impartial body for making ultimate and final interpretations of treaty provisions and their application. In addition, the law should provide that an Indian Nation, to protect its exercise of rights or the exercise of treaty or tribal rights by its members, or when engaging in new activities based upon sovereign or treaty rights, may issue an interim "Declaratory Opinion Interpretation of Rights", which shall be controlling upon the exercise of police powers or administrative authorities of that Indian Nation, the United States or any State(s) unless or until successfully challenged or modified upon certification to and decision the United States Supreme Court—and notwithstanding any contrary U.S. Attorney General's Opinion(s), Solicitor's Opinion(s), or Attorney General's Opinion(s) for any of the States.

9. Creation of Congressional Joint Committee on Reconstruction of Indian Relations.—The next Congress of the United States, and its respective houses, should agree at its outset and in its organization to withdraw jurisdiction over Indian Affairs and Indian-related program authorizations from all existing Committees, except Appropriations, of the House and Senate, and create a Joint House-Senate "Committee on Reconstruction of Indian Relations and Programs" to assume such jurisdiction and responsibilities for recommending new legislation and program authorizations to both houses of Congress—including consideration and action upon all proposals presented herewith by the "Trail of Broken Treaties Caravan", as well as matters originating from other sources. The Joint Committee membership should consist of Senators and Representatives who would be willing to commit considerable amounts of time and labors and conscientious thought to an exhaustive review and examining evaluation of past and present policies, programs and practices of the Federal Government relating to Indian people; to the development of a comprehensive broadly-inclusive "American Indian Community Reconstruction Act", which shall provide for certain of the measures herein proposed, repeal numerous laws which have oppressively disallowed the existence of a viable 'Indian life' in this country, and effect the purposes while constructing the provisions which shall allow and ensure a secure Indian future in America.

10. Land Reform and Restoration of an 110 million-Acre Native Land Base.—The next Congress and Administration should commit themselves and effect a national commitment, implement by statutes or executive and administrative actions, to restore a permanent non-diminishing Native American land base of not less than 110 million acres by July 4, 1976. This land base, and its separate parts, should be vested with the recognized rights and conditions of being perpetually non-taxable, except by autonomous and sovereign Indian authority, and should never again be permitted to be alienated from Native American or Indian ownership and control.

10–A. Priorities in Restoration of the Native American Land Base.—When Congress acted to delimit the President's authority and the Indian Nations' powers for making treaties in 1871, approximately 135,000,000 acres of land and territory had been secured to Indian ownership against cession or relinquishment. This acreage did not include the 1867 treaty-secured recognition of land title and rights of Alaskan Natives, nor millions of acres otherwise retained by Indians in what were to become "unratified" treaties of Indian land cession, as in California, nor other land areas authorized to be set aside for Indian Nations contracted by, but never benefitting from, their treaties. When the Congress in 1837, under the General Allotment Act and other measures of the period and "single system of legislation", delegated treaty-assigned Presidential responsibilities to the Secretary of the Interior and his Commissioner of Indian Affairs and agents in the Bureau of Indian Affairs relating to the government of Indian relations under the treaties, the 135-million acres, collectively held, immediately became subject to loss. The 1887 Act provided for the sale of "surplus" Indian lands—and contained a formula for the assignment or allocation of land tracts to Indian individuals, dependent partly on family size, which would have allowed for an average-sized allotment of 135 acres to *one million* Indians—at a time when the number of tribally-related Indians was less than a quarter million or fewer more than 200,000. The Interior Department efficiently managed the loss of 90 million acres of Indian land, and its transfer to non-Indian ownership (frequently by homestead, not direct purchase), in little more than the next quarter-century. When Congress prohibited allotments to Indian individuals, by its 1934 Indian Reorganization Act, it effectively determined that future generations of Indian people would be "landless Indians", except by heirship and inheritance. (110 million acres, including 40 million acres in Alaska, would approximate an average 135 acres multiplied by .8 million Native Americans, a number indicated by the 1970 U.S. Census.)

Simple justice would seem to demand that priorities in restorations of land bases be granted to those Indian Nations who are landless by fault of unratified or unfulfilled treaty provisions; Indian Nations, landless because of congressional and administrative actions reflective of criminal abuse of trust responsibilities; and other groupings of landless Indians, particularly of the landless generations, including many urban Indians and non-reservation Indian people—many of whom have been forced to pay, in forms of deprivations, loss of rights and entitlements, and other extreme costs upon their lives, an "emigration-migration-education-training" tax for their unfulfilled pursuit of opportunity in America—a "tax" as unwarranted and unjustified as it is unprecedented in the history of human rights in mature nations possessed of a modern conscience.

10–B. Consolidation of Indians' Land, Water, Natural and Economic Resources.—The restoration of an equitable Native American Land Base should be accompanied by enlightened revision in the present character of

alleged "trust" relationships, and by reaffirmation of the creative and positive characters of Indian sovereignty and sovereign rights. The past pattern of treating "trust status" as wrongful "non-ownership" of properties, beyond control of individual interests and "owners", could be converted to a beneficial method of consolidating usable land, water, forests, fisheries and other exploitable and renewable natural resources into productive economic, cultural, or other community-purpose units, benefiting both individual and tribal interests in direct forms under autonomous control of properly-defined, appropriate levels of Indian government. For example, the 13.5 million acres of multiple and fractionated heirship lands should not represent a collective denial of beneficial ownership and interests of inheriting individuals, but be considered for plans of collective and consolidated use. (The alternatives and complexities of this subject and its discussion require the issuance of a separate essay at a later date.)

10–C. Termination of Leases and Condemnation of Non-Indian Land Title.—Most short-term and long-term leases of some four million acres of Indians' agricultural and industrial-use lands represent a constant pattern of mismanagement of trust responsibilities—with the federal trustees knowingly and willfully administering properties in methods and terms which are adverse or inimical to the interests of the Indian beneficiaries and their Tribes. Non-Indians have benefit of the best of Indian agricultural range and dry farm lands, and of some irrigation systems, generally having the lowest investment-highest return ratios, while Indians are relegated to lands requiring high investments for low returns. A large-scale, if selective, program of lease cancellations and non-renewals should be instituted under congressional authorization as quickly as possible. As well, Indian Tribes should be authorized to resecure Indian Ownership of alienated lands within reservation boundaries under a system of condemnation for national policy purposes, with the federal government bearing the basic costs of "just compensation" as burden for unjustified betrayals of its trust responsibilities to Indian people. These actions would no way be as extreme as the termination, nationalization, confiscation and sale of millions of acres of reservation Indian land by a single measure as in the cases of the Menominee and Klamath Indian Tribes, and attempted repeatedly with the Colvilles.

10–D. Repeal of the Menominee, Klamath and Other Termination Acts.—The Congress should act immediately to repeal the Termination Acts of the 1950s and 1960s and restore ownership of the several million acres of land to the Indian people involved, perpetually non-alienable and tax-exempt. The Indians' rights to autonomous self-government and sovereign control of their resources and development should be re-instated. Repeal of the terminal legislation would also advance a commitment toward a collective 110 million acre land base for Native Americans—when added to the near 55 million acres already held by Indians, apart from the additional 40 million acres allocated in Alaska. (The impact of termination and its various forms have never been fully understood by the American people, the Congress, and many Indian people. Few wars between nations have ever accomplished as much in the dispossession of a people of their rights and resources as have the total victories and total surrenders legislated by the Termination laws. In the Arab States of the present Mid-East could comparably presume the same authority over the State of Israel, they could eliminate Israel by purchase or by declaring it an Arab State or subdivision thereof; on the one hand, evicting the Israelis from the newly-acquired Arab lands, or on the other, allowing the Israelis to remain as part of the larger Arab Nation—and justify the disposition to the world by claim that, whether leaving or remaining, but without their nation, the Jewish people would still be Jewish. Such an unacceptable outrage to American people could quickly succeed to World War III—except when such actions are factually taken against Menominees, Klamaths, Senecas, Utes, and threatened against many other landed nations of Indian people.)

11. Revision of 25 U.S.C. 163; Restoration of Rights to Indians Terminated by Enrollments and Revocation of Prohibitions Against Dual Benefits.—The Congress should enact new measures fully in support of the doctrine that an Indian Nation has complete power to govern and control its own membership—but eradicating the extortive and coercive devices in federal policy and programming which have subverted and denied the natural human relationships and natural development of Indian communities, and committed countless injuries upon Indian families and individuals. The general prohibition against benefitting dually from federal assistances or tribal resources by having membership or maintaining relationships in more than one Indian Tribe has frequently resulted in denial of rights and benefits from any sources. Blood quantum criteria, closed and restrictive enrollments and "dual benefits" prohibitions, have generated minimal problems for Indians having successive non-Indian parentage involved in their ancestry—while creating vast problems and complexities for full-blood and predominant-Indian-blood persons when ancestry or current relationships involve two separate Indian tribes or more. Full-blood Indians can fail to qualify for membership in any of several tribes to which they may be directly related if quantum-relationships happen to be in wrong configuration or non-qualifying fractions. Families have been divided to be partly included upon enrollments, while some children of the same parents are wrongly (if there are at all to be enrollments) excluded. There should be a restoration of Indian and tribal rights to all individual Indians who have been victimized and deprived by the vicious forms of termination effected by forces choices between multiply-related Tribes, abusive application of blood-quantum criteria, and federally-engineered and federally-approved enrollments. The right of Indian person to maintain, sever, or resume valid relations with several Indian Nations or communities unto which they are born, or acquire relations through natural marriage relationships or parenthood and other customary forms, must again be recognized under law and practice, and also the right of Indian Nations to receive other Indian people into relations with them—or to maintain relations with all their own people, without regard to blood-quantum criteria and federal standards for exclusion or restrictions upon benefits. (It may be recognized that the general Indian leadership has become conditioned to accept and give application to these forms of terminating rights, patterns which are an atrocious aberration from any concepts of Indian justice and sovereignty.)

12. Repeal of State Laws Enacted Under Public Law 280 (1953).—State enactments under the authority conferred by the Congress in Public Law 280 has posed the most serious threat to Indian sovereignty and local self-government of any measure in recent decades. Congress must now nullify those State statutes. Represented as a "law enforcement" measure, PL 280 robs Indian communities of the core of their governing authority and operates to convert reservation areas into refuges from responsibilities where many people, not restricted by race, can take full advantage of a veritable vacuum of controlling law, or law which commands its first respect for justice by encouraging an absence of offenses. These States' acceptance of condition for their own statehood in their Enabling Acts—that they forever disclaim sovereignty and jurisdiction over Indian lands and Indian people—should be binding upon them and that restrictive condition upon their sovereignty be reinstated. They should not be permitted further to gain from the conflict of interest engaged by such States' participation in enactment of Public Law 280—at the expense of the future of Indian people in our own communities, as well as our present welfare and well-being.

13. Resume Federal Protective Jurisdiction for Offenses Against Indians.—The Congress should enact, the Administration support and seek passage of, new provisions under Titles 18 and 25 of the U.S. Code, which shall extend the protective jurisdiction of the United States over Indian persons wherever situated in its territory and the territory of the several States, outside of Indian Reservations or Country, and provide that prescribed offenses of violence against Indian persons shall be federal crimes, punishable by prescribed penalties through prosecutions in the Federal judiciary, and enforced in arrest actions by the Federal Bureau of Investigation, U.S. Marshals, and other commissioned police agents of the United States—who shall be compelled to act upon the commission of such crimes, and upon any written complaint or sworn request alleging an offense, which by itself would be deemed probable cause for arresting actions.

13–A. Establishment of a National Federal Indian Grand Jury.—The Congress should establish a special national grand jury, consisting solely of Indian members selected in part by the President and in part by Indian people, having a continuous life and equipped with its own investigative and legal staff, and presided over by competent judicial officers, while vested with prescribed authorities of indictments to be prosecuted in the federal and Indian court systems, and equipped with the standard powers of process, and subpoena exercised by grand juries. This grand jury should be granted jurisdiction to act in the bringing of indictments on basis of evidence and probable cause within any federal judicial district where a crime of violence has been committed against an Indian and resulted in an Indian's death, or resulted in bodily injury and involved lethal weapons or aggressive force, when finding reason to be not satisfied with handling or disposition of a case or incident by local authorities, and operating consistent with federal constitutional standards respecting the rights of an accused. More broadly and generally, the grand jury should be granted broad authority to monitor the enforcements of law under Titles 18, 25, and 42, respecting Indian jurisdiction and civil rights protections; the administration of law enforcement, confinement facilities and juvenile detention centers, and judicial systems in Indian country; corrupt practices or violations of law in the administration of federal Indian agencies or of federally-funded programs for Indian people—including administration by tribal officials or tribal governmental units—and federal employees; and issue special reports, bringing indictments when warranted, directed toward elimination of wrong-doing, wrongful administration or practices; and improvements recommendations for systems to ensure proper services and benefits to communities, or Indian people.

13–B. Jurisdiction Over Non-Indians Within Indian Reservations.—The Congress should eliminate the immunity of non-Indians to the general application of law and law enforcement within Reservation Boundaries, without regard to land or property titles. Title 18 of the U.S. Code should be amended to clarify and compel that all persons within the originally established bound-

aries of an Indian Reservation are subject to the laws of the sovereign Indian Nation in the exercise of its autonomous governing authority. A system of concurrent jurisdiction should be minimum requirement in incorporated towns.

13–C. Accelerated Rehabilitation and Release Program for State and Federal Indian Prisoners.—The Administration should immediately contract an appropriately-staffed Commission of Review on Rehabilitation of Indian Prisoners in Federal and State Institutions, funded from Safe Streets & Crime Control funds, or discretionary funds under control of the President, and consisting of Indian membership. The review commission would conduct census and survey of all Indian prisoners presently confined, compile information on records of offenses, sentences, actions of committing jurisdictions (courts, police pre-sentence reports, probation and parole systems), and related pertinent data. The basic objective of the review commission would be to arrange for the development of new systems of community treatment centers or national-regional rehabilitation centers as alternative to existing prison situations; to work with Bureau of Prison and federal parole systems to arrange for accelerated rehabilitation and release programs as justified; and to give major attention to the reduction of offenses and recidivism in Indian communities. The commission would act to provide forms by which Indian people may assume the largest measures of responsibility in reversing the rapidly increasing crime rates on Indian reservations, and reapproaching situations where needs for jails and prisoner institutions may again be virtually eliminated. The Congress should provide appropriate authorizations in support of such effort—perhaps extending the protective jurisdiction of the United States over Indians in State institutions, to provide for transfer to Indian-operated rehabilitation and treatment center, at least probation systems, in a bargain of responsibility for bringing about vast reduction in incidences of offenses among Indian communities. (The $8,000,000 BIA Budget for Law & Order is not directed toward such purpose—spending nearly half its present increases on new cards to gauge the increases in reported offenses.)

NOTE on 13—13C: The U.S. has asserted its jurisdiction over Indians nation-wide and may now do so again protectively. The Congress controlled liquor sales to Indians nationally until 1953, allowing prosecution for non-Indian offenders. Education of Indians in public state schools is essentially a contracting of jurisdiction to States.

14. Abolition of the Bureau of Indian Affairs by 1976: A New Structure—The Congress working through the proposed Senate-House "Joint Committee on Reconstruction of Indian Relations and Programs", in formulation of an Indian Community Reconstruction Act, should direct that the Bureau of Indian Affairs shall be abolished as an agency on or before July 4, 1976; provide for an alternative structure of government for sustaining and revitalizing the federal-Indian relationship between the President and Congress of the United States, respectively, and the respective Indian Nations and Indian people at large, consistent with constitutional criteria, national treaty commitments, and Indian sovereignty; and provide for transformation and transition into the new system as rapidly as possible prior to abolition of the BIA.

15. Creation of an "Office of Federal Indian Relations and Community Reconstruction.—The Bureau of Indian Affairs should be replaced by a new unit in the federal government which represents an equality of responsibility among and between the President, the Congress and the Governments of the separate Indian Nations (or their respective people, collectively), and equal standing in the control of relations between the Federal Government and Indian Nations. The following standards and conditions should be obtained:

A. The Office would structurally be placed in the Executive Offices of the President, but be directed by a tri-partite Commission of three Commissioners; one being appointed by the President, one being appointed by the joint congressional committee; and one being selected by national election among Indian people, and all three requiring confirmation by the U.S. Senate.

B. The Office would be directly responsible to each the President, the Congress, and Indian people, represented by a newly-established National Indian Council of no more than twenty members selected by combination national and regional elections, for two year terms, with half expiring each year.

C. All existing federal agencies and program units presently involved or primarily directed toward serving Indians would be consolidated under the new Office, together with the budget allocations to the Department assisting Indians although primarily oriented toward other concerns. All programs would be reviewed for revision of form, or eliminating altogether, or continuance.

D. A total personnel and employee structure ceiling of no more than 1,000 employees in all categories should be placed upon the new office for its first five years of operation. Employment in the Office would be exempt from Civil Service regulations and provisions. (The Civil Service Commission and federal employee unions should be requested to propose a plan for preference hiring in other agencies and for transfer of benefits to new employment, for presentation to Congress, incident to abolition of the BIA and other Indian-related federal programs.)

E. The Office would maintain responsibility over its own budget and planning functions, independent from any control by the Office of Management & Budget (OMB), and should be authorized a $15,000,000,000 budget for the remainder of the 1970s to plan from manage, control, and grant in direct assistance to Indian communities for effecting their reconstruction and qualified indigenous programming, or to otherwise program or provide for assistance. The Office would also recognize needs of non-reservation Indians, and be responsible to them as well as through the National Indian Council.

F. The Appropriations Committees of the Congress should give consideration to the justifications for long-range plans in funding, but maintain oversight over the annual incremental spending under a $15,000,000,000 budget, reviewing the efficiency of the Office and the impact and progress of the programming. The Appropriations Committees should not impose undue interferences in plans—but should insist upon equitable treatment of all Indian Nations and general Indian people who would not be denied their respective direct relations with the Congress, or with the President.

G. The Office of Federal Indian Relations would assume the administrative responsibility as trustee of Indian properties and property rights, until revision of the trust responsibility might be accomplished and delegated for administration as a function and expression of the sovereign authority of the respective Indian Nations.

16. Priorities and Purpose of the Proposed New Office.—The central purpose of the proposed "Office of Federal Indian Relations and Community Reconstruction" is to remedy the break-down in constitutionally-prescribed relationships between the United States and Indian Nations and people and to alleviate the destructive impact that distortions in those relationships has rendered upon the lives of Indian people. More directly it is proposed for allowing broad attacks upon the multitude or millions of problems which confront Indian lives, or consume them, and which can not be eliminated by piece-meal approaches, jerry-built structures or bureaucracies, or by taking on one problem at a time, always to be confronted by many more. The Congress, with assent the Courts, has developed its constitutional mandate to "regulate Indian commerce" into a doctrine of absolute control and total power over the lives of Indians—they failed to give these concerns the time and attention that the responsibilities of such power demand. The Congress restricted the highest authority of the President for dealing with Indian matters and affairs, then abandoned Indian people to the lowest levels of bureaucratic government for administration of its part-time care and asserted all-powerful control. The constitution maintained Indian people in citizenship and allegiance to our own Nations, but the Congress and the Bureau of Indian Affairs have converted this constitutional standard into the most bastardized forms of acknowledged autonomy and "sovereign self-governing control"—scarcely worthy of the terms, if remaining divested of their meaning. A central priority of the proposed Office should be the formulation of legislation designed to repeal the body of "Indian Law" that continues to operate most harmfully against Indian communities—including sections of the 1934 Indian Reorganization Act and prior legislation which instituted foreign forms of government upon our Nations, or which have served to divorce tribal government from responsibilities and accountability to Indian people.

At this point in time, there is demonstrable need for the Congress to exercise highest responsibilities to Indian people in order that we might have a future in our homeland. This requires that Congress now recognize some restrictions upon its own authority to intervene in Indian communities and act to totally exclude the exercises local tribal sovereignty and self-governing control. The proposed Office of Federal Indian Relations and Community Reconstruction should be authorized the greatest latitude to act and to remove restrictions from the positive actions of Indian people. This can be achieved if the Congress establishes a new Office in the manner proposed, and authorizing it in promising degree to operate as instrumentality of its responsibilities.

17. Indian Commerce and Tax Immunities.—The Congress should enact a statute or Joint Resolution certifying that trade, commerce, and transportation of Indians remain wholly outside the authority, control, and regulation of the several States. Congressional acts should provide that complete taxing authority upon properties, use of properties and incomes derived therefrom, and business activities within the exterior boundaries of Indian reservations, as well as commerce between reservations and Indian Nations, shall be vested with the respective or related tribal governments or their appropriate subdivisions—or certify that, consistent with the *Fourteenth Amendment, section 2,* statehood enabling acts, prevailing treaty commitments, and the general policy of the United States, that total Indian immunity to taxing authority of states is reaffirmed and extended with uniformity to all Indian Nations as a matter/established or vested right. (These questions should not have to be constantly carried to the courts for reaffirmation—disregarded as general law and attacked by challenge with every discernible variation or difference in fact not considered at a prior trial.) (Tribes have been restricted in their taxing authorities by some of the same laws which exclude federal or state authority. However, there are areas where taxing authorities might be used beneficially in the generation of revenues for financing government functions, services and community installations.) (The Congress should remove any obstacles to the development of free trade and commerce with various other foreign na-

tions; respect the rights of Indian people to travel freely between Indian nations without being blocked in movement, commerce or trade barriers of borders, customs, duties, or tax.)

18. Protection of Indians' Religious Freedom and Cultural Integrity.—The Congress should proclaim its insistence that the religious freedom and cultural integrity of Indian people should be respected and protected throughout the United States, and provide that Indian religion and culture, even in regenerating or renaissance or developing stages or when manifested in the personal character and treatment of one's own body, shall not be interfered with, disrespected or denied. (No Indian should be forced to cut their hair by any institution or public agency or official, including military authority or prison regulation, for example.) It should be an insistence by Congress that impose strict penalty for its violation.

19. National Referendums, Legal Options, and Forms of Indian Organization.—The Indian population is small enough to be amenable to voting and elective processes of national referendums, local option referendums, and other elections for rendering decisions, approvals or disapprovals on many issues and matters. The steady proliferation of Indian and Indian-interest organizations, Indian advisory boards and the like, the multiplication of Indian officials and the emergence of countless Indian "leaders," represent a less preferable form for decision-making, a state of disorganization, and a clear deflection of deterioration in the relations between the United States and Indian people as contracting sovereigns holding a high standard of accountability and responsibility. Some Indians seem to standby to ratify any viewpoints relating to any or all Indians; others conditioned to accept any viewpoint or proposal from official source. Whereas Indian people were to be secure from political manipulation and the general political system in the service of Indian needs, political favor and cut-throat competition for funds with grants made among limited alliances of agency-Indian friends have become the rule, while responsibilities and accountability to Indian people and Indian communities have been forgotten. While the treaty relationship allows that we should not be deprived by power what we are possessed of by right—little personal power and political games are being played by a few Indians while we are being deprived our rights. This dissipation of strength, energies and commitment should end. We should consolidate our resources and purpose to restore relations born of our sovereignty and to resume command of our communities, our rights, our resources, and our destiny. (The National Council on Indian Opportunity; Association on American Indian Affairs; and Indian directed, and Indian organizations which are among many which could and should be eliminated.) (At least, none should be funded from federal sources.)

20. *Health, Housing, Employment, Economic Development, and Education.*—The Congress and Administration and proposed Indian Community Reconstruction office must allow for the most creative, if demanding and disciplined, forms of community development and purposeful initiatives. The proposed $15,000,000,000 budget for the 1970s remainder could provide for completed construction of 100,000 new housing units; create more than 100,000 new, permanent, income and tribal revenue-producing jobs on reservations and lay foundation for as many more in years following; meet all the economic and industrial development needs of numerous communities; and make education at all levels and provide health services or medical care to all Indians as a matter of entitlement and fulfilled right. Yet, we now find most Indians unserved and programs not keeping pace with growing problems under a Billion Dollar-plus budget annually—approximating a service cost of $10,000 per reservation Indian family per year, or $100,000 in this decade. Our fight is not over a $50 Million Dollar Cutback in a mismanaged and misdirected budget, and cannot be ended with restoration of that then invisible amount—but over the part that it, any and all amounts, have come to play in a perennial Billion Dollar indignity upon the lives of Indian people, our aged, our young, our parents and our children. Death remains a standard cure for environmentally-induced diseases afflicting many Indian children without adequate housing facilities, heating systems, and pure water sources. Their delicate bodies provide their only defense and protection—and too often their own body processes become allies to the quickening of their deaths, as with numerous cases of dysentery and diarrhea. Still, more has been spent on hotel bills for Indian-related, problem-solving meetings, conferences and conventions than has been spent on needed housing in recent years. More is being spent from federal and tribal fund sources on such decision-making activities than is being committed to assist but two-thirds of Indian college students having desperate financial need. Rather, few decisions are made, and less problems solved, because there has developed an insensitivity to conscience which has eliminated basic standards of accountability. Indian communities have become fragmented in governmental, social, and institutional functions as they have been restructured or destructed to accommodate the fragmentation in government programming and contradictions in federal policies. There is need to reintegrate these functions into the life and fabric of the communities. Of treaty provisions standard to most treaties, none has been breached more viciously and often as those dealing with education—first by withdrawing education processes from jurisdiction and responsibility of Indian communities, and from the powers of Indian self-government—and failing yet to restore authority to our people, except through increased funding of old advisory and contract-delegation laws, or through control to conduct school in the conditioned forms and systems devised by non-Indians, or otherwise commended by current popularity. At minimum, Indian Nations have to reclaim community education authority to allow creative education processes in forms of their free choice, in a system of federally-sanctioned unit or consolidated Indian districts, supported by a mandatory recognition of accreditation in all other systems in this land.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., January 16, 1973.

Hon. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: When I appeared before your Committee in early December I told you that we had undertaken to prepare an answer to the 20 questions which the Trail of Broken Treaties caravan had laid before us. On January 9, 1973 we transmitted our answers. I thought you would still be interested so I am enclosing a copy for your use.

Sincerely,

FRANK CARLUCCI,
Deputy Director.

1. RESTORATION OF TREATY-MAKING AUTHORITY

The first proposal is that Indian nations should again become sovereign political entities which would contract treaties with the United States—the purpose being "in order that Indian Nations may represent their own interests."

Over one hundred years ago the Congress decided that it was no longer appropriate for the United States to make treaties with Indian tribes. By 1924, all Indians were citizens of the United States and of the states in which they resided. The citizenship relationship with one's government and the treaty relationship are mutually exclusive; a government makes treaties with foreign nations, not with its own citizens. If renunciation of citizenship is implied here, or secession, these are wholly backward steps, inappropriate for a nation which is a Union.

Indians do need to "represent their own interests" and Indian tribes, groups and communities are finding increasingly effective ways of expressing these interests. There are several active and vocal nationwide Indian organizations; there are many tribal governments and these are being strengthened with full Administration support and endorsement. The President has even proposed that the administration and control of most BIA and HEW Indian programs be transferred to Indian tribal government, at the latters' option, but the Congress has not yet approved this legislative proposal.

The President has proposed the creation of an Indian Trust Counsel Authority to represent Indian interests in the vital field of natural resources rights, but the Congress has not enacted this legislation.

The White House and every Department in this Administration meets frequently with Indian leaders and groups, listens to and pays attention to Indian recommendations and, as for example in the development of the Alaska Native Claims legislation, works with Indian representatives on matters vitally affecting Indian people. We will continue to go forward with these many, close relationships.

2. ESTABLISHMENT OF TREATY COMMISSION TO MAKE NEW TREATIES

The points stated in the first response apply to this proposal also.

3. THE PRESIDENT AND INDIANS SHOULD ADDRESS THE CONGRESS

The Congress has been addressed—two and one-half years ago—when the President sent the Congress a Special Message on July 8, 1970 dealing exclusively with American Indian matters. Indian advice about those program proposals was sought and obtained at that time in a series of meetings held throughout Indian country. With two exceptions, none of the President's legislative proposals made in that Message have been enacted by the Congress; some have not even been given hearings.

What is needed is not more addresses and messages; the President will again submit in 1973 legislative proposals to implement his progressive policy for Indians. What is needed is congressional action.

It would be up to the Congress to determine whether it would like to invite four Indians to address a Joint Session. As important, or more so, will be the appearance of Indian representatives at congressional committee sessions which hopefully will be called soon to take up the bills the President has proposed. Administration witnesses will be on hand and fully ready to explain the President's program.

At the present time, the Administration, as well as congressional committees, is again open to any specific Indian suggestions as to how our proposals could be improved or strengthened.

4. CREATE A COMMISSION TO REVIEW TREATY COMMITMENTS AND VIOLATIONS

We already have a Commission: the Indian Claims Commission, a quasi-judicial agency created by the Congress in 1946. Its mandate is to settle finally any and all legal, equitable and moral obligations the United States might owe to the Indians, including the loss of aboriginal lands or in-

adequate payment for them through treaties or otherwise. The Commission has decided on some 190 awards, and has certified $424 million for appropriation as award payments. There are about 250 dockets still pending before the Commission, and in the last Congress the Commission's life was extended another five years.

It is asked that a new Commission formulate legislation to protect jeopardized Indian rights. This legislation has already been formulated and the President proposed it to the Congress two and one-half years ago: the creation of an Indian Trust Counsel Authority. The Authority would be a quasi-independent part of the Executive Branch of the United States Government, would be governed by a three-man Board of Directors, two of whom would be Indians, would have the right to bring suit against the United States or otherwise to intervene in any State or Federal regulatory proceeding to protect Indian natural resources rights, speaking for the United States as trustee for those rights. The Congress has not enacted this legislation: it will be resubmitted to the new Congress and this Administration will again defend and support it, and we are confident we will again have the endorsement and assistance of Indian witnesses also.

Pending the enactment of the Trust Counsel Authority, this Administration has actively defended Indian treaty and trust rights. We have persuaded Congress to restore the Blue Lake lands to the Taos Pueblo; the President has acted to restore to the Yakima Nation the 21,000 acres of land mistakenly alienated from their control 66 years ago: the Administration has filed a number of suits to protect Indian water rights including a suit in the Supreme Court to protect the rights of Indians in Pyramid Lake; the Administration has initiated a procedure whereby, on the request of the Secretary of the Interior, briefs stating the United States' position as trustee of Indian land and water rights will be filed in any Court cases in which the Department of Justice takes a position contrary to those trust interests, so that no Court is ever unaware of the trustee position of the United States concerning these rights.

Briefs supporting Indian trust rights have been filed in the *McClahanan, Kahn, Mescalero,* and *Tonasket* Supreme Court tax cases, the *Stevens* tax case was won in the Ninth Circuit on the strength of the Interior Department's brief as trustee for the Indian defendant.

The Secretary of the Interior has established a special Water Rights Office in the Department of the Interior to give special attention to any Indian water rights problems and allegations of invasion of rights. This Office is headed by an Indian lawyer.

With respect to the stated wish to "eliminate the unending patterns" of lawsuits and legal defense, this desire is rather theoretical, since public life today is full of controversy and legal dialogue. No one can guarantee an end to controversy; what we are trying to guarantee is effective defense, in those controversies, of Indian trust rights by the United States which is itself the trustee of those rights.

The Departments of the Interior and Justice are and will continue to be alert to any specific allegations of violation of Indian trust rights, and will continue to work with Indian leaders and their representatives to ensure effective defense of Indian trust interests.

5. RESUBMIT UNRATIFIED TREATIES TO THE SENATE

As was explained under Point 1, we are now a Union and we have a citizenship rather than a treaty relationship with the people who make up that Union, American Indians included.

The injustices and inequities which were in fact suffered by Indian tribes and peoples because of either unfair or unratified treaties are being dealt with as the Congress has provided in the Indian Claims Commission. This is particularly true in the case of many California Indians, the treaties with whom were negotiated but not ratified, and whose claims have been decided by the Indian Claims Commission and confirmed by the Congress, with award payments even now being disbursed totaling $29,100,000.

The Claims Commission will continue to be diligent and fair as it moves through the remainder of the 250 dockets still pending.

6. ALL INDIAN PEOPLE SHOULD BE IN A TREATY RELATIONSHIP WITH THE UNITED STATES

The Treaties that were concluded and ratified with Indian tribes are still in force and will be respected by the United States. But as explained in points 1 and 5, we are a Union and, since 1871, no longer negotiate new treaties with our citizens as if they were foreign entities.

American Indian people have many needs and concerns; these needs and concerns are being addressed and must be addressed further by both the Executive and Legislative branches of our government. We, in this Administration, want Indian people to continue to work with us in formulating and carrying out specific proposals and actions to meet the pressing economic, legal, educational, health, and housing problems of Indian people.

To call for new treaties is to raise a false issue, unconstitutional in concept, misleading to Indian people, and diversionary from the real problems that do need our combined energies.

7. MANDATORY COURT INJUNCTIONS AGAINST ALLEGED TREATY VIOLATIONS

This demand apparently is based upon a misunderstanding of the judicial process. It is proposed that mandatory injunctions be granted upon the mere filing of an indian complaint that a treaty right is being violated and that such injunctions continue until the court is satisfied a violation is not being committed. It is not clear what is meant by a "mandatory" injunction, although there is a clear implication that concepts of due process should not apply to litigation to enforce treaty rights.

As near as can be determined from the demand, much of what is desired is attainable through existing judicial process, by use of temporary restaining orders (and subsequent injunctive relief) whenever a citizen can show he will suffer irreparable harm. The courts now give priority to requests for temporary restraining orders and injunctions. It seems highly unlikely that the Congress would pass such legislation, and it is questionable as to the authority to do so under the constitution.

8. JUDICIAL RECOGNITION OF INDIAN RIGHT TO INTERPRET TREATIES

This proposal would require the fundamental revision of our judicial processes in order to give Indian groups highly preferential positions in controversies about their treaty rights. To the extent the revision would impinge on the judicial powers of the courts, it would present constitutional problems. Granting a right of appeal to the Supreme Court in Indian cases would necessitate amendment of 28 U.S.C. 1254 and 1257.

At present, all Indian tribes have the right to take a position in any case or controversy on the meaning of their own treaties and to advocate their interpretation through the courts, as any State, locality, citizen, or group of citizens can press for favorite judicial interpretation of their rights. Due process and equal access, however, must be accorded to all citizens involved.

We would reemphasize here the matters stressed in Point 4: this Administration, more than any in American history, has been alert to defend Indian natural resources rights and to urge both the Legislative and Judicial Branches to do the same. What is needed from now on is not the skewing of America's judicial principles or the creation of any new built-in preferences for or against specific groups or institutions. What is needed is a continuing alertness by the Executive Branch, which we pledge, and in addition perhaps a better system by which Indian leaders can bring alleged trust violations more promptly to the Government's attention.

9. A NEW CONGRESSIONAL COMMITTEE STRUCTURE

This proposal, to create a new joint congressional committee, should be addressed to the Congress, and would not be appropriate for Executive Branch comment.

10. LAND REFORM AND RESTORATION OF A 110 MILLION-ACRE NATIVE LAND BASE

The Federal Government now holds in trust about 40 million acres of tribal land owned in common, plus approximately 10 million acres of land held in trust for individual tribal members. In addition, the title to 40 million acres has been confirmed by the Congress as belonging to Alaska Natives. In accordance with their wishes, it will not be held in trust but will be under their full control and inalienable for twenty years.

Assuming the above land is included in the suggested 110 million acres land base, this proposal calls for giving to Indians an additional 20 million acres of land. But what is omitted is the fact that claims concerning some of this additional land (it is difficult to know how much since the 110 million acres are not identified) are undoubtedly involved in the 250 cases now pending before the Indian Claims Commission.

The proposal that this 110 million acres be perpetually nontaxable and inalienable would be in part repetitive of existing rights, would deprive Indians of their right to deal with their lands for the benefit of all their people, and is a legal impossibility as one Congress cannot bind future Congresses amending or repealing such a law. With the consent of the Secretary of the Interior as trustee, individual Indians may exchange or sell their land when it is to their advantage to do so for a worthy purpose. These land owners might not want this right eliminated. Alienation of tribal land requires an Act of Congress. Some tribes for special reasons have obtained this right with the approval of the Secretary of the Interior and would probably be opposed to its being withdrawn from them.

10–A. PRIORITIES IN RESTORATION OF THE NATIVE AMERICAN LAND BASE

The proposal is that the following priorities be followed in connection with the requested 20 million acres of land:

1. The Indian Nations landless because of unratified treaties or unfulfilled treaty provisions.

2. Indian Nations landless because of abuse of trust responsibilities.

3. Urban Indians and non-reservation Indians in some grouping who are landless.

There would be considerable differences of opinion on the proposed priorities. The Federally-recognized tribes with reservations are also interested in obtaining additional land.

In the light of the many individual, piecemeal proposals for the creation of additional parcels of trust land for specific Indian groups, a study of trust land status and eligibility policy has been begun in the Department of the Interior. The study has been delayed by the disruption of the building and records of the Bureau of Indian Affairs during the occupation by the Trail of Broken Treaties two months ago, but it is now resuming.

As the Washington Conference of Eastern Indian peoples recently made clear, the process of identifying these options and costs

is going to require a great deal of research: which Indian groups not now federally recognized live on what land now; what is the status of that land, what services are available and not available to them from what sources, etc. In the end it is the Congress that must set the policy and provide the additional resources, if any. We shall be working with Indian leaders in giving these questions the thorough and detailed attention they deserve. We solicit the cooperation of Indian people, especially those not now federally recognized, in helping us with the rigorous economic and financial research which will be a prerequisite of any conclusions or recommendations.

10–B. CONSOLIDATION OF INDIANS' LAND, WATER, NATURAL AND ECONOMIC RESOURCES

Land owned in common by a number of heirs has long been a difficult unresolved problem. The separate essay promised to the Government on this subject will be given careful study when received.

10–C. TERMINATION OF LEASES AND CONDEMNATION OF NON-INDIAN LAND TITLES

Indian land owners, as individuals or tribes, decide themselves how they want to use their land or whether to lease it to others to obtain income. The Indian owners have to approve any lease. They and the trustee jointly determine the particular way in which the land is to be used. The Indian land owners are being encouraged to use their land themselves whenever they can and whenever it is to their advantage to do so. In many instances, it is impractical for the elderly, a child or woman, or those who are not interested in working on the land to do so. In other instances, because of the size or location of the land or the capital required, a greater return is obtained by lease than self operation.

The Trail of Broken Treaties representatives are free to recommend to their Indian colleagues who are land owners that there should be a large-scale program of lease cancellations and non-renewals. However, some questions need to be faced. Who would pay the lessees who certainly seek damages for cancellation of leases without cause?

It is also proposed here that tribes be given the authority by Congress to condemn any land owned by non-Indians within reservation boundaries, the cost to be borne by the Federal Government. No mention is made of repaying any monies already received for the lands. Such condemnation would involve a large amount of land and money, particularly for the checkerboarded reservations of the plains States. It is doubtful that the Federal Government could or should delegate its powers of eminent domain to non-Federal entities, even if this amount of money were available under present stringent budget strictures.

Enactment of the President's credit legislation would give Indians a further basis for obtaining land necessary for economic development; we look forward to early Congressional hearings on this legislation.

The study referred to under point 10 A. will also pertain to the recommendation made here concerning the resecuring of alienated lands within reservation boundaries.

10–D. REPEAL OF THE MENOMINEE, KLAMATH, AND OTHER TERMINATION ACTS

The Administration has expressed very firmly its strong opposition to any forced termination of the special relationship between the United States of America and Indian tribes involving the trusteeship of tribal land and the providing of special services. The President has specifically asked the Congress to rescind the outdated Termination Resolution of 1953, but the Congress has not yet taken the action the President recommended. Some years ago, Congress did terminate certain tribes based on its conclusion that they were prepared and able to manage their own affairs. Whether the Federal Government should now attempt to unscramble all of the situations that have since intervened and somehow restore the land that was conveyed in fee to the tribes and individuals and the numerous other matters that would be involved, will have to be considered at greater length and, in fact, is part of the study referred to under section 10 A.

With respect to the Menominees specifically, we repeat the pledge made by our convention in the Republican Platform:

"We are fully aware of the severe problems facing the Menominee Indians in seeking to have Federal recognition restored to their tribe, and promise a complete and sympathetic examination of their pleas."

11. REVISION OF 25 U.S.C. 163; RESTORATION OF RIGHTS TO INDIANS TERMINATED BY ENROLLMENT AND REVOCATION OF PROHIBITIONS AGAINST "DUAL BENEFITS"

This proposal urges Congressional recognition of complete and unfettered authority of a tribe to determine its own membership for all purposes, including membership in more than one tribe resulting in dual Federal and tribal benefits. Only in a very few special situations has the Congress enacted legislation affecting the requirements for tribal membership. On occasions when bills have been introduced in Congress that would define tribal membership, the Department has generally opposed enactment as an invasion of tribal rights to self-determination.

It has long been the policy and practice, supported by the courts, to permit tribes by the adoption of their own constitutional provisions or special membership ordinances to determine the qualifications for membership in their tribes. Often a tribe will require that a member may not be enrolled in another tribe. While the Department of the Interior does not have a prohibition against dual membership in tribes, it does not permit individuals to receive distribution of tribal assets held in trust usually in the form of a per capita payment, from more than one tribe.

The Trail of Broken Treaties' authors recognize that their recommendation is contrary to the position taken by the members of tribes in their referendums adopting constitutions setting forth their membership requirements. The TBT argument is really with the tribes who prescribe their membership provisions pursuant to constitutions and by-laws that have been adopted.

12. REPEAL OF STATE LAWS ENACTED UNDER PUBLIC LAW 280 (1953)

Public Law 280 permits a State to acquire civil and criminal jurisdictions in Indian areas but only with the consent of the involved tribe. A State's assumption of jurisdiction under P.L. 280 is voluntary and whether a State repeals the law involved (or any other State law) is also within the discretion of the State. There is a provision in the Indian Civil Rights Act of 1968 which permits States which have acquired jurisdiction under P.L. 280 to retrocede their jurisdiction back to the U.S. They are not required to do so at the request of the tribe.

It is not true that P.L. 280 deprived any Indian tribe of any of its civil or criminal jurisdiction over its members. The jurisdiction of the Federal Government over "major crimes" and under the Assimilated Crimes Act was divided and transferred to the States, but nothing in the Act strips the tribe of its powers.

The Congress possesses the power to provide for the reassuming of Federal jurisdiction in Indian country where the States have acquired it under P.L. 280. The Congress, no doubt, would want to have the views of tribes which had consented to State jurisdiction before taking the action recommended under this proposal.

13. RESUME FEDERAL PROTECTIVE JURISDICTION FOR OFFENSES AGAINST INDIANS

We have difficulty with the constitutionality of the concept that Congress can, by statute, require the judiciary to issue warrants for arrests on the basis of a "written complaint or sworn statement," since in our view, "probable cause" is determined by constitutional rather than legislative standards.

13–A. ESTABLISHMENT OF A NATIONAL FEDERAL INDIAN GRAND JURY

In the first 13 lines of this proposal, one would substitute in place of "Indian" the categories "Black", "Asian", "Chicano", etc. It would be misguided choice indeed to subdivide our American system of justice into ethnic slices, each skewed to give special attention on a racial basis. Our task is to improve our local and Federal systems so that they function in a manner utterly devoid of considerations of race or creed or culture.

Insofar as the proposed Grand Jury would be permitted to return indictments for prosecution in tribal courts and also against tribal officials, the proposal seems to conflict with the idea of tribal self-determination. Congress would also have to make an alteration in the existing concepts of the immunity of Federal officials from criminal actions arising from duties performed under color of their Federal authority.

13–B, JURISDICTION OVER NON-INDIANS WITHIN INDIAN RESERVATIONS

Indian tribal courts currently, we contend, have no judicial jurisdiction over non-Indians in criminal matters and have jurisdiction in civil matters only where the non-Indian consents to jurisdiction. A tribe may have legislative jurisdiction over non-Indians on a reservation, but whether tribal laws can be enforced against non-Indians remains unsettled.

The proposal would, therefore, affect the rights of non-Indians who reside within the "originally-established" exterior boundaries of a reservation and present severe problems of whether it would deprive them of the rights of citizenship in the States in which they reside. Further, it would affect those who are merely traveling through a reservation and arguably could deprive such persons of their immunity and privileges as citizens of the United States.

Finally, it must be noted that the 1968 Civil Rights Act requires that a tribe afford every person under its jurisdiction the fundamental rights of due process and equal protection of the laws. The greater the extent of tribal jurisdiction over non-Indians, the greater claim they have to the right to participate in tribal affairs, i.e., not only would they have a right to protection in judicial proceedings, but they might also have a valid claim to participate in the tribal legislative process.

Before taking any action in the direction of this recommendation, we would wish to have the views of the elected Tribal Chairmen and Tribal Councils, since they are the most competent representatives of Indian Reservation people.

13–C. ACCELERATED REHABILITATION AND RELEASE PROGRAM FOR STATE AND FEDERAL INDIAN PRISONERS

A new cooperative program has been in effect between Interior and Justice for the past two years under which contracts are entered into with tribes for them to provide a rehabilitation program, including vocational training and counselling for Indians in Federal and State prisons.

14–C. ABOLITION OF THE BUREAU OF INDIAN AFFAIRS BY 1976: A NEW STRUCTURE

Two and one-half years ago, the President's message foreshadowed the longer-term nature of the Bureau of Indian Affairs: it will become, in effect, an Indian Trust and Technical Assistance Agency, responding to requests from elected Indian tribal leaders

who will themselves be taking over the management and operation of the Federal programs which serve their reservations. The pace of this change i.e., the degree of transfer of control over program operations, will be at Indian option; the President specifically does not intend to force Indian groups into running their Reservation affairs on any time-table except each Tribe's own.

The trust responsibility will, of course, remain— as long as each Tribe wishes it; the President has repudiated termination.

Whether the changed Bureau would remain within the Department of the Interior, or within a new Department of Natural Resources, or be placed in another Cabinet Department would be a matter which the President would not propose to the Congress until after close consultation with Indian leaders themselves.

15. CREATION OF AN "OFFICE OF FEDERAL INDIAN RELATIONS AND COMMUNITY RECONSTRUCTION

This proposal would create a three-headed agency in the Executive Office, one head being a Presidential appointee, another a Congressional appointee and the third appointed by Indian people; it would be directly responsible to all three sources, would be authorized a 7-year budget of $15,000 - 000,000 and would have few if any restrictions on its program or operations from OMB, the Congress or the Civil Service Commission.

This suggestion may have come from the best of intentions, but it would create a helpless, irresponsible administrative freak, able to spend vast sums without any clear accountability. Indian people, no less than the President and the Congress, could and would be defrauded by such an administrative aberration; neither the President nor the Congress would permit it to be created.

What Indian people ought to have is an effective trust protector and service-delivery system, which makes sure that every dollar of the more than $1 billion in the federal government's current overall budget for Indians actually is put to work directly helping Indian people. To get this requires perhaps tighter rather than looser Departmental management and OMB review, may require closer scrutiny by the Congress or the General Accounting Office or the Civil Rights Commission. In any case it requires unified direction and clear responsibility to the officer to whom the Constitution gives the Executive power: the President.

In the four years that President Nixon has been in office, he has increased the budget of the Bureau of Indian Affairs from $261 million to $571 million and he has brought new talent, mostly Indians, into the senior positions of the Bureau. Other changes will come also (see the response under Section 14) and Indian leaders will be consulted in the process.

16. PRIORITIES AND PURPOSE OF THE PROPOSED NEW OFFICE

Most of this section in the Trail of Broken Treaties paper seems to be directed at the Congress and it would seem appropriate to let the response be primarily from the Congress.

We would add that the principal thrust of the President's own legislative proposals for Indians is toward self-determination and self-government for Indian tribes. If problems have arisen concerning the responsibility and accountability of tribal governments to their people, these should be brought to our attention in the Task Force which was set up to explore this among several other aspects of Indian needs and problems. We would welcome specific legislative or administrative proposals.

17. INDIAN COMMERCE AND TAX IMMUNITIES

Indian land held in trust, either for tribes or individuals, may not be taxed by the States or their subdivisions. States can tax non-Indians within Indian reservations, except licensed Indian traders on sales to Indians. Tribes do have the authority to levy taxes within their reservations. Indian trust lands and proceeds from them are immune from property taxation. Unless current litigation changes this, Indian owners must pay all other taxes such as that on their earned income unrelated to their tax exempt property.' No justification is offered as to why as citizens of a State they should be set apart from their fellow citizens in matters not related to the trust relationship, even if Congress had the authority to give them this exemption.

Having the advantage of the special tax exemption, Indians will want to take the steps necessary to enforce it. Indians, like others, will have to employ attorneys and undertake the burden and expense of litigation to assert their rights, although the access of courts to enforce rights is a precious right in itself. The tribes, however, have the additional benefit of being able to call on the legal services of the Department of Justice and Interior in certain kinds of actions.

The proposal that tribes be treated as soverign nations in relation to trade with foreign nations by removal of barriers of "borders, customs, duties, or tax" is entirely inconsistent with their status as American citizens and could lead to erosion of their special relationship with the Federal Government.

18. PROTECTION OF INDIANS' RELIGIOUS FREEDOM AND CULTURAL INTEGRITY

The American people and their government are particularly concerned that the Indians' religions and culture be protected, and there is no policy or program to remove this protection. Indians, like all citizens, are protected in their religious rights by the First Amendment. If Congress attempts to secure; for Indians greater religious rights than the First Amendment itself provides, it runs the danger of conflicting with the establishment clause, particularly when it is remembered that Indians, like all Americans, belong to different faiths.

The Supreme Court so far has refused to review, and the Courts of Appeals are divided on the question of whether public schools can require students to cut their hair. However, the cases have focused on the issue of the First Amendment freedom of expression rather than on that of religion, and the latter argument would seem to present a stronger case.

19. NATIONAL REFERENDUMS, LOCAL OPTIONS, AND FORMS OF INDIAN ORGANIZATIONS

The Federal Government recognizes the elected tribal governing bodies as the principal spokesmen for the members of their tribes. It is also willing to hear and interested in obtaining the views of individual Indians or groups, such as school boards, Indian women's organizations, Indian professional organizations, etc., and giving them due consideration. (The Trail of Broken Treaties' authors seem to be addressing themselves under this point to various privately organized association and groups of Indians rather than to the Federal Government.)

Certainly not now and probably never will one Indian group have a monopoly of being "the spokesman" for all Indian people.

We might add at this point that the conduct of certain members of the Trail of Broken Treaties during their visit to Washington two months ago was reprehensible and is being investigated for possible criminal prosecution; their actions represented not leadership but a betrayal of the interests of Indian people.

20. HEALTH, HOUSING, EMPLOYMENT, ECONOMIC DEVELOPMENT AND EDUCATION

This is a request for $15 billion in Federal funds to be appropriated for Indians in the remaining years of the 1970's for the enumerated purposes. There is also a very generally stated objection to the manner in which past appropriated funds have been spent.

The Trail of Broken Treaties paper makes no acknowledgment of the fact that under this President and the last two Congresses, the budget for the Bureau of Indian Affairs alone has increased from $261.3 to $571.4 millions, or 218.6%.

The question is not whether Indian people have acute needs in education, housing, health and economic development. The question is whether pumping more money in the direction of those problems in the same old way is the best method of solving them.

This Administration has doubled the Indian budget—but it has done something much more important: it has proposed new and more effective ways of bringing to bear the resources that are available. We want Indian control of the programs operating on reservations; we want Indian parents to have a say in the off-reservation schools which their children attend; we want to see reservation hospitals staffed and managed by responsible Indian officials.

The watchword in the federal human resources budgets of the Second Term is not "more" but "more effective"—and we solicit the cooperation and suggestions of all Indian groups and leaders as to how to ensure that the available resources do in fact accomplish the results for which those resources are invested.

It is urged here that Indian communities reclaim their authority over the education process and that Indian operated schools be recognized by all other school systems through a mandatory accreditation system. It is the President's policy to encourage Indian communities to take over the control and operation of the BIA schools. The movement toward contract schools is a visible commitment to this policy. With the passage of recommended legislation providing for taking over of BIA programs by tribes and permitting Federal employees employed by tribal governments to retain their Civil Service benefits, the move to Indian community control and operation will accelerate.

Accrediting of a school is accomplished by a school joining the privately supported accrediting system and seeking accrediting. Indian schools wanting their students to be prepared to enter accredited schools elsewhere should adhere to certain minimum standards in order to adquately serve their students. It would seem inappropriate for Congress, even if it could, to require on a blanket basis the accrediting of Indian operated schools.

Mr. HELMS. Mr. President, even though some Americans have been misled, I think that it is obvious that AIM is thoroughly disreputable and divisive in its leadership and programs. It certainly does not deserve the sympathy of U.S. citizens whether Indian or otherwise. It is divisive and destructive and tears at the fabric of society. It cannot contribute to solving the problems of poverty or the problems of bureaucracy. Only when the authentic Indian leaders, as many of them have done, are able to engage their people in suitable educational and training programs to overcome the years of neglect will economic progress be made. The only programs which can be successful in the long run are those which are supportive of stability, initiative, and private investment. I join in criticizing Government programs of the handout and paternalism. I think that they have had a deadly effect not only upon many Indians, but upon

many other U.S. citizens as well. Successful social revolution comes through steady organic growth, and can never be enforced by totalitarian political methods.

I cannot leave this topic without commenting upon the whirlwind reaped by OEO from its grants to AIM. We do not have the evidence at this time to show, conclusively, that the criminal activities of AIM are the direct result of OEO programs. Yet OEO funds have provided the juice in which the whole thing has steeped. At the heart of it is the whole philosophy of the Community Action programs which the President has wisely sought to bring to a screaming halt. Implicit in the idea of CAP is the idea that poverty can somehow be cured through political action—that is through manipulating the processes of Government by coercion, organization, pressure, and even blackmail.

This may best be described as the para-governmental approach, since its aim is to circumvent the normal organization of constitutional government. The notion is prevalent that poverty can be eliminated only by boldly wresting political power from the established system. The OEO mentality results in Government financing its own destruction.

Our constitutional system was carefully constructed with a system of checks and balances. The object was to prevent any one sector of society from acquiring enough power to tyrannize over the rest. It is a system that is slow and full of setbacks and disappointments. But it is also a system that results in a broad consensus for the support of political and economic freedoms. It creates the stability necessary for economic growth—and only economic growth can solve the problem of poverty.

U.S. citizens—whether Indian or otherwise—do not need AIM or other OEO supported organizations of that sort. We do not need demonstrations and demands. We do not need totalitarian groups trying to blackmail us into setting aside our normal political processes. And we do not need criminals setting themselves up as social reformers. It is time to recognize AIM for what it is.

Mr. President, I reserve the remainder of my time.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, will the distinguished Senator yield to me for not to exceed 2 minutes of his time?

Mr. STAFFORD. Mr. President, I am happy to yield 2 minutes to the Senator from Montana, or more time if he needs it.

Mr. MANSFIELD. I thank the Senator.

The PRESIDING OFFICER. The Senator from Montana is recognized.

THE BASIS FOR U.S. INVOLVEMENT IN CAMBODIA

Mr. MANSFIELD. Mr. President, the staff of the Committee on Foreign Relations has assembled a concise selection of documents relating to the basis for the U.S. involvement in Cambodia, as defined by the executive branch in 1970, and certain legislative responses thereto. This records reveals that, at the outset, the stress in the Senate and in the Congress, clearly, was to limit and to terminate what has since come to be such an ill-fated adventure in Cambodia. Thanks in great part to the leadership and efforts of the Senator from Idaho (Mr. CHURCH), the former Senator from Kentucky (Mr. Cooper), the Senator from Vermont (Mr. AIKEN) and the Senator from Missouri (Mr. SYMINGTON), legislation was passed which required American ground forces to be kept out of Cambodia. Our involvement with the futile government which succeeded that of Prince Sihanouk in Phnom Penh was also limited by legislation. At that time, the President, the State Department indicated that the executive branch was of the same mind as the Congress in holding that the interests of the United States required us to get clear of the Cambodian internal situation and stay clear of it. Since then, however, we have seen the transfer of the focus of the U.S. military involvement from Vietnam to Cambodia, in the form of U.S. airpower coming to the aid of the Lon Nol forces.

The likelihood exists that there will be renewed efforts in the Congress to close the last legislative gap regarding our involvement in Cambodia in the event it is not ended before then. In the circumstances, I think it would be useful to have before the entire Senate the background documents to which I have referred.

I ask unanimous consent, therefore, that they be included in the RECORD at this point.

There being no objection, the documents were ordered to be printed in the Record, as follows:

COMMITTEE ON FOREIGN RELATIONS,
U.S. SENATE,
April 30, 1970.

Hon. WILLIAM P. ROGERS,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: At a meeting of the Foreign Relations Committee this morning. the members agreed unanimously that American participation in South Vietnamese operations in Cambodia raises important questions concerning United States policy. These are some of the questions which are of deep concern to the Committee:

1. Does the Executive Branch consider that the SEATO Treaty has any application to the current situation in Cambodia? Is the Tonkin Gulf Resolution considered to be applicable?

2. What authority is being relied upon to support the sending of United States Forces in Cambodia? If it is to protect American forces in Vietnam, where will the line be drawn? Is it considered that this authority would permit sending U.S. ground forces to knock out enemy bases in Cambodia? Air strikes in support of South Vietnamese or Cambodian troops? The defense of the Cambodian capital? If the enemy forces re-establish bases in another area of Cambodia, or a third country, does the Executive Branch believe it has authority to assist the South Vietnamese in attacking those bases?

3. Does the Administration plan to consult with the Committee on Foreign Relations concerning the sending of additional advisors or additional U.S. military forces of any kind into Cambodia? Is there any intention to ask the Congress to approve U.S. military involvement in Cambodia or the sending of military aid? Will the Administration make public any agreement to provide military aid to Cambodia, directly or indirectly?

4. Is the present operation unique or the beginning of a pattern?

5. Why does the Administration consider that eliminating the enemy bases in Cambodia is more important now than before the overthrow of Sihanouk? Was the existence of these bases an element in planning the Vietnamization strategy?

6. Did either the United States or South Vietnam consult with and obtain the Cambodian Government's approval for conducting the current operation? If its approval was obtained, what, if any, limits were imposed?

7. What impact has this operation had, or is it likely to have, on the efforts by Indonesia and others to bring about an Asian conference to discuss the Cambodian problem?

The Committee has reserved judgment on possible courses of action until it has been more fully imformed. Answers to the above questions will be helpful in its consideration of the policy issues involved. The Committee would, therefore, appreciate having this information as soon as possible.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

DEPARTMENT OF STATE,
Washington, D.C., May 30, 1970.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of April 30 to Secretary Rogers posing questions about United States policy in Cambodia. Some of these questions have, of course, been answered by the President's speech of April 30 and by other statements of this Administration. I am glad, however, to have an opportunity to put more specific answers on the record, and I hope the following will be helpful to the Committee in the consideration which it is giving to United States policy in Cambodia. My answers correspond to the numbering of your questions.

1. The SEATO Treaty has no application to the current situation in Cambodia. The Protocol to the Treaty designates Cambodia as one of the States covered by Article IV of the Treaty. In 1964 and again in 1965, the Government of Cambodia informed the Secretary-General of SEATO, and its members, that Cambodia categorically refused the protection of SEATO. Neither Cambodia nor any Party to the Treaty has suggested that the Parties should take any action under Article IV.

In his letter to you of March 12, 1970, Mr. Torbert stated that the Administration does not depend on the Tonkin Gulf Resolution, as legal or constitutional authority for its present conduct of foreign relations, or its contingency plans. This continues to be the Department's position.

2. The entry of United States forces into Cambodia was directed by the President in the exercise of his constitutional authority as Commander-in-Chief to protect United States forces which had previously been committed to action in Viet-Nam. From the point of view of international law, the action in Cambodia was an exercise by the United States and the Government of Viet-Nam of their right of individual and collective self-defense under Article 51 of the UN Charter. I enclose a copy of our report to the Security Council which sets out in more detail the basis in international law for our action.

The President has set and announced explicit limits on the actions of U.S. forces in Cambodia. In response to your question about the actions of U.S. ground forces, these limits clearly restrict the action of such forces to the direct threat posed to American and allied forces in Viet-Nam by the existence of the border sanctuaries.

3. It will continue to be the Administration's policy to consult with the Committee on Foreign Relations to the fullest extent feasible in advance of any significant new United States decisions concerning Cambodia and other important foreign policy matters.

As you are aware, we have informed the Congress and announced the decision to provide U.S. military assistance to Cambodia in the amount of $7.9 million in fiscal year 1970. As is the case with other military assistance programs, it will not be possible in most cases to announce publicly the exact levels or types of aid and thereby to reveal military and other information which must remain protected. We will, of course, as is required by law and past practice, inform the Committee on Foreign Relations of the annual proposals for military aid to Cambodia for future years.

4. The present operation in Cambodia is limited in extent, purpose, and duration. Our objective has been to capture enemy stores and supplies; to disrupt Communist logistics and communications capabilities; and to prevent the enemy from building his forces in the sanctuary areas in preparation for attacks on our troops and those of our allies in South Viet-Nam. With the achievement of these objectives our forces will withdraw into South Viet-Nam. As announced by the President, American troops will be out of Cambodia by July 1. Our action was in response to a specific and unique situation.

5. For five years, neither the United States nor South Viet-Nam has moved against these North Vietnamese/Viet Cong sanctuaries because we did not wish to put ourselves at odds with the Sihanouk Government. Even after the Vietnamese Communists began to expand the sanctuaries several weeks ago, we counseled patience to our South Vietnamese allies and imposed restraints upon our own commanders.

In the last two weeks in April, however, the enemy moved to expand the sanctuary areas, and threatened to establish a vast staging area for attacks along the 600-mile Cambodia-South Viet-Nam border.

When the North Vietnamese/Viet Cong forces began to move out of the their sanctuaries in an effort to establish a solid, Communist-held zone, they posed an increased threat to the remaining U.S. forces across the South Vietnamese border. By this time it was clear that the new Cambodian Government of Lon Nol would not object to our acting against the sanctuaries.

6. The United States Government informed the Cambodian Government of its actions against the North Vietnamese and Viet Cong forces in the sanctuaries inside the Cambodian frontier. While Prime Minister Lon Nol was not asked to approve the joint military operations against the sanctuaries, he has said that this action represents a positive United States response to Cambodia's appeal for help in restoring its neutrality and repelling North Vietnamese and Viet Cong invaders.

7. Our operations in Cambodia had no appreciable impact upon the recent 12-nation conference held in Djakarta. We have noted that the communique issued from this conference is a significant manifestation of the determination of countries of the region to restore and maintain peace in Southeast Asia.

I hope the above information will prove helpful to you.

With kindest regards,

Sincerely,

ELLIOT RICHARDSON,
Acting Secretary.

[Press Release, May 5, 1970]

[Following is the text of a letter from Ambassador Charles W. Yost, United States Representative to the United Nations, transmitted today to Ambassador Jacques Kosciusko-Morizet, President of the United Nations Security Council.]

His Excellency
Mr. JACQUES KOSCIUSKO-MORIZET,
President of the Security Council,
United Nations, N.Y.

DEAR MR. PRESIDENT: I have the honor to refer to the letters of February 7 and 27, 1965, from the Permanent Representative of the United States of America to the President of the Security Council concerning the aggression against the Republic of Viet-Nam and to inform you of the following acts of armed aggression by forces of North Viet-Nam based in Cambodia which have required appropriate measures of collective self-defense by the armed forces of the Republic of Viet-Nam and the United States of America.

For five years North Viet-Nam has maintained base areas in Cambodia against the expressed wishes of the Cambodian Government. These bases have been used in violation of Cambodian neutrality as supply points and base areas for military operations against the Republic of Viet-Nam. In recent weeks North Vietnamese forces have rapidly expanded the perimeters of these base areas and expelled the remaining Cambodian Government presence from the areas. The North Vietnamese forces have moved quickly to link the bases along the border with South Viet-Nam into one continuous chain as well as to push the bases deeper into Cambodia. Concurrently, North Viet-Nam has stepped up guerrilla actions into South Viet-Nam and is concentrating its main forces in these base areas in preparation for further massive attacks into South Viet-Nam.

These military actions against the Republic of Viet-Nam and its armed forces and the armed forces of the United States require appropriate defensive measures. In his address to the American people on April 30, President Nixon stated:

" . . . if this enemy effort succeeds, Cambodia would become a vast enemy staging area and a springboard for attacks on South Vietnam along 600 miles of frontier: a refuge where enemy troops could return from combat without fear of retaliation.

North Vietnamese men and supplies could then be poured into that country, jeopardizing not only the lives of our men but the people of South Vietnam as well . . . "

The measures of collective self-defense being taken by U.S. and South Vietnamese forces are restricted in extent, purpose and time. They are confined to the border areas over which the Cambodian Government has ceased to exercise any effective control and which has been completely occupied by North Vietnamese and Viet Cong forces. Their purpose is to destroy the stocks and communications equipment that are being used in aggression against the Republic of Viet-Nam. When that purpose is accomplished, our forces and those of the Republic of Viet-Nam will promptly withdraw. These measures are limited and proportionate to the aggressive military operations of the North Vietnamese forces and the threat they pose.

The United States wishes to reiterate its continued respect for the sovereignty, independence, neutrality, and territorial integrity of Cambodia. Our purpose in taking these defensive measures was stated by President Nixon, in his address of April 30, as follows:

"We take this action not for the purpose of expanding the war into Cambodia but for the purpose of ending the war in Vietnam, and winning the just peace we all desire.

We have made and will continue to make every possible effort to end this war through negotiation at the conference table rather than through more fighting in the battlefield."

I would request that my letter be circulated to the members of the Security Council.

Accept, Excellency, the assurances of my highest consideration.

CHARLES W. YOST.

CAMBODIA'S RELATIONSHIP WITH SEATO

THE LIBRARY OF CONGRESS,
Washington, D.C., April 30, 1970.

(By Larry A. Niksch, Analyst in Asian Affairs, Foreign Affairs Division)

The international agreements provide the basic framework for Cambodia's relationship to the SEATO Treaty: the 1954 Geneva Agreement on Cambodia and the SEATO Pact itself. Article 7 of the Geneva Agreement contained a provision which discusses the limitations on Cambodia's right to join a military alliance or to accept the protection of one.[1] The Article, however, clearly did not bar membership in an alliance and reserved Cambodia's right to call for assistance if threatened. Article 7 read:

"The Royal Government of Cambodia will not join in any agreement with other States, if this agreement carries for Cambodia the obligation to enter into a military alliance not in conformity with the principles of the Charter of the United Nations, or, as long as its security is not threatened, the obligation to establish bases on Cambodian territory for the military forces of foreign powers."

Following Geneva, Cambodia actively sought a direct U.S. defense guarantee [2] but was ultimately persuaded to accept the status of a protocol state under the SEATO Pact. The protocol to the treaty read:

"The parties to the South-East Asia Collective Defense Treaty unanimously designate, for the purposes of Article 4 of the treaty, the States of Cambodia and Laos and the free territory under the jurisdiction of the State of Vietnam."

This protocol remains a part of the treaty; Prince Sihanouk, however, subsequently renounced SEATO protection.

Article 8 of the treaty provides that the signatories may amend the treaty area only by unanimous agreement. However, Article 4 declares that the signatories can take no action under the pact on any territory in the treaty area "except at the invitation or with the consent of the Government concerned." The United States has given explicit recognition to the right of the governments of the protocol states to define their relationship to SEATO. In discussing the Government of Laos' decision to reject SEATO's protection (under the 1962 Geneva Agreement on Laos), Secretary Rusk stated on July 12, 1962:

"Under the SEATO arrangements, the protocol would apply only on the request of the government of one of the protocol states, so that if the Laotian Government announces that it does not expect to call upon that protection, there is no particular problem from the point of view of the law of the matter or the arrangements concerned." [3]

In 1955, Prince Sihanouk began to move Cambodia's foreign policy toward a neutralist stance. In may 1955, he informed the British Government that:

"As regards SEATO, Cambodia is not a member of this organization and is not bound under (the agreement) to support any action by SEATO unless it decides to do so to safeguard the defense of its territory. Again, this commitment is subject to mutual agreement and it is open to Cambodia to refuse to give such aid." [4]

At this point, however, the Prince did not reject SEATO's protection but only stated

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Footnotes at end of article.

that Cambodia did not feel obligated to support actions taken by the alliance. However, later in 1955 and during his trip to Peking in 1956, he did take this step. In September 1955 he rejected the protection offered by SEATO. The National Congress (Cambodia) of December 30–31, 1955 resolved that the government might accept aid "from any quarter, provided that it does not prejudice the sovereignty and the neturality of the Kingdom." [5]

On February 18, 1956, while on a visit to China, Sihanouk said: "Cambodia is neutral. The people themselves request me to remain neutral whatever may happen. The SEATO has told us that we would be automatically protected. We reject such protection which can only bring us dishonor." [6]

Sihanouk had visited the Philippines prior to his trip to China because of an invitation to "participate in a reciprocal pact but I did not want it." but said after he returned home in late February (1956) that "I have refused the proposals of the Philippines to adhere to SEATO." [7]

In 1965, he informed the British Government in a communication:

"I am convinced that you will agree that the Cambodian people have the right to live in peace and also categorically to reject the protective umbrella of SEATO which has brought it only affliction and destruction."

As of today, Sihanouk's statement still stands as Cambodia's policy toward SEATO. The Lon Nol Government, stressing its desire to keep Cambodia neutral, has not moved to restore the SEATO umbrella.

FOOTNOTES

[1] Leifer, Michael. Cambodia: the Search for Security. New York, Washington, London, 1967: pp. 55–60. Smith, Roger M. Cambodia's foreign policy. Ithaca, Cornell University Press, 1965: p. 68. Cambodia actively sought this objective at the Geneva Conference.

[2] Leifer, p. 57. Smith, pp. 68–73.

[3] Department of State Bulletin, July 30, 1962: p. 173.

[4] Smith, pp. 83–84.

[5] Smith, *op. cit.*, p. 85–86.

[6] NCNA, Peking, February 18, 1956 in Smith, *op. cit.*, p. 95.

[7] Smith, *op. cit.*, pp. 97–98.

LEGISLATIVE BACKGROUND OF THE COOPER-CHURCH AMENDMENT ON CAMBODIA

I. FY 1970 DEFENSE APPROPRIATION BILL

On December 15, 1969, Senator Church offered an amendment as a substitute for an amendment offered to the Defense Appropriation bill by Senators Cooper and Mansfield. The Church amendment, as modified, read:

"SEC. 643. In line with the expressed intention of the President of the United States none of the funds appropriated by this Act shall be used to finance the introduction of American ground combat troops into Laos or Thailand."

It was adopted by a vote of 73–17 and the Cooper-Mansfield amendment was subsequently adopted by a vote of 80–9.

II. FOREIGN MILITARY SALES BILL—H.R. 15628

Following the President's decision to send U.S. military forces into Cambodia, Senators Church, Cooper, Aiken and Mansfield introduced an amendment to H.R. 15628 designed to prohibit further U.S. involvement in Cambodia, except the furnishing of military aid, and limited air action, without Congressional approval. On May 11 the amendment was adopted, with modification, by the Committee by a vote of 9–5.

Debate on the bill began in the Senate on May 13 and ended on June 30 after the amendment, with certain changes, was adopted 58–37. The amendments offered to it, and the action taken on them, were as follows:

1. Cooper—Rewrite of the preambular language; adopted 82–11 on May 26.

2. Dole—Make amendment inoperative if President determines POW's were being held in Cambodia; rejected 36–54 on June 3.

3. *Byrd of W. Va.*—Allow President to retain U.S. forces in Cambodia if he thought it necessary to protect the lives of American forces—defeated 47–50 on June 11.

4. *Mansfield*—No impugning of the Constitutional powers of the President—adopted 91–0 on June 11.

5. *Byrd of W. Va.*—Relating to the Constitutional powers of the President as Commander-in-Chief—adopted 79–5 on June 22.

6. *Javits*—Relating to the Constitutional powers of the Congress—adopted 73–0 on June 26.

7. *Griffin*—To permit U.S. to pay for foreign military advisers and mercenaries in Cambodia—rejected 45–50 on June 30.

8. *Jackson*—Allowing U.S. air activities if not in "direct" support of Cambodia—adopted 69–27 on June 30.

The text of the Cooper-Church amendment to H.R. 15628, as passed by the Senate, was:

"SEC. 47. LIMITATIONS ON UNITED STATES INVOLVEMENT IN CAMBODIA.—In concert with the declared objectives of the President of the United States to avoid the involvement of the United States in Cambodia after July 1, 1970, and to expedite the withdrawal of American forces from Cambodia, it is hereby provided that unless specifically authorized by law hereafter enacted, no funds authorized or appropriated pursuant to this Act or any other law may be expended after July 1, 1970, for the purposes of—

"(1) retaining United States forces in Cambodia;

"(2) paying the compensation or allowances of, or otherwise supporting, directly or indirectly, any United States personnel in Cambodia who furnish military instruction to Cambodian forces or engage in any combat activity in support of Cambodian forces;

"(3) entering into or carrying out any contract or agreement to provide military instruction in Cambodia, or to provide persons to engage in any combat activity in support of Cambodian forces; or

"(4) conducting any combat activity in the air above Cambodia in direct support of Cambodian forces."

Subsequently, in view of the passage of the Cooper-Church amendment to the Supplemental Foreign Assistance Bill, the amendment was deleted from H.R. 15628 by the conference committee.

III. FY 1971 DEFENSE APPROPRIATION BILL—H.R. 19590

The Defense Appropriation Bill was amended by the Senate Appropriations Committee at the request of Senators Cooper and Church to add Cambodia to the prohibition against involvement of U.S. ground personnel in Laos and Thailand. The bill was approved by the Senate on December 15, without any objection to this provision. The conference committee reported back with a proviso which made the section read as follows (proviso added in conference is in italic):

"SEC. 843. In line with the expressed intention of the President of the United States, none of the funds appropriated by this Act shall be used to finance the introduction of American ground combat troops into Laos, Thailand, or Cambodia: *Provided, That nothing contained in this section shall be construed to prohibit the President from taking action in said areas designed to promote the safe and orderly withdrawal or disengagement of U.S. Forces from Southeast Asia or to aid in the release of Americans held as prisoners of war.*"

On December 28 the Senate disagreed to the conference report because of this and another proviso added in conference and the bill was returned to the conference committee. It was reported from conference again on December 29 after deleting both the proviso and "Cambodia" from coverage of the amendment, thus leaving the text as it was adopted in the FY 1970 Defense Appropriations Bill. In the meantime, the Cooper-Church amendment to the Supplemental Foreign Assistance Bill was agreed to on December 22.

IV. SUPPLEMENTAL FOREIGN ASSISTANCE AUTHORIZATION BILL—H.R. 19911

On December 13 the Committee adopted, without opposition, an amendment to the Supplemental Foreign Assistance Authorization Act, proposed by Senators Cooper, Church, Javits, Case, and Mansfield, which prohibited sending U.S. ground troops or military advisers into Cambodia. A second amendment, sponsored primarily by Senator Javits, specified that any U.S. aid should not be construed as a comimtment to defend Cambodia. The text of the two amendments follows:

"SEC. 6. (a) In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisers to or for Cambodian military forces in Cambodia.

"(b) Military and economic assistance provided by the United States to Cambodia and authorized or appropriated pursuant to this or any other Act shall not be construed as a commitment by the United States to Cambodia for its defense."

The amendment was not contested in the Senate and the bill passed on December 16. The amendment was accepted by the House conferees—and both the House and the Senate agreed to the conference report on December 22.

COMMENDATION OF ROGER T. KELLEY, ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS

Mr. STAFFORD. Mr. President, on March 21, Secretary Richardson announced that the administration would not seek an extension of the induction authority of the Selective Service Act. The President is to be congratulated for his efforts in leading the country toward eliminating a system of conscription that has been with us, except for a brief pause, for over 30 years.

I personally have awaited this particular announcement since the early days of 1967 when a small group of us in Congress began working toward the day when the power to induct, with all its ramifications, for military manpower affairs and Defense costs, would be removed from the lawbooks. Our recommendations at that time were published in a book entitled "How To End the Draft."

Mr. President, the drive for an all-volunteer force recorded another historic event recently. March 12 was the fourth anniversary of the day Roger T. Kelley assumed his responsibilities as Assistant Secretary of Defense for Manpower and Reserve Affairs. That anniversary was the occasion for an announcement that he would be returning to private life as of June 1.

I have followed closely the progress of the all-volunteer force and I have watched Roger Kelley pursue that goal from his leadership position as Chairman of the Project Volunteer Committee. With the President's support, Kelley has been the driving force behind the

move to a volunteer system and, as such, he deserves the respect and thanks of us all.

I know that Secretary Kelley is deeply respected on Capitol Hill for the quality of his testimony, for his forthrightness and understanding of the complex issues of military manpower. He has demonstrated to a sometimes very skeptical Congress that the all-volunteer force is in the best interests of both the military and civilian sectors of our Government.

In the 4 years which Roger Kelley has served as head of the manpower area, he has laid the groundwork for a future that now promises hope of settling the manpower problems which have plagued the services for generations. His accomplishments reveal his understanding of the importance of the all-volunteer force as an underpinning for manpower policy—a policy which must seek to attract and retain the best talent in society for the purpose of providing our national defense.

He has shown that by creating a professional, volunteer force, the services can expect better quality and better performance, increased readiness and increased effectiveness for what ultimately will be a much more cost-effective defense program.

Much of Secretary Kelley's related work has gone unrecognized by many who do not follow Defense policy, but it shall not go unrecorded. In the years ahead, the Congress will come to realize the important contribution he has made. It would be an impossible task to list those accomplishments, but I would like to take the time to mention just a few of the more significant accomplishments.

Secretary Kelley has provided a new direction for the reserve forces. Having been given the mission of first-line defense behind the active forces, the Reserves were in need of rebuilding. Kelley provided the design and direction for that when he ordered the restocking of Reserve inventories, reoriented their training to accomplish their new mission, initiated new recruiting policies to bolster their ranks with volunteers, and mobilized civilian employers to recognize the important role of the reservist to our Nation, in part by giving their reserve employees the opportunities to serve without sacrifice to their jobs or income.

Secretary Kelley has led the Defense Department in its superior effort to insure equal opportunity to all its members. In many ways, the work he has done at Defense will serve to lead the way for the civilian sector as it continues to move toward an open society for all. Each of the services has lived through its own racial crises over the last several years, and with Kelley's guidance, has come out the better for it.

The Defense Race Relations Institute which Kelley created works. It is a model for the rest of the Nation in reforming an establishment as tradition-bound as the military by teaching it to recognize the needs of all its members and to eliminate imbedded forms of institutionalized discrimination.

Secretary Kelley can be justly proud for having tackled and solved problems which much of America still must face.

Reform of the military compensation and retirement system has been high on Secretary Kelley's list of achievements. In establishing the concept of more compensation to the specific skills and needs of the services and needs of the services and by establishing principles of job-differential and cost-effective spending, as personified by the Uniformed Services Special Pay Act, Secretary Kelley has moved the military toward an ultimate resolution of personnel budget costs.

These are only a few of the areas of responsibility to which Secretary Kelley has contributed so much. There is no doubt that the next generation of managers in Defense manpower will find its jobs easier for Kelley's initiatives. I highly value the association I have had with Roger Kelley. I commend him for his superb performance and extend my thanks to him for his efforts. He will be missed in Washington.

Mr. President, I reserve the remainder of my time.

ORDER OF BUSINESS

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time be charged against the Senator from Michigan.

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.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from North Carolina (Mr. HELMS) have some time remaining?

The PRESIDING OFFICER. The Senator from North Carolina has 5 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from North Carolina may utilize the remainder of his time under the order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Carolina is recognized.

(The remarks Senator HELMS made at this point when he introduced S. 1431, to extend the Vocational Rehabilitation Act, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be charged against the time of the Senator from Michigan (Mr. GRIFFIN).

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT UNTIL 10:45 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 10:45 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR EAGLETON TOMORROW

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

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

ORDER FOR RECOGNITION OF SENATOR THURMOND IN LIEU OF SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, with respect to the order which has been previously entered for the recognition of the Senator from Michigan (Mr. GRIFFIN), the name of the Senator from South Carolina (Mr. THURMOND) be substituted therefor.

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

Mr. ROBERT C. BYRD. Mr. President, am I recognized on my own time?

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that the time be charged against my order.

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

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.

PRINTING OF CERTAIN REPORTS OF STANDING COMMITTEES AS SPECIAL REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reports to be submitted by the 17 standing committees of the Senate pursuant to section 136(a) of the Legislative Reorganization Act of 1946, as amended, be printed as special reports.

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may desire, from

the time allotted to me, to the distinguished Senator from Oklahoma (Mr. BARTLETT).

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from the great State of West Virginia.

WOUNDED KNEE AND THE SO-CALLED TRAIL OF BROKEN TREATIES

Mr. BARTLETT. Mr. President, most Americans have a guilt feeling regarding the American Indian and rightfully so. Most would like to square things with our good Indian friends. Wounded Knee offers that opportunity.

The "Trail of Broken Treaties" slogan of AIM militants has strong emotional appeal to support these leaders in their supposed efforts to improve the poverty, health, and low unemployment of the Oglala-Sioux tribe.

But Americans must be careful of just what trail they are going to be taken down.

The primary goal of AIM leaders is to remove Mr. Richard Wilson as chairman of the tribe—by whatever means is possible.

First, a 14 to 4 vote of the tribal council against impeachment took place in December 1972.

Then, in February 1973, AIM used hostages as blackmail in an attempt to remove Mr. Wilson illegally and arbitrarily. The BIA is to be congratulated for resisting this arm twisting and for supporting the Oglala-Sioux's constitution of democratic self-government.

This was followed by intimidations and threats to tribal leaders including three being assaulted.

Now an initiative petition, circulated by tribal members who were apparently encouraged by AIM leadership, calls for a vote to eliminate their constitution and a return to the old paternalistic system of tribal leadership appointed by the BIA. Democratic self-government would be out the window. The validity and the sufficiency of signatures on this petition will be determined by the BIA.

AIM claims the welfare of a poor and impoverished Indian tribe is at stake.

What really is at stake is democratic constitutional government of the Oglala Sioux tribe. AIM is challenging the rights of tribal members to settle any differences they may have by constitutional means without interference and intimidation.

Individual freedom is threatened by armed anarchists.

Is this AIM's answer to self-determination for the American Indian?

And what about the welfare of the tribe?

AIM occupies approximately 4 square miles of Sioux land illegally by force.

All tribal schools were closed for 3 weeks. Two schools with approximately 200 children have been closed for 1 month and will be for the duration. Is this AIM's solution to Indian educational problems?

Some tribal members are prevented by the armed occupation from obtaining medical care in a normal manner. A helicopter is available to fly the sick to a hospital and doctors—is this AIM's answer to poor health care?

The Oglala Sioux's housing construction program of 360 units is shut down completely, costing $3,600 a day in interest, according to Eagle Bull and Vocu. Is this AIM's answer to the Indian housing problem?

I am advised that all tribal improvement programs are stopped by the illegal and unwanted occupancy.

The cost of the marshals already has reached a million dollars—and this expense continues.

The Justice Department expects to be paid by the Interior Department. Will this money come from the programs for the Oglala Sioux or from Indian programs in general?

Why should well-meaning people prolong the suffering of the Oglala Sioux by helping those who are causing it?

Americans can help by working through the Oglala Sioux tribal leaders to meet the real needs of the tribe—and by supporting the democratic principles of the Oglala Sioux—by resisting the AIM efforts of anarchy.

AIM's victory at Wounded Knee would be another loss for the American Indian.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call be charged to my allocation.

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

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 therein limited to 3 minutes each.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. ROBERT C. BYRD) laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED LEGISLATION FROM THE PRESIDENT

A communication from the President of the United States, transmitting a draft of proposed legislation to authorize reduction or suspension of import barriers to restrain inflation (with an accompanying paper). Referred to the Committee on Finance.

PROPOSED LEGISLATION FROM NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend section 203 of the National Aeronautics and Space Act of 1958, and for other purposes (with accompanying papers). Referred to the Committee on Aeronautical and Space Sciences.

REPORT OF NATIONAL ADVISORY COUNCIL ON CHILD NUTRITION

A letter from the Assistant Secretary of Agriculture, and Chairman, National Advisory Council on Child Nutrition, transmitting, pursuant to law, a report of that Council, for the year 1972 (with an accompanying report). Referred to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, three reports on overobligations of appropriations within the Department of Defense (with accompanying reports). Referred to the Committee on Appropriations.

PROPOSED LEGISLATION FROM CENTRAL INTELLIGENCE AGENCY

A letter from the Director, Central Intelligence Agency, transmitting a draft of proposed legislation to amend the Central Intelligence Agency Retirement Act of 1964 for certain employees, as amended, and for other purposes (with accompanying papers). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION FROM DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend titles 10 and 14, United States Code, and certain other laws, to modernize the retirement structure relating to members of the uniformed services (with accompanying papers). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION FROM CANAL ZONE GOVERNMENT

A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation to authorize the President to prescribe regulations relating to the purchase, possession, consumption, use, and transportation of alcoholic beverages in the Canal Zone (with an accompanying paper). Referred to the Committee on Armed Services.

REPORT ON BARGE MIXING RULE PROBLEM

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on the Barge Mixing Rule Problem (with an accompanying report). Referred to the Committee on Commerce.

REPORTS OF NATIONAL RAILROAD PASSENGER CORPORATION

A letter from the Vice President, Public and Government Affairs, National Railroad Passenger Corporation (Amtrak), transmitting, pursuant to law, a report of that Corporation, for the month of December, 1972 (with an accompanying report). Referred to the Committee on Commerce.

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

PROPOSED LEGISLATION FROM THE ATTORNEY GENERAL

A letter from the Attorney General, transmitting a draft of proposed legislation to

amend sections 101 and 902 of the Federal Aviation Act of 1958 and Chapter 2, Title 18, United States Code, to implement the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

NOMINATION FOR MEMBER OF THE DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

A letter from the Commissioner of the District of Columbia, nominating, pursuant to law, Alfred P. Love for reappointment as a Member of the District of Columbia Redevelopment Land Agency. Referred to the Committee on the District of Columbia.

REPORT OF U.S. TARIFF COMMISSION

A letter from the Chairman, United States Tariff Commission, transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1972 (with an accompanying report). Referred to the Committee on Finance.

PROPOSED LEGISLATION FROM THE RENEGOTIATION BOARD

A letter from the Chairman, The Renegotiation Board, transmitting a draft of proposed legislation to extend the Renegotiation Act of 1951 (with an accompanying paper). Referred to the Committee on Finance.

INTERNATIONAL AGREEMENTS, OTHER THAN TREATIES

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

PROPOSED LEGISLATION FROM DEPARTMENT OF STATE

A letter from the Acting Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to amend the International Organizations Immunities Act to authorize the President to extend certain privileges and immunities to the Organization of African Unity (with an accompanying paper). Referred to the Committee on Foreign Relations.

PROPOSED LEGISLATION FROM THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to extend the period within which the President may transmit to the Congress plans for the reorganization of agencies of the Executive Branch of the Government, and for other purposes (with an accompanying paper). Referred to the Committee on Government Operations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Tennessee Valley Authority for Fiscal Year 1972", dated March 27, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Protecting the Consumer From Potentially Harmful Shellfish (Clams, Mussel, and Oysters)", Food and Drug Administration, Department of Health, Education, and Welfare, dated March 29, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Obtaining and Enforcing Compliance With Good Manufacturing Practices for Drugs", Food and Drug Administration, Department of Health, Education, and Welfare, dated March 29, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT ON FEDERAL COLUMBIA RIVER POWER SYSTEM

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on the Federal Columbia River Power System, for the year 1972 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

PROCEEDINGS OF MEETINGS OF THE JUDICIAL CONFERENCE

A letter from the Chief Justice, Supreme Court of the United States, transmitting, pursuant to law, the proceedings of the meeting of the Judicial Conference held in Washington, D.C., on October 26, 27, 1972 (with accompanying papers). Referred to the Committee on the Judiciary.

PROPOSED LEGISLATION FROM THE ATTORNEY GENERAL

A letter from the Attorney General, transmitting a draft of proposed legislation to amend Section 215, Title 18, United States Code, Receipt of Commissions or Gifts for procuring Loans, to expand the institutions covered; to encompass indirect payments to bank officials; to make violation of the Section a felony; and to specifically include offerors and givers of the proscribed payments; and for other related purposes (with accompanying papers). Referred to the Committee on the Judiciary.

A letter from the Attorney General, transmitting a draft of proposed legislation to prohibit the unauthorized possession within any Federal penal or correctional institution, of any substance or thing designed to damage the institution or to injure any persons within or part of the institution, and for other purposes (with an accompanying paper). Referred to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

REPORTS RELATING TO THIRD PREFERENCE AND SIXTH PREFERENCE FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports relating to third preference and sixth preference for certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

PERMANENT RESIDENCE STATUS FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting permanent residence status to certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

REPORTS ON DEFECTOR ALIENS

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

PROPOSED LEGISLATION FROM DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend for three years the programs for comprehensive State and areawide health planning, and for comprehensive public health service and health services development, and to repeal a requirement that at least 15 per centum of a State's formula allotment for public health services be available only for mental health services (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make permanent the authority to conduct national health surveys and studies (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Drug Abuse Office and Treatment Act of 1972 to modify the authorization of appropriations for the program of special project grants and contracts, and for other purposes (with an accompanying paper.) Referred to the Committee on Labor and Public Welfare.

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make permanent the program of research and demonstrations relating to health facilities and services (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION FROM COMMITTEE FOR PURCHASE OF PRODUCTS AND SERVICES OF THE BLIND AND OTHER SEVERELY HANDICAPPED

A letter from the Chairman, Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1974 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped (with an accompanying paper). Referred to the Committee on Labor and Public Welfare.

REPORT OF GIRL SCOUTS OF AMERICA

A letter from the President, and National Executive Director, Girl Scouts of the United States of America, transmitting, pursuant to law, a report of that Organization, for the fiscal year ended September 30, 1972 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. ROBERT C. BYRD):

A concurrent resolution of the Legislature of the State of West Virginia. Referred to the Committee on Interior and Insular Affairs:

"SENATE CONCURRENT RESOLUTION No. 3

"Memorializing the Congress of the United States to recognize the natural beauty, scenic splendor and historical significance of the New River and the New River Gorge and expressing the sentiments of the West Virginia Legislature that Congress should, by appropriate legislation, preserve the area in its natural state for posterity and provide the necessary funds to develop it as a national park

"Whereas, The New River and the New River Gorge abound in natural beauty, scenic splendor and historical significance; and

"Whereas, This is an area which should be preserved in its natural state for all posterity and made available for recreational use for people from throughout the country; and

"Whereas, The Federal Government is possessed with the resources to develop this area as a national park, thereby preserving its natural beauty, scenic splendor and historical significance for posterity and enable people from throughout the country to enjoy recreational uses of this area with the people of West Virginia; therefore, be it

"Resolved by the Legislature of West Virginia: That it memorialize the Congress of the United States to recognize the natural beauty, scenic splendor and historical signifi-

cance of the New River and New River Gorge and expresses its sentiments that the Congress, by appropriate legislation, preserve the area in its natural state for posterity and provide the necessary funds to develop it as a national park; and, be it

"*Resolved further,* That certified copies of this resolution be sent to the Clerk of the United States Senate and Clerk of the House of Representatives and to members of the West Virginia congressional delegation."

A resolution of the Sacramento County Central Committee of the American Independent Party of the State of California, praying for a rejection of the United Nations Genocide Convention. Referred to the Committee on Foreign Relations.

RESOLUTION OF THE GENERAL COURT OF NEW HAMPSHIRE ON VIETNAM

Mr. McINTYRE. Mr. President, I ask unanimous consent to have House Concurrent Resolution No. 3 of the General Court of New Hampshire, March 22, 1973, regarding the setting of an official date for the start of the Vietnam conflict, inserted in the RECORD at this point and be referred to the appropriate Committee.

There being no objection, the resolution was ordered to be printed in the RECORD and referred to the Committee on Armed Services, as follows:

HOUSE CONCURRENT RESOLUTION No. 3

Memoralizing the Congress of the United States to enact legislation setting February 1, 1955, as the starting date of the Vietnam Conflict in order to give recognition to all who served in the Vietnam theatre of war

Whereas, on November 8, 1950, the first American United States Air Force advisers arrived in Vietnam to assist the French and South Vietnamese, who at that time were deeply engaged in the Indochina War, and we have remained in Vietnam during twenty years of continuing combat, and

Whereas, after the fall of Dien Bien Phu in May 1954 and the partitioning of Vietnam at the 17th parallel, French forces withdrew and the American presence was gradually increased and escalated as more and more Americans were committed during the ensuing years of insurgency, and

Whereas, many Americans were killed and injured during the twenty years of continuous strife, the first combat death that the government officially recognizes occurred in 1961, over three and one-half years before the date now set as the start of the Vietnam Conflict, August 5, 1964, and

Whereas, the United States Senate has twice voted to repeal the Gulf of Tonkin Resolution that was passed as a result of the attack by the North Vietnamese on August 5, 1964, against United States Navy ships cruising in the Tonkin Gulf. The administration has publicly stated that it does not regard the Gulf of Tonkin Resolution as the basis for its authority to operate in Vietnam, therefore there no longer exists any validity for retaining August 5, 1964 as the starting date of the Vietnam Conflict, now therefore be it

Resolved by the House of Representatives of the State of New Hampshire, the Senate concurring: That the Congress of the United States is hereby memorialized to set February 1, 1955 as the starting date of the Vietnam Conflict for the purposes of veterans administration and all other branches of the federal government so that all Vietnam Veterans may receive their full entitlement to benefits; and be it further

Resolved, that the secretary of state be instructed to forward a copy of this concurrent resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to each member of the congressional delegation from NewHampshire.

LEGISLATIVE HISTORY OF THE COMMITTEE ON FOREIGN RELATIONS REPORT ON THE 92D CONGRESS [S. REPT. NO. 93–98]

Mr. FULBRIGHT, from the Committee on Foreign Relations, pursuant to section 136 of the Legislative Reorganization Act of 1946, as amended, submitted a report entitled "Legislative History of the Committee on Foreign Relations, United States Senate, Ninety-Second Congress," which was ordered to be printed.

EXTENSION OF TIME FOR FILING REPORT OF SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, I ask unanimous consent to move from April 2 to April 30 the date by which the report of the Senate Special Committee on Aging shall be submitted. I am asking for this additional time because: First, new developments in aging are occurring and should be alluded to in the report, and second, I wish to assure that the members of the committee have ample time to review the manuscript of the report.

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

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare:

John H. Stender, of Washington, to be an Assistant Secretary of Labor.

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. HELMS (for himself, Mr. McCLURE, Mr. BARTLETT, Mr. PACKWOOD, and Mr. BEALL):

S. 1431. A bill to provide for the continuation of programs authorized under the Vocational Rehabilitation Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 1432. A bill to amend the Federal Aviation Act of 1958 to authorize free or reduced rate transportation for widows, widowers, and minor children of employees who have died while employed by an air carrier or foreign air carrier after twenty or more years of such employment. Referred to the Committee on Commerce.

By Mr. SPARKMAN:

S. 1433. A bill for the relief of James Agudelo. Referred to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. HUMPHREY, Mr. BEALL, Mr. BIBLE, Mr. BIDEN, Mr. BROCK, Mr. BURDICK, Mr. COOK, Mr. DOMENICI, Mr. HART, Mr. HATHAWAY, Mr. HUGHES, Mr. INOUYE, Mr. MONDALE, Mr. MOSS, Mr. PASTORE, Mr. SCOTT of Pennsylvania, Mr. STEVENSON, Mr. THURMOND, Mr. TUNNEY, Mr. WILLIAMS, and Mr. YOUNG):

S. 1434. A bill to amend the Internal Revenue Code of 1954 to disregard children's benefits received by an individual under the Social Security Act in determining whether that individual is a dependent of a taxpayer. Referred to the Committee on Finance.

By Mr. EAGLETON (for himself, Mr. MATHIAS, Mr. INOUYE, Mr. STEVENSON, and Mr. TUNNEY):

S. 1435. A bill to provide an elected Mayor and City Council for the District of Columbia, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. HARTKE:

S. 1436. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that an individual may elect to have any employment of self-employment performed by him after attaining age 65 excluded (for both tax and benefit purposes) from coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

By Mr. McCLURE:

S. 1437. A bill for the relief of Mr. Bhagwan Mirchandani. Referred to the Committee on the Judiciary.

By Mr. GURNEY:

S. 1438. A bill to authorize and request the President to issue annually a proclamation designating August 26 of each year as "Equal Rights Day." Referred to the Committee on the Judiciary.

By Mr. MUSKIE:

S. 1439. A bill to reform the Federal income, estate, and gift tax laws. Referred to the Committee on Finance.

By Mr. PROXMIRE:

S. 1440. A bill to assure that Federal housing assistance programs are carried out to the full extent authorized by Congress. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILLIAMS:

S. 1441. A bill to extend certain benefits to National Guard technicians, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. COOK (for himself and Mr. BAKER):

S. 1442. A bill to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS (for himself, Mr. McCLURE, Mr. BARTLETT, Mr. PACKWOOD, and Mr. BEALL):

S. 1431. A bill to provide for the continuation of programs authorized under the Vocational Rehabilitation Act, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. HELMS. Mr. President, today I am introducing a bill to extend the Voca-

tional Rehabilitation Act through fiscal year 1974. This bill has the full support of the administration and was offered for consideration in the House by Congressman CARL LANDGREBE.

I am offering this bill in the midst of the public discussion over the President's veto of the bill, S. 7, providing authorizations for vocational rehabilitation. It is my hope that this bill will provide a constructive alternative to the excessive spending encompassed in S. 7, thereby giving the Members of this body the opportunity to vote against uncontrolled Federal spending, against inflation, but not against full and adequate support for the Federal effort to rehabilitate and train the handicapped.

Let me briefly outline the purposes of my bill:

First. Continue existing programs authorized under the Vocational Rehabilitation Act;

Second. Extend for 2 years authorization for appropriations under the act, eliminate the specific dollar amounts authorized for both formula grants and project grants, and combine into one authorization for appropriations the several existing authorizations under the act. These changes are designed to provide flexibility in the use of Federal resources and to simplify the structure of the existing program and;

Third. Authorize grant funds to be used for assisting in the development of projects for individuals with spinal cord injuries and for low-achieving deaf individuals.

My proposal would authorize for fiscal year 1973, this current fiscal year, $697,482,000 for the traditional program for vocational rehabilitation. For fiscal year 1974, this bill would authorize a total figure of $700,096,000.

The 2-year program would provide a total of $1,397,600.

Mr. President, this is a reasonable amount, an amount that will allow the current vocational rehabilitation program to grow and expand in an orderly manner. The handicapped in this Nation deserve fair and honest treatment. They do not deserve inflated promises and false representations. The person who is handicapped feels the bite of inflation as strongly as any other citizen. Therefore, what I propose is a Federal funding level which is both fiscally responsible and responsive to the vocational rehabilitation needs of handicapped Americans. This bill would not duplicate such existing programs as medicare, medicaid, social services, the Social Security Act, the development disabilities program, and the education programs for the handicapped, as were duplicated in S. 7, the bill vetoed by the President.

As we all know, President Nixon has been an ardent supporter of the vocational rehabilitation program, which is directed toward assisting vulnerable individuals who, without vocational rehabilitation would not be able to function physically in a working setting, as their more fortunate peers can. The President's support is emphasized by the fact that during his administration amounts spent for that program have gone from $371 million a year to $650 million a year, a 75-percent increase. In fact, it is considered one of the most successful of the Federal Government funded programs.

The fashionable idea that the defense budget is bloated at the expense of spending for human needs is a pernicious myth which has no foundation in fact. The defense budget has been reduced to its lowest level—in terms of buying power and percentage of gross national product—in almost a quarter of a century. We are at the razor's edge. Any further cuts in the current, barebones defense budget would weaken the United States at the very time it is realizing the greatest negotiating breakthroughs of its history, including the second round of SALT and the upcoming mutual balanced force reduction talks.

The proposed defense budget is at 6.2 percent of our GNP, the lowest since pre-Korean war days and drastically below the 8.8-percent defense spending taken from the GNP in 1964, or the 9.4 percent it took in 1961.

In fiscal 1968, defense spending consumed 43.95 percent of the Federal budget. In fiscal 1974 it would take only 29.2 percent of the budget. Compare this to the 64 percent which defense took from the fiscal 1953 budget.

While the fiscal 1974 defense budget is only $600 million more than it was 6 years ago—that is about the same—Federal spending for social and economic programs has more than doubled, from $72.8 billion to $153.4 billion.

The national defense share of total public spending—Federal, State, and local—is at the lowest level since 1940.

Military and related civil service manpower has been reduced by 1,588,000 or 32 percent, in the last 6 years.

President Nixon has eliminated the Armed Forces draft, and one cost of achieving an all-volunteer force is that over half of today's defense budget is for personnel. Personnel costs have increased by over $11 billion since 1968.

In terms of constant buying power, there has been a 31-percent cutback in the national defense budget since fiscal year 1968—hardly a misallocation of priorities.

Arguments raised on the theory of reducing defense spending rather than domestic program spending are specious and invalid in that the Congress has the sole responsibility for the national defense, while the programs in the domestic area are not purely Federal in nature. Welfare and social funding, Federal, State, and local, as well as private money, is now more than double the amount spent by the Congress in the defense area.

I hope that my colleagues will support this bill, which I feel represents a prudent, reasonable approach to the need for an extension of the Vocational Rehabilitation Act.

I can understand how tempting the prospect of overriding the President's veto of S. 7 is to some of my colleagues, for there are few causes more worthy than providing an opportunity, through rehabilitation, for the handicapped to become self-sufficient and productive members of society.

But let me add a final word of caution: The American people want to hold down inflation; they want to stabilize Federal spending and halt the increase in prices, because the only alternative to this restraint is a substantial tax increase.

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. 1431

A bill to provide for the continuation of programs authorized under the Vocational Rehabilitation Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vocational Rehabilitation Amendments of 1973".

CONSOLIDATION AND EXTENSION OF APPROPRIATIONS AUTHORIZATIONS

SEC. 2 (a) Section 1(b) of the Vocational Rehabilitation Act is amended to read as follows:

"(b) There are authorized to be appropriated for carrying out this Act $697,482,000 for the fiscal year ending June 30, 1973, $700,096,000 for the fiscal year ending June 30, 1974. Sums so appropriated for carrying out section 4, 12, or 13 shall remain available until expended."

(b) Section 7 of such Act is amended by striking out subsection (d) thereof and redesignating subsection (e) as subsection (d).

(c) Section 10 of such Act is repealed.

(d) Section 12 of such Act is amended by striking out subsection (i) thereof and redesignating subsection (j) as subsection (i).

(e) Section 13 of such Act is amended by striking out subsection (f) thereof.

(f) Subsection (a) of section 15 of such Act is amended by striking out paragraph (2) thereof and redesignating paragraphs (3) and (4) thereof as paragraphs (2) and (3), respectively.

INCLUSION OF PROGRAMS FOR THE LOW-ACHIEVING DEAF AND SPINAL CORD INJURED IN SPECIAL PROJECTS PROVISION

SEC. 3. Subsection (a) of new section 4 of the Vocational Rehabilitation Act is amended by striking out "and" at the end of clause (2)(C) and by inserting before the period at the end of clause (2)(D) the following: ", and (E) make grants to public or nonprofit private agencies for paying part of the cost of planning, preparing for, and initiating programs to provide vocational rehabilitation services to individuals with spinal cord injuries or to low-achieving deaf individuals".

INCLUSION OF SERVICES FOR MIGRATORY AGRICULTURAL WORKERS IN SPECIAL PROJECTS PROVISION

SEC. 4. (a) Subsection (a) of section 4 of the Vocational Rehabilitation Act, as amended by section 3 of this Act, is further amended by striking out "and" at the end of clause (2)(D) and by inserting before the period at the end of clause (2)(E) the following: ", and (F) make grants to any State agency designated pursuant to a plan approved under section 5, or to any local agency participating in the administration of such a plan, for paying part of the cost of pilot or demonstration projects for the provision of vocational rehabilitation services to handicapped individuals who, as determined in accordance with regulations prescribed by

the Secretary of Labor, are migratory agricultural workers, and to members of their families (whether or not handicapped) who are with them, including maintenance and transportation of any such individual and members of his family where necessary to the rehabilitation of that individual. Maintenance payments under clause (2)(F) of the first sentence of this subsection shall be consistent with any maintenance payments made to other handicapped individuals in the State under a State plan approved under this Act. Grants under such clause shall be conditioned upon satisfactory assurance that in the provision of such services there will be appropriate cooperation between the grantee and other public or nonprofit private agencies having special skills or experience in the provision of services to migratory agricultural workers or their families. In administering the program authorized by clause (2)(F) of the first sentence of this subsection, the Secretary shall, for the purpose of achieving appropriate coordination, periodically consult with other Federal officials who administer programs for migratory agricultural workers under other provisions of law, including title I of the Elementary and secondary Education Act of 1965, section 311 of the Economic Opportunity Act of 1964, and the Farm Labor Contractor Registration Act of 1963".

(b) The Vocational Rehabilitation Act is further amended by striking out section 17 thereof.

REALLOTMENT OF STATE GRANTS

SEC. 5. Section 2 of the Vocational Rehabilitation Act is amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary determines that any amount of an allotment to a State for any fiscal year will not be utilized by such State in carrying out the purposes of this section, he may make such amount available for carrying out the purposes of this section to one or more other States to the extent he determines such other State will be able to use such additional amount during such year for carrying out such purposes. Any amount made available to a State for any fiscal year pursuant to the preceding sentence shall, for purposes of this Act, be regarded as part of such State's allotment (as determined under the preceding provisions of this section) for such year."

MODIFICATION OF ALLOTMENT PROVISIONS

SEC. 6. (a) Subsection (a) of section 2 of the Vocational Rehabilitation Act is amended by striking out "authorized to be appropriated by paragraph (1) of section 1(b) for meeting the cost of vocational rehabilitation services" in the first sentence and inserting in lieu thereof "appropriated for grants to States under this section", by striking out the second sentence of such section, and by striking out "two sentences" wherever it appears in the third sentence of such section inserting in lieu thereof "sentence".

(b) Subsection (a) of section 2 of such Act is further amended by striking out "$1,000,000" and inserting in lieu thereof "an amount equal to one quarter of 1 per centum of the amount appropriated for such year for grants to States under this section".

(c) Paragraph (1) of section 15(a) of such Act is amended by striking out "authorized to be appropriated by paragraph (2) of this subsection of meeting the costs described in paragraph (3) of this subsection" in the first sentence and inserting in lieu thereof "appropriated for payments under this section".

PROVISIONS FOR OUTLYING AREAS

Extension of Minimum Allotment to Outlying Areas

SEC. 7. (a) Subsection (a) of section 2 of the Vocational Rehabilitation Act is amended by striking out "(other than the Virgin Islands, Puetro Rico, and Guam)".

Inclusion of American Samoa and Trust Territory of the Pacific Islands in State Programs

(b) Subsection (f) of section 11 of such Act is amended by striking out "and Guam; and, for purposes of sections 4, 7, 12, and 13 only of this Act, American Samoa and the Trust Territory of the Pacific Islands, and for such purposes" and inserting in lieu thereof "Guam, American Samoa, and the Trust Territory of the Pacific Islands; for American Samoa and the Trust Territory of the Pacific Islands".

Application of Minimum Allotment Percentage

(c) Clause (B) of section 11(g)(1) of such Act is amended by inserting "the Trust Territory of the Pacific Islands, American Samoa," following "Guam,".

PROVISION TO ALLOW SOLE STATE AGENCY TO SHARE FUNDING WITH ANOTHER PUBLIC AGENCY

SEC. 8. Clause (ii) of section 5(a)(1)(A) of the Vocational Rehabilitation Act is amended by inserting "or any other public agency" following "another agency of the State".

TAKING INTO ACCOUNT OUTSIDE VIEWS

SEC. 9. Subsection (a) of section 5 of the Vocational Rehabilitation Act is amended by striking out "and" at the end of clause (13), by striking out the period at the end of clause (14)(C) and inserting in lieu thereof "; and", and by adding at the end of such subsection the following new clause:

"(15) provide satisfactory assurance to the Secretary that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of, among others, individuals who are recipients of vocational rehabilitation services, individuals who represent citizen groups, individuals who represent professional groups, and individuals who are providers of vocational rehabilitation services."

INCREASE IN TRAINING ALLOWANCES

SEC. 10. Paragraph (B) of section 13(a)(2) of the Vocational Rehabilitation Act is amended by striking out "$25" and inserting in lieu thereof "$30".

INCREASE IN AMOUNT FOR EVALUATION

SEC. 11. The subsection redesignated as subsection (d) of section 7 of the Vocational Rehabilitation Act by section 2(b) of this Act is amended by striking out "$1,000,000" and inserting in lieu thereof "$3,000,000".

PARTICIPATION IN THE COST OF SERVICES

SEC. 12. Subsection (a) of section 5 of the Vocational Rehabilitation Act, as amended by section 9 of this Act, is further amended by striking out "and" at the end of clause (14)(C), by striking out the period at the end of clause (15) and inserting in lieu thereof "; and", and by adding at the end of such subsection the following new clause:

"(16) provide, in any case in which an individual is able to participate in the cost of his rehabilitation under the State plan, for such participation in accordance with regulations prescribed by the Secretary in the light of such ability."

TIME LIMITATION ON WORK EXPERIENCE

SEC. 13. Subsection (a) of section 5 of the Vocational Rehabilitation Act, as amended by sections 9 and 12 of this Act, is further amended by striking out "and" at the end of clause (15), by striking out the period at the end of clause (16) and inserting in lieu thereof "; and", and by adding at the end of such subsection the following new clause:

"(17) provide that where an individual participates in a program of work experience under the State plan, such participation shall not exceed one year in duration."

ALLOWING STATE AGENCY FOR THE BLIND TO ACT AS STATE EVALUATION AND WORK ADJUSTMENT AGENCY

SEC. 14. Paragraph (1) of section 15(c) of the Vocational Rehabilitation Act is amended by striking out "(other than the State blind commission or other agency providing assistance or services to the adult blind)".

INCLUSION OF INNOVATION IN REGULAR STATE PROGRAM

SEC. 15. (a) The Vocational Rehabilitation Act is amended by striking out section 3 thereof and redesignating sections 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, and 18, and all references thereto, as sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 16, respectively.

(b) The Vocational Rehabilitation Act is further amended by striking out—

(1) "(except for expenditures with respect to which the State is entitled to payments under section 3)" in section 2(b);

(2) "and section 3" in section 2(c);

(3) "or 3" wherever it appears in the section redesignated as section 4(c) by subsection (a) of this section;

(4) "or 3" in the first sentence of the section redesignated as section 5 by subsection (a) of this section; and

(5) "and 3" in the section designated as section 14(d) by subsection (a) of this section.

APPLICATION OF PROVISIONS OF FEDERAL LAW

SEC. 16. The Vocational Rehabilitation Act is amended by inserting after the section redesignated as section 14 by section 15(a) of this Act the following new section:

"APPLICATION OF PROVISIONS OF FEDERAL LAW

"SEC. 15. An individual who, as a part of his rehabilitation under a State plan approved under section 4 of this Act, participates in a program of work experience in a Federal agency, shall not, by reason thereof, be considered to be a Federal employee or to be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits."

EFFECTIVE DATE

SEC. 17. The amendments made by this Act shall become effective with respect to appropriations for fiscal years beginning after June 30, 1973.

By Mr. ROTH (for himself, Mr. HUMPHREY, Mr. BEALL, Mr. BIBLE, Mr. BIDEN, Mr. BROCK, Mr. BURDICK, Mr. COOK, Mr. DOMENICI, Mr. HART, Mr. HATHAWAY, Mr. HUGHES, Mr. INOUYE, Mr. MONDALE, Mr. MOSS, Mr. PASTORE, Mr. SCOTT of Pennsylvania, Mr. STEVENSON, Mr. THURMOND, Mr. TUNNEY, Mr. WILLIAMS, and Mr. YOUNG):

S. 1434. A bill to amend the Internal Revenue Code of 1954 to disregard children's benefits received by an individual under the Social Security Act in determining whether that individual is a dependent of a taxpayer. Referred to the Committee on Finance.

Mr. ROTH. Mr. President, late in the last Congress I introduced a simple but nonetheless badly needed amendment to H.R. 1, the welfare reform legislation. The amendment was accepted on October 5, 1972, by a rollcall vote of 43 to 31, when Members rejected a motion to table. Unfortunately, however, the amendment was deleted during conference, and

failed to become law. Therefore, Senator HUMPHREY and I, together with several other Members, are reintroducing the bill now in the hope that it will be enacted during this session.

Essentially, our bill provides that social security survivor benefits paid on behalf of a child shall not be taken into account in determining whether the child is receiving more than one-half his support from a surviving parent. The purpose of the legislation is to correct what I consider to be a gross inequity in the present law.

Under the present law, a parent must prove that he or she has contributed more than one-half of the support of a child before the child can be claimed as a dependent. If the child receives social security survivor benefits because of the death of a parent, the social security payments are considered as the child's contribution to his or her own support. Consequently, the widow or widower must be able to prove that he or she contributed more to the support of the child than the child received in survivor's benefits. While this requirement may appear at first glance to be reasonable, its effect is to discriminate unjustly against widows or widowers in the low or lower middle income brackets and to encourage individuals to accept public assistance rather than work.

Let me illustrate with a simple, but true, example:

One of my constituents was a widow with four children. After the death of her husband, she applied for and received social security survivor benefits on behalf of her children. Her application was approved, and during 1970, she received roughly $2,400 on behalf of the children. Obviously, a family of five cannot live on an annual income of $2,400. So my constituent worked as a secretary and earned $3,700 during 1970. I would like to point out that if my constituent had chosen not to work, she could have applied for and received public assistance—above and beyond the social security payments—valued at more than $5,000. Instead, however, she chose what I consider the more commendable although less financially rewarding alternative: work.

During 1970, my constituent and her children had a total income of about $6,100. Naturally, when she filed her 1970 tax return, she claimed the children as dependents and took deductions accordingly. Unfortunately, the Internal Revenue Service denied her claim and demanded that she pay an additional tax of $433. The Service insisted that she prove—through the presentation of receipts, canceled checks and the like—that she had contributed more than $2,400 to the support of her four children.

I would like to point out that if my constituent had earned $20,000 instead of $3,700, she would have had no difficulty sustaining her burden of proof. Or, if my constituent's income had been supplemented by an annuity or other income so that the survivor benefits could have been placed in savings instead of being spent for food and clothing, she would have had no difficulty sustaining her burden of proof. Or, if she had chosen to draw public assistance instead of working, she would have had no taxes to pay at all. But my constituent made the grievous error of working; and she made the even more grievous error of earning $3,700 instead of $20,000. For those unpardonable sins, we—and I say we because the Congress wrote the law which penalizes my constituent and the other widows like her—subjected her to harassment and intimidation. I hesitate to add taxation because my constituent was able to produce the required canceled checks, receipts, bills, and the like. She was unusual, however. Another of my constituents—a widow with two children—was forced to borrow $350 to pay her taxes. The widow with four children, I might add, has since learned her lesson: She now has the taxes withheld and does not attempt to claim the children as dependents. It is, in some situations, easier to pay than fight.

In many of these cases, Mr. President, these widows are denied the deductions because they are unable to sustain their burdens of proof, not because they failed to contribute the requisite levels of support. I think we will all admit that the retention of bills, receipts, and canceled checks presupposes a degree of knowledge and sophistication that is normally lacking in cases where the widows are earning such small incomes. In cases where the widows are legally denied the deductions, it is because the widow earns such a small income that it is impossible for her to contribute more than one-half to the support of her children.

The irony of these cases is of course obvious: the issue of dependency does not arise if the widow is earning a large income. Rather, the dependency deduction is questioned or denied only if the widow has chosen to work rather than go on welfare, and only if she earns an extremely small amount of money. Even in the cases where the widow is working and earning a small income, the question will not arise if her husband was able to afford an annuity or a large savings account. In those situations, the widow can bank the social security payments; and, if she does, the money is not considered as a child's contribution to his own support. It is only if the monthly payments must be spent for food, clothing, medical care, and like items—in other words, when money is so dear and so scarce that a savings account is impossible—that they are considered as the child's contribution to his own support.

Mr. President, I can honestly say that during my 6 years in the Congress, I have never encountered such systematic and unjust discrimination. It is almost as if this particular provision were designed solely to increase the already heavy burden of impoverished widows. I have no doubt that the situation is only the result of an unhappy convergence of otherwise just and equitable laws. But I also believe that we should change the law as quickly as possible. I hope that this bill will receive early consideration and speedy passage.

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

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

S. 1434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 152 of the Internal Revenue Code of 1954 (relating to definition of dependent) is amended by adding at the end therefor the following new subsection:

"(f) CHILD'S SOCIAL SECURITY BENEFITS.—For purposes of subsection (a), child's insurance benefits received by or on behalf of an individual under section 202(d) of the Social Security Act shall not be taken into account in determining whether the individual received more than half his support from the taxpayer."

(b) The amendment made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

Mr. SCOTT of Pennsylvania. Mr. President, I am pleased to join my colleagues in sponsoring this bill to disregard children's benefits received by an individual under the Social Security Act in determining whether that individual is a dependent of a taxpayer.

In order to claim their children as dependents under existing law, widows—or widowers—must show that they contributed more to the support of the children than the children received in social security survivor's benefits. The effect of this law is to deny the dependency deduction to those who need it most—low income earners—but grant it to those who need it least—high income earners.

Mr. President, this is a good bill and I hope that our Finance Committee will consider it in its deliberations on tax reform during the 93d Congress.

By Mr. EAGLETON (for himself, Mr. MATHIAS, Mr. INOUYE, Mr. STEVENSON, and Mr. TUNNEY):

S. 1435. A bill to provide an elected Mayor and City Council for the District of Columbia, and for other purposes. Referred to the Committee on the District of Columbia.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. EAGLETON. Mr. President, on October 12, 1971, this body by a vote of 64 to 8 passed my bill providing for home rule for the District of Columbia. Unfortunately, the other body failed to act at all on this legislation. So, on behalf of myself, and Senators INOUYE, MATHIAS, STEVENSON, and TUNNEY, I am again introducing a bill to provide for home rule for the District of Columbia.

The bill is virtually identical to the one which passes the Senate in the last Congress and provides for an elected Mayor and City Council, a set formula for a Federal payment to be automatically appropriated by Congress, and delegates the congressional powers necessary to govern the city to the Mayor and City Council. The bill at the same time continues the historic and constitutional role of the Congress in the affairs of the Nation's Capital by providing that no act of the City Council may go into effect if either body of the Congress disapproves of such act within 30 days of its passage.

We have also modified the provision in the previous bill regarding the appointment of judges. The new provision allows the Mayor to appoint judges under what is commonly referred to as the Missouri system. Under this system a board com-

posed of five members will make recommendations for any judicial openings and the Mayor will be limited in his selection to persons whose names are on the submitted list. The selection of the Mayor must then be confirmed by the Senate.

I am sure that many of you have also seen the red and white bumper stickers on cars around this town which describe the District of Columbia as the last colony. It is. We have granted self-government to Puerto Rico, to the United States Virgin Islands and made States of both Alaska and Hawaii, while allowing over 800,000 of our fellow citizens to remain wards of the Congress. Of course we have amended the Constitution to allow those same citizens to vote for President and Vice President. But set their own taxes and pass the laws regulating the health and commerce of the District? No. Those powers we have held unto ourselves. We have so far failed to delegate the licensing of professions, the charting of a firefighting museum, the regulation of kite flying, and the expansion of the police department band.

The time of the Senate is too valuable to be taken up with the routine governance of the District of Columbia. James Madison in the Federalist Papers noted that the framers of the Constitution intended that—

> A municipal legislature for local purposes, derived from their own suffrages, will, of course, be allowed them.

The home rule bill which we are introducing today would allow just that—a municipal legislature for local purposes—almost 200 years later. The Congress would continue its oversight over the District of Columbia as the Nation's Capital, but it would not waste its time on the flying of kites.

Mr. President, I am proud to serve as chairman of the District of Columbia Committee. I believe, however, that it is the Senate's wish, as it is mine, to substantially reduce the time spent on the conduct of municipal affairs in favor of work on matters of national interest.

The League of Women Voters is beginning a national drive in favor of home rule for the District of Columbia. I commend them for their action. I hope that other groups will join in bringing the plight of the citizens of the District of Columbia to the consciousness and the conscience of the rest of the Nation. For my part I promise prompt hearings and I hope for prompt action to bring home rule to the District of Columbia.

By Mr. HARTKE:

S. 1436. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that an individual may elect to have any employment or self-employment performed by him after attaining age 65 excluded (for both tax and benefit purposes) from coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

Mr. HARTKE. Mr. President, there are many inequities in the current social security system, but none is more blatant than the requirement that those over 65 who remain in the work force while receiving benefits continue to have the social security payroll tax deducted from their paychecks. Today, I introduce legislation to eliminate this inequity.

Mr. President, this Hartke legislation defines the term "employment" to exclude any service performed by an individual who has attained age 65. Individuals who reach that age may apply for a certificate which entitles that person, at his election, to have any or all service performed by him excluded from the provisions of the payroll tax. Similar provisions are made for those in self-employment occupations.

The Social Security Administration claims that those over 65 who remain in the work force receive substantially higher benefits, and, therefore, the requirement that such persons continue to contribute to the social security trust fund is a justifiable one. The facts, however, show that the average increase in benefits for such persons is only $6 a month. This rather modest increase is undoubtedly more than offset by the amount of social security payroll taxes which workers over 65 are required to pay.

Mr. President, I emphasize that the Hartke proposal is a voluntary alternative. Workers over 65 may elect to have their earnings excluded from the payroll tax if they so choose. Those workers who might receive higher social security retirement benefits because of their work after 65 would not be likely to make such an election; but 3½ million older Americans would benefit from my proposal at a modest cost to the trust fund of only $800 million for 1974—or between 0.1 to 0.2 percent of payroll.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 210 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Service Performed After Attaining Age 65

"(p) Notwithstanding any other provision of this section, the term employment shall not include any service performed by an individual who has attained age 65 if such individual is the holder of a certificate issued under section 3121 (s) (2) of the Internal Revenue Code of 1954 and has elected to make such certificate applicable to such service as provided in section 3121 (s) (3) of such Code"

(b) Section 3121 of the Internal Revenue Code of 1954 (definitions applicable to tax under Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(s) SERVICE PERFORMED AFTER ATTAINING AGE SIXTY-FIVE.—

"(1) EXCLUSION OF SERVICE FROM EMPLOYMENT.—Notwithstanding any other provision of this section, the term 'employment' shall not for purposes of this chapter include any service performed by an individual who has attained age 65 if such individual is the holder of a certificate issued under paragraph (2) and has elected to make such certificate applicable to such service as provided in paragraph (3).

"(2) CERTIFICATE.—Any individual who has attained age 65 shall, upon application made to the Secretary or his delegate (in such manner and from as may be prescribed by regulations under this chapter), be issued a certificate entitling him at his election to have any or all service performed by him for employers excluded from 'employment' for purposes of this chapter and title II of the Social Security Act. Application for such certificate may be filed at any time on or after the day on which such individual attains age 65.

"(3) APPLICATION OF CERTIFICATE TO SPECIFIC SERVICE.—An individual holding a certificate issued under paragraph (2) may at any time, by filing such certificate or a certified copy thereof with his employer, elect to have all service performed by him for such employer excluded from 'employment' for purposes of this chapter and title II of Social Security Act; and such election shall be effective with respect to all service performed by such individual for that employer on and after the date on which it is made and until terminated or revoked. An election made under this paragraph with respect to service performed for any employer shall terminate if such individual ceases to perform service for that employer on a continuous or regular basis, and may at any time be revoked by such individual by notifying the employer and withdrawing the certificate or copy thereof which was filed with the employer at the time of election; but any such revocation shall not be effective until the close of the calendar month in which it is made.

"(4) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations (including regulations providing for the interchange of information between him and the Secretary of Health, Education, and Welfare) as he deems necessary or appropriate to carry out this subsection."

SEC. 2. (a) Section 211 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Income Derived After Attaining Age Sixty-Five

"(h) Notwithstanding any other provision of this section, the term 'net earnings from self-employment' shall not include any income derived by an individual from a trade or business in any taxable year if (1) at the close of such year such individual has attained age 65, and (2) such individual elects as provided in section 1302 (j) (2) of the Internal Revenue Code of 1954 to have such income exempted from the tax imposed by section 1401 of such Code."

(b) Section 1402 of the Internal Revenue Code of 1954 (definitions applicable to tax under Self-Employment Contributions Act of 1954) is amended by adding at the end thereof the following new subsection:

"(j) INCOME DERIVED AFTER ATTAINING AGE SIXTY-FIVE.—

"(1) EXCLUSION FROM NET EARNINGS.—Notwithstanding any other provision of this section, the term 'net earnings from self-employment' shall not for purposes of this chapter include any income derived by an individual from a trade or business in any taxable year if (A) at the close of such year such individual has attained age 65, and (B) such individual elects as provided in paragraph (2) to have such income exempted from the tax imposed by section 1401.

"(2) ELECTION.—Any individual who at the close of a taxable year has attained age 65, and during such year has derived any income from a trade or business carried on by him, may by including a statement to that effect in self-employment income tax return for such year elect to have such income exempted from the tax imposed by section 1401. Any such election shall be effective only for the taxable year with respect to which it is made, and shall apply to all of the individual's income derived during such year from a trade or business, or (if he carries on more

than one) from the trades or businesses, carried on by him.

"(3) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations (including regulations providing for appropriate refunds of any payments of estimated self-employment tax which may have been made during the taxable year with respect to income exempted from tax by an election made under paragraph (2), and for the interchange of information between him and the Secretary of Health, Education, and Welfare) as he deems necessary or appropriate to carry out this subsection."

SEC. 3. The amendments made by the first section of this Act shall apply only with respect to service performed on or after the first day of the month following the month in which this Act is enacted. The amendments made by section 2 of this Act shall apply only with respect to taxable years ending after the date of the enactment of this Act.

By Mr. GURNEY:

S. 1438. A bill to authorize and request the President to issue annually a proclamation designating August 26 of each year as "Equal Rights Day." Referred to the Committee on the Judiciary.

Mr. GURNEY. Mr. President, I am submitting a proposal to call for the annual designation of August 26 as "Equal Rights Day." Specifically, the bill calls upon the President to set aside this day for the purpose of commemorating our achievements in the field of women's rights.

Last year, I introduced a similar bill, S. 3490, to proclaim August 26 as "Women's Rights Day." This legislation passed the Senate on August 16, 1972. The House amended the bill to make it effective for 1972 only, and passed it in that form on August 18.

Immediately after House passage, Congress adjourned until early September. In view of the fact that further congressional action was impossible before August 26, the President subsequently issued a proclamation calling for the observance of Women's Rights Day.

This year, I am hopeful that Congress will take more expeditious action on my proposal so that time will allow complete passage as well as the necessary planning for appropriate programs and activities commemorating equal rights for women.

Just a little over 1 year ago—on March 22, 1972—this body passed the equal rights amendment by an overwhelming margin of 84 to 8. Since that time 30 States have ratified the ERA. Eleven States have yet to vote on the issue, and 38 votes are needed for ratification.

August 26 is a significant date in the history of the equal rights movement. It was on that date, in the year 1920, that the 19th amendment guaranteeing women the right to vote was officially certified as a part of our constitution. Like equal rights, the successful consideration of the suffrage movement was a long and arduous process. It took Congress nearly 75 years to pass the suffrage amendment, and a little over a year for the States to ratify it.

Passage of the ERA by Congress took nearly 50 years. I hope that history's habit of repeating itself will be borne out with ratification of this important amendment.

In the meantime, I urge my colleagues to support this proposed proclamation of Equal Rights Day on August 26.

I ask unanimous consent that my bill and also President Nixon's proclamation of August 26, 1972, as "Women's Rights Day" be printed in the RECORD.

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

S. 1438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in commemoration of the anniversary of the adoption on August 26, 1920, of the nineteenth amendment to the Constitution granting women the right to vote, the President is authorized and requested to issue annually a proclamation designating August 26 of each year as "Equal Rights Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

WOMEN'S RIGHTS DAY

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Fifty-two years ago the Secretary of State issued a proclamation declaring the addition of the Nineteenth Amendment to our Constitution. That act marked the culmination of a long struggle by the women of this country to achieve the basic right to participate in our electorial process.

As significant as the ratification of the Nineteenth Amendment was, it was not cause for ending women's efforts to achieve their full rights in our society. Rather, it brought an increased awareness of other rights not yet realized.

In recent years there have been great strides in extending the protection of the law to the rights of women, and in promoting equal opportunities for women. Today more women than ever before serve in policy-making positions in the executive branch of our Government. Throughout the Nation, in State and local government and in the private sphere women are playing a more active role.

Although every woman may not desire a career outside the home, every woman should have the freedom to pursue whatever career she wishes. Although women today have a greater opportunity to do that, we still must do more to ensure women every opportunity to make the fullest contribution to our progress as a Nation.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate Saturday, August 26, 1972, as Women's Rights Day and call upon all our citizens and particularly those organizations concerned with the protection of human rights to observe this day with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this 26th day of August, in the year of our Lord nineteen hundred seventy-two and of the Independence of the United States of America the one hundred ninety-seventh.

RICHARD NIXON.

By MR. MUSKIE:

S. 1439. A bill to reform the Federal income, estate, and gift tax laws. Referred to the Committee on Finance.

THE TAX REFORM ACT OF 1973

Mr. MUSKIE. Mr. President, today I introduce The Tax Reform Act of 1973. This bill represents the technical implementation of the detailed proposals I discussed in the Senate on January 23. It would close unjustifiable tax loopholes which benefit large corporations, wealthy individuals, and special interests. And it would raise a substantial amount of additional tax revenue totaling $18 billion in fiscal year 1975 and even more in later fiscal years. But it would not in any way increase the burden on middle-income or low-income taxpayers.

Mr. President, we all recognize the need to control Federal expenditures. We all recognize the need to avoid a tax increase. But we must also recognize that it is possible to raise substantial additional revenues to reduce the budget deficit and pay for important Government programs without raising the tax burden on middle- and low-income Americans.

This is exactly what the Tax Reform Act of 1973 does. The act does not change the existing standard deductions; it does not repeal the deduction for State and local gasoline taxes; it does not change the existing exemption of $100 for qualifying dividends; and it does not affect the present homeowner's deduction for interest paid on mortgages.

Some of these provisions and others which benefit low- and middle-income earners have been criticized as being inequitable and unfair. But I believe that before any of such sections in our tax code are changed, we must rid our tax system of its fundamental inequities: Those loopholes which benefit only the rich, and allow millionaires and multi-billion-dollar corporations to evade their fair share of taxes.

The Tax Reform Act of 1973 attacks these upper-income and corporate loopholes thoroughly and comprehensively—yet without making changes that could have disruptive effects on our economy. This act would make moderate changes—for instance, by marginally increasing the capital gains tax; by allowing a 5-year period for phasing-in taxes on capital gains at death; by marginally decreasing percentage depletion rates; by allowing farm losses in excess of the permitted deduction to be carried forward to future years; and by marginally increasing the minimum tax.

The Tax Reform Act of 1973 would raise $8.1 billion by lessening the unfair advantage of tax shelters and by moderating or abolishing a number of tax preferences. By tightening up our treatment of depreciation, it would raise $5.3 billion. It would give State and local governments an additional $1.3 billion, at a net cost to the Federal Treasury of only $300 million, by allowing taxation of interest on State and municipal bonds. And it would raise $4.9 billion by more equitably taxing the transfer of large estates.

Many tax preferences and tax shelters are being justified for the contributions they are said to make to important social or economy policy goals. The revenues the Federal Government does not collect because of these special provisions are in reality "tax expenditures," almost as if they were direct appropriations from the Federal Treasury. They should be subject to the same scrutiny that we give to the Federal budget: How much do they cost? What goals do they supposedly serve? What benefits do they actually provide? And, finally, are their benefits worth their costs?

Many of these preferences supposedly serve goals with which I agree. But just as I would not vote for an appropriation until I was assured it would produce benefits worth its cost, I cannot condone continued tax expenditure unless I am satisfied that it produces worthwhile results for the people of this country. And the benefits of these tax preferences have not been proven. We know at least one thing for certain—that their costs go directly into the pockets of the wealthy.

In general, the goals of these provisions are better served through direct subsidies and incentives. We can know exactly how much is being spent on such programs. And we can have the benefit of reports assessing their effectiveness. For instance, I agree with the goals of increasing the supply of low-income housing or bolstering foreign trade or the economies of undeveloped areas. I would, therefore, urge Congress to consider responsible Federal programs to replace the tax preferences repealed or modified by the Tax Reform Act of 1973. But there is no justification for retaining these preferences as they now stand.

Following this philosophy, the Tax Reform Act of 1973 contains provisions which would moderate or eliminate tax shelters and tax preferences, to create total increased revenue of $8.1 billion. These provisions, and the extra Federal income they would produce by fiscal year 1975, include:

Increasing the long-term capital gains rates to a maximum of 42 percent for individuals and 35 percent for corporations—instead of current rates of 25 percent for individuals on the first $50,000 and 36.5 percent on the remainder and 30 percent for corporations—$2.1 billion;

Tightening the minimum tax on tax preference items, including reducing the existing $30,000 exemption to $10,000, imposing graduated minimum tax rates, and eliminating the tax carry-forward—$300 million;

Tightening treatment of the farm loss tax shelter by reducing to $15,000 per year the amount of farm loss which can be deducted from nonfarm income—$100 million;

Uniformly reducing by 20 percent the rates for percentage depletion of mineral resources—$300 million;

Requiring capitalization and recapture of intangible drilling and development costs and of mine exploration and development costs—$800 million;

Tightening existing provisions which restrict the amount of deductions of interest on large investments—$300 million;

Six provisions restricting preferential treatment for foreign income and investment—$1.5 billion;

Reforming the investment tax credit given to investments in machinery and equipment by allowing credits only for net increases in investment—$2.5 billion; and

Disallowing excessive deductions by banks of bad debt reserves—$200 million.

In addition, the Tax Reform Act of 1973 would raise $5.3 billion through provisions that reform tax treatment of depreciation. These include:

Modifying ADR, the system which allows corporations to depreciate assets 20 percent faster than the industry average, to permit depreciation only at average industry rates—$4.2 billion;

Reforming tax treatment of real estate investment—$1 billion; and

Repealing rapid amortization provisions for the rehabilitation of low-income housing, railroad rolling stock, and pollution control facilities—$100 million.

Interest on State and local municipal bonds is now tax free. The Tax Reform Act of 1973 would, at the option of State and local governments, make interest on those bonds taxable, thus producing $1 billion in additional revenue for the Federal Treasury. If State and local governments choose to make their bonds taxable, the act contains provisions which would grant a Federal subsidy to States and municipalities of 50 percent of their interest costs. The net effect would be to incur additional Federal expenditures of $300 million, but provide an extra $1.3 billion each year for States and municipalities.

Finally, the Tax Reform Act of 1973 includes five specific measures, raising a total of $4.9 billion, to tax the transfer of large estates more equitably. The amount of $2.4 billion would be raised by taxing the appreciation of capital gains held at the time of death, gains which now entirely escape tax. An additional $2.5 billion would be raised by establishing a unified gift and estate tax, imposing a special tax on generation-skipping transfers of wealth, allowing a spouse to deduct from the estate one half of its value plus $100,000, and changing the rate structure to include a maximum rate of 80 percent on estates and gifts.

Mr. President, I am impressed by the beginning this Congress has made on tax reform. The thorough hearings being conducted by the Committee on Ways and Means in the House of Representatives have, I believe, generated much interest and thought about our tax code. I hope that my contribution to this discussion can help us enact meaningful tax reform this year. On February 28 I introduced S. 1036, a bill to amend the tax code with respect to legislative activity by certain types of exempt organizations. On March 15 I introduced S. 1255, a measure to reform State property taxes by relieving excessive property taxes on the poor and the elderly and encourage States to reform unsatisfactory local property tax administration. Soon I hope to present a proposal to reform the social security payroll tax.

I hope that this Congress, and its distinguished Members who are primarily responsible for writing tax reform legislation, will carefully consider these proposals, and the Tax Reform Act of 1973, which I introduce today. In my judgment passage of a bill such as the Tax Reform Act of 1973 should be a top priority for this Congress.

I ask unanimous consent that a summary of the provisions of the Tax Reform Act of 1973 be printed in the RECORD at this point.

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

SUMMARY OF THE CONTENTS OF THE TAX REFORM ACT OF 1973

Section 1.—*Short Title, Etc.*

This section provides that the Act may be cited as the Tax Reform Act of 1973, includes a table of contents, and provides for technical and conforming changes.

TITLE I—AMENDMENTS PRIMARILY AFFECTING INDIVIDUALS

Section 101.—*Minimum Tax for Tax Preferences.*

This section strengthens the minimum tax on certain items of "tax preference" by (1) reducing the existing $30,000 exemption to $10,000; (2) imposing a graduated rate of tax of 10 percent on the first $10,000, 15 percent on the second $10,000, and 20 percent of additional amounts of tax preferences; and (3) eliminates deferral of the minimum tax.

Section 102.—*Gains and Losses on Property Held at Death or Transferred by Gift.*

This section imposes a tax on the appreciation of capital assets transferred at death, or by gift, but provides a marital exclusion of one-half of the assets plus $100,000 and an exemption for property given to charity. This section includes a five-year phase-in period for these provisions.

Section 103.—*Interest on Investment Indebtedness.*

This section strengthens current laws which disallows deductions of certain interest paid by an individual for borrowings for large investments. This section reduces the existing $25,000 interest exemptions to $10,000; disallows all investment interest deductions in excess of the exemption level, while present law only limits one-half; and expands the definition of "investment interest" to include interest paid on passive oil, gas, mineral, or real estate investments.

Section 104.—*Earned Income from Sources Without the United States.*

This section terminates the present law which allows U.S. citizens who live abroad to exclude from their taxable income $25,000 (if they are bona fide residents of a foreign country) or $20,000 (if they live abroad for at least 17 out of 18 months).

Section 105.—*Captial Gains.*

This section changes taxation of capital gains for individuals by repealing the provision that permits the first $50,000 of long-term capital gains to be taxed at no more than 25 percent. The section also requires that individuals include 55 percent of their long-term capital gains in their income in the first year of enactment, and 60 percent in their income thereafter, rather than only 50 percent as permitted under present law. The effect would be to have long-term capital gains taxed at 60 percent of normal income tax rates.

Section 106.—*Clerical Amendments.*

This section makes changes in the table of contents of part of the Internal Revenue Code.

Section 107.—*Effective Date.*

This section provides that the changes made by this title apply to taxable years beginning after the date of enactment, unless otherwise specified.

TITLE II—AMENDMENTS PRIMARILY AFFECTING CORPORATIONS

Section 201.—*Limitation of Investment Credit.*

This section restricts the investment tax credit, given to corporations and individuals for investments in machinery and equipment, to allow a credit only for net increases in investment.

Section 202.—*Modification of Class Life System.*

This section modifies the ADR system, under which businesses may take depreciation 20 percent faster than the industry average. The section requires that depreciation rates be no more favorable than the industry average.

Section 203.—*Repeal of Rapid Amortization Provisions.*

This section repeals the rapid amortization allowed under current law for rehabilitation of low-income rental housing, emergency facilities, pollution control facilities, certain railroad rolling stock, certain coal mine safety equipment, and certain expenditures for on-the-job training and child care facilities.

Section 204.—*Termination of Special Treatment of Bad Debt Reserves of Financial Institutions.*

This section would allow commercial banks, mutual savings banks, and savings and loan associations to create bad debt reserves based solely upon their actual loss experience. For purposes of transition, this section would not take effect until 1975.

Section 205.—*Repeal of Deduction for Western Hemisphere Trade Corporations.*

This section terminates the current law which allows U.S. businesses operating in Western Hemisphere countries other than the United States to be taxed at 34 percent, rather than the normal 48 percent corporate rate.

Section 206.—*Taxation of Earnings and Profits of Controlled Foreign Corporations.*

This section adds new provisions to the tax code to eliminate the tax deferral available to United States shareholders of foreign corporations they control, and to tighten the definition of a "controlled foreign corporation" to frustrate tax evasion schemes.

Section 207.—*Termination of Special Tax Treatment for Domestic International Sales Corporations.*

This section terminates the DISC provisions, which now allow export corporations to indefinitely defer from tax up to 50 percent of their income.

Section 208.—*Capital Gains.*

This section increases the corporate tax rate on long-term capital gains from 30 percent to 35 percent.

Section 209.—*Clerical Amendment.*

This section makes changes in the table of contents of part of the Internal Revenue Code.

Section 210.—*Effective Date.*

This section provides that, unless otherwise specified, the changes made by this Title apply only to taxable years beginning after the date this Act is enacted.

TITLE III—AMENDMENTS AFFECTING INDIVIDUALS AND CORPORATIONS

Section 301.—*Real Property.*

This section reforms the present highly favorable tax rules for investments in real estate (such as apartment buildings). The section would: (1) restrict depreciation to the straight line method and to the owner's actual equity; (2) require capitalization of interest and taxes incurred on undeveloped real estate held for investment and during construction; (3) recapture in full at the time of sale the excess depreciation taken on real property; (4) include in taxable income, up to the amount of depreciation previously taken, any proceeds from a mortgage loan which exceed the depreciated cost of the real property to the investor; and (5) provide for review of the useful lives of buildings to determine if present depreciation guidelines are too liberal.

Section 302.—*Intangible Drilling and Development Costs in the Case of Oil and Gas Wells; Intangible Exploration and Development Costs in the Case of Mining Property.*

This section requires that intangible drilling and development costs, and mine exploration and development costs, be capitalized rather than deducted immediately from income. It also provides for the recapture of past deductions when such mineral property is sold.

Section 303.—*Tax Shelter Farm Losses.*

This section reduces from $25,000 to $15,000 the amount of farm losses which can be deducted from non-farm income in any year. It also provides that losses in excess of the limit may be carried over to future years for deduction from farm income. The yearly limit on farm loss deductions is adjusted upward for taxes, interest, losses from fire, storm, or other casualties, abandonment or theft, drought, and losses from sales, exchanges, and involuntary conversions.

Section 304.—*Reduction in Percentage Depletion.*

This section reduces by one-fifth all existing percentage depletion rates for mines, wells, and other natural deposits. For example, it would reduce the depletion rate for oil and gas wells from 22 percent to 17.6 percent.

Section 305.—*Income from Sources Within United States Possessions.*

This section terminates the provision which exempts from federal income taxation certain income earned in possessions of the United States, but it does not affect binding commitments made on or before the date of enactment.

Section 306.—*Foreign Tax Credit.*

This section requires that the foreign tax credit be computed only by the "per country" method, which requires that the computation be made with reference to the income earned in the foreign country whose tax is being credited. In addition, this section prohibits corporations operating in less-developed countries from deducting foreign taxes from income as well as crediting them against United States tax.

Section 307.—*Clerical Amendments.*

This section makes changes in the table of contents of part of the Internal Revenue Code.

Section 308.—*Effective Date.*

This section provides that, unless otherwise specified, the changes made by this title apply only to taxable years beginning after the date this Act is enacted.

TITLE IV—ESTATE AND GIFT TAX AMENDMENTS

Section 401.—*Integration of Estate and Gift Taxes.*

This section enacts the same exemption and tax rate schedule for estate and gift taxation. It exempts $25,000, over and above the liberalized marital deduction contained in Section 402. For estates exceeding exemptions and deductions, the new marginal rate schedule would range from 20 percent for the smallest taxable estates to 80 percent for taxable estates over $5 million.

Section 402.—*Increase in Estate Tax Marital Deduction.*

This section would increase the estate tax deduction allowed to the spouse from one half of the value of the adjusted gross estate to one half of the value of the adjusted gross estate plus $100,000.

Section 403.—*Generation-Skipping Transfers.*

This section imposes a special tax on generation-skipping transfers, such as bequests to grandchildren and great grandchildren, which currently are used to avoid the gift and estate tax. Generation-skipping transfers are defined as distributions to persons other than children, contemporary relatives or friends, or tax-exempt organizations. The tax imposed by this section is three-fifths of the normal estate tax.

Section 404.—*Clerical Amendments.*

This section makes changes in the table of contents of part of the Internal Revenue Code.

TITLE V—STATE AND LOCAL BONDS

Section 501.—*Interest on Certain Governmental Obligations.*

This section allows state and local governments, at their option, to issue bonds which pay taxable interest.

Section 502.—*United States To Pay 50 Percent of Interest Yield On Taxable Issues.*

This section provides that the federal government shall pay 50 percent of the interest cost of state and local government bonds if state and local governments elect to make interest on their bonds taxable.

Mr. MUSKIE. Mr. President, I ask unanimous consent to have the text of the bill printed in the RECORD.

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

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Reform Act of 1973".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of the technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

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TITLE I—AMENDMENTS PRIMARILY AFFECTING INDIVIDUALS

SEC. 101. MINIMUM TAX FOR TAX PREFERENCES.

(a) Section 56(a) (relating to minimum tax for tax preferences) is amended to read as follows:

"(a) IN GENERAL.—

"(1) IMPOSITION OF TAX.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax (computed as provided in paragraph (2)) on the amount (if any) by which—

"(A) the sum of the items of tax preference in excess of "$10,000, is greater than

"(B) the sum of the taxes imposed by this chapter for the taxable year (computed without regard to this part and without regard to the taxes imposed by sections 531 and 541), reduced by the sum of the credits allowable under—

"(i) section 33 (relating to foreign tax credit),

"(ii) section 37 (relating to retirement income),

"(iii) section 38 (relating to investment credit),

"(iv) section 40 (relating to expenses of work incentive program), and

"(v) section 41 (relating to contributions to candidates for public office).

"(2) COMPUTATION OF TAX.—The tax imposed by paragraph (1) is—

"If the amount described in paragraph (1) is:	The tax is:
Not over $10,000	10% of such amount.
Over $10,000 but not over $20,000	$1,000 plus 15% of the excess over $10,000.
over $20,000.	$2,500, plus 20% of the excess over $20,000."

(b) Section 56(b) (relating to deferral of tax liability in case of certain net operating losses) is amended by striking out "$30,000" in paragraph (1)(B) and inserting in lieu thereof "$10,000".

(c) Section 56(c) (relating to tax carryovers) is repealed.

(d) Section 57(a) (9) (A) (relating to capital gains of individuals) is amended to read as follows:

"(A) INDIVIDUALS.—In the case of a taxpayer other than a corporation, an amount equal to the amount allowable as a capital gains deduction under section 1202 for the taxable year."

(e) Section 58 (relating to rules for application of minimum tax for tax preferences) is amended—

(1) by striking out "$30,000" each place it appears therein and inserting in lieu thereof "$10,000", and

(2) by striking out "$15,000" in subsection (a) and inserting in lieu thereof "$5,000".

SEC. 102. GAINS AND LOSSES ON PROPERTY HELD AT DEATH OR TRANSFERRED BY GIFT.

(a) Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new sections:

"SEC. 84. GAINS AND LOSSES ON PROPERTY AT TIME OF DEATH.

"(a) IN GENERAL.—Upon the death of an individual, there shall be taken into account in computing taxable income for the taxable period in which falls the date of his death, a percentage (determined under subsection (c)) of the gains and losses which would have been realized and taken into account in computing taxable income (of the decedent or some other person) if all the property (other than property described in subsection (b)) required to be included in determining the value of the decedent's gross estate under chapter 11 had been sold immediately before his death at the estate tax fair market value. This subsection shall not apply unless the aggregate amount of such fair market value exceeds $60,000.

"(b) EXCLUDED PROPERTY.—Subsection (a) shall not apply to—

"(1) property which passes or has passed from the decedent to his surviving spouse and which qualifies for the deduction provided by section 2056;

"(2) property which passes or has passed to a corporation, organization, or other entity described in section 2055 and which qualifies for the deduction provided by such section;

"(3) items of gross income in respect of a decedent described in section 691; or

"(4) any other property includable in the gross estate of the decedent under chapter 11 for which basis is not provided for in section 1014(a).

"(c) RULES FOR APPLICATION OF SUBSECTION (a).—For purposes of subsection (a)—

"(1) The estate tax fair market value of property is the fair market value of the property at the date of the decedent's death, or, in the case of an election under section 2032, its value at the application valuation date prescribed by that section.

"(2) If the aggregate adjusted basis of all property subject to the provisions of subsection (a) is less than $60,000, and the gains under subsection (a) (without the application of this paragraph) exceed the losses, then the aggregate adjusted basis of such property shall be increased to $60,000.

"(3) Losses shall be taken into account without regard to the provisions of section 1091.

"(4) The percentage of gains and losses taken into account shall be determined in accordance with the following table:

"For taxable years beginning:	*Percent*
Less than 1 year after the date of enactment of the Tax Reform Act of 1973	0
1 year or more but less than 2 years after such date	20
2 years or more but less than 3 years after such date	40
3 years or more but less than 4 years after such date	60
4 years or more but less than 5 years after such date	80
5 years or more after such date	100"

"(d) TIME FOR FILING RETURN.—If subsection (a) applies to the taxable year, the time for filing the return for such year shall be the date nine months after the date of the decedent's death if such date is later than the time prescribed in section 6072 for filing such return.

"(e) LIABILITY WITH RESPECT TO PROPERTY TRANSFERRED BEFORE DEATH.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be entitled, unless the decedent directs otherwise in his will, to recover from the transferee of such property the amount of income tax imposed with respect to such gain.

"SEC. 85. GAINS AND LOSSES ON INTER VIVOS GIFTS.

"(a) IN GENERAL.—In the case of the transfer of property by an individual by inter vivos gift, there shall be taken into account in computing taxable income for the taxable period in which the transfer was made, the gain or loss which would have been realized and taken into account in computing taxable income if the taxpayer had sold the property at its fair market value at the time of the transfer.

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to a transfer of property, to the extent that, at the time of the transfer, the aggregate fair market value of—

"(A) property (including the transferred property) held by the taxpayer, and

"(B) property previously transferred by the taxpayer after the date of the enactment of the Tax Reform Act of 1973,

does not exceed $60,000.

"(2) GIFTS TO SPOUSE.—Subsection (a) shall not apply to a transfer of property to the taxpayer's spouse.

"(3) GIFTS TO CHARITY.—Subsection (a) shall not apply to a transfer which is a charitable contribution as defined in section 170(c).

(b)(1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(3) Section 1015 (relating to basis of property acquired by gifts and transfers in trust) is amended by adding at the end thereof the following new subsection:

"(e) PROPERTY SUBJECT TO TAX UPON TRANSFER.—If the property was acquired by gift in a transfer to which section 85(a) (relating to gains and losses on inter vivos gifts) applied, the basis shall be the fair market value of the property at the time of the transfer."

(4) Section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(3) EXCEPTION.—Paragraph (1) shall not apply to any charitable contribution of property if section 85(a) (relating to gains and losses on inter vivos gifts) applied with respect to the transfer of such property."

(5) Section 6161(a) (relating to extension of time for paying tax) is amended—

(A) by inserting "or income tax for a decedent's final taxable period" after "estate tax" in paragraph (1),

(B) by redesignating subsections (j) and (k) as death after "Estate tax" in the heading of paragraph (2), and

(C) by inserting at the end of paragraph (2)(A) "or of any part of the tax imposed by

chapter 1 attributable to the application of section 84,".

(6) Section 6166 (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended—

(A) by inserting "AND INCOME TAX ON GAINS AT DEATH" after "ESTATE TAX" in the heading, and

(B) by redesignating subsections (j) and (k) as (k) and (l), respectively, and by inserting after subsection (i) the following new subsection:

"(j) TAX ON GAINS AT DEATH.—Under regulations prescribed by the Secretary or his delegate, the provisions of this section shall apply with respect to so much of the tax imposed by chapter 1 as is attributable to the application of section 84 (relating to gains and losses on property at time of death) in the same manner as it applies to the tax imposed by section 2001."

(c) Section 84 of the Internal Revenue Code of 1954 (as added by subsection (a)) and the amendments made by paragraphs (1), (2), (5), and (6) of subsection (b) shall apply with respect to decedents dying after the date of the enactment of this Act. Sections 85 of such Code (as added by subsection (a)) and the amendments made by paragraphs (3) and (4) of subsection (b) shall apply with respect to transfers of property by inter vivos gift after such date.

SEC. 103. INTEREST ON INVESTMENT INDEBTEDNESS.

Section 163(d) (relating to limitation on interest on investment indebtedness) is amended—

(1) by striking out "$25,000" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "$10,000",

(2) by striking out "$12,500" in paragraph (1)(A) and inserting in lieu thereof "$5,000",

(3) by striking out ", plus" at the end of paragraph (1)(C) and inserting in lieu thereof a period,

(4) by striking out paragraph (1)(D),

(5) by striking out "one-half of" in paragraph (2)(A), and

(6) by adding at the end thereof the following new paragraphs:

"(8) OIL, GAS, OR OTHER MINERAL PROPERTY.—For purposes of this subsection, a passive interest (as defined by the Secretary or his delegate by regulation) in any oil, gas, or other mineral property shall be treated as property held for investment and not as property used in a trade or business.

"(9) COMMERCIAL AND RESIDENTIAL PROPERTY.—For purposes of this subsection, property used for commercial or residential purposes by any person other than the taxpayer shall be treated as property held for investment and not as property used in a trade or business, unless the taxpayer furnishes substantial services in connection with the use of the property."

SEC. 104. EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES.

Section 911 (relating to earned income from sources without the United States) is repealed.

SEC. 105. CAPITAL GAINS

(a) Section 1201(d) (relating to definition of subsection (d) gain) is amended—

(1) by inserting "and" at the end of paragraph (1),

(2) by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a period, and

(3) by striking out paragraph (3).

(b) Section 1202 (relating to deduction for capital gains) is amended by striking out the first sentence and inserting in lieu thereof the following: "If a taxpayer (other than a corporation) has a net section 1201 gain for a taxable year, the following percentage of such gain shall be allowed as a deduction from gross income:

"(1) 50 percent, in the case of a taxable year beginning on or before the date of the enactment of the Tax Reform Act of 1973,

"(2) 45 percent, in the case of a taxable year beginning within 1 year after the date of the enactment of the Tax Reform Act of 1973, and

"(3) 40 percent, in the case of a taxable year beginning more than 1 year after the date of the enactment of the Tax Reform Act of 1973."

SEC. 106. CLERICAL AMENDMENT

The section analysis of part II of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 84. Gains and losses on property at time of death.

"Sec. 85. Gains and losses on inter vivos gifts.".

SEC. 107. EFFECTIVE DATE.

Except as otherwise provided, the amendments and repeals made by this title shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE II—AMENDMENTS PRIMARILY AFFECTING CORPORATIONS

SEC. 201. LIMITATION OF INVESTMENT CREDIT.

(a) Section 46(a)(1) (relating to determination of amount) is amended by striking out "qualified investment" and inserting "net qualified investment".

(b) Section 46(c) (relating to qualified investment) is amended by—

(1) striking out "QUALIFIED INVESTMENT.—"and inserting "NET QUALIFIED INVESTMENT.—";

(2) redesignating paragraphs (1), (2), and (3) as (2), (3), and (4), respectively;

(3) striking out "IN GENERAL.—" in paragraph (2) (as redesignated by this subsection) and inserting "QUALIFIED INVESTMENT.—"; and

(4) inserting before such paragraph (2) the following new paragraph:

"(1) IN GENERAL.—For purposes of this subpart, the term 'net qualified investment' means, with respect to any taxable year, the aggregate amount of the qualified investment for that taxable year reduced by the aggregate amount allowable as a deduction for that year for depreciation (or amortization in lieu thereof) with respect to section 38 property acquired prior to, and in service during, that taxable year."

SEC. 202. MODIFICATION OF CLASS LIFE SYSTEM.

Section 167(m)(1) (relating to class lives in general) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to property placed in service in any taxable year beginning after January 23, 1973."

SEC. 203. REPEAL OF RAPID AMORTIZATION PROVISIONS.

(a) The following sections are repealed:

(1) section 167(k) (relating to expenditures to rehabilitate low-income rental housing),

(2) section 168 (relating to amortization of emergency facilities),

(3) section 169 (relating to amortization of pollution control facilities),

(4) section 184 (relating to amortization of certain railroad rolling stock),

(5) section 187 (relating to amortization of certain coal mine safety equipment), and

(6) section 188 (relating to amortization of certain expenditures for on-the-job training and child care facilities).

(b) Section 48(a) (relating to definition of section 38 property) is amended by striking out paragraph (8).

SEC. 204. TERMINATION OF SPECIAL TREATMENT OF BAD DEBT RESERVES OF FINANCIAL INSTITUTIONS.

(a) Section 585 (relating to reserves for losses on loans of banks) is amended by adding at the end thereof the following new subsection:

"(c) NO SPECIAL ADDITIONS FOR YEARS AFTER 1974.—Subsection (b) shall not apply in the case of taxable years beginning after December 31, 1974, and the reasonable addition to the reserve for bad debts for any taxable year beginning after such date shall be computed under section 166(c) on the basis of the actual experience of the taxpayer."

(b) Section 593(b) (relating to addition to reserves for losses on loans of mutual savings banks and certain other financial organizations) is amended by adding at the end thereof the following new paragraph:

"(6) NO SPECIAL ADDITIONS FOR YEARS AFTER 1974.—This subsection (other than this paragraph) shall not apply in the case of taxable years beginning after December 31, 1974, and the reasonable addition to the reserve for bad debts for any taxable year beginning after such date shall be computed under section 166(c) on the basis of the actual experience of the taxpayer."

SEC. 205. REPEAL OF DEDUCTION FOR WESTERN HEMISPHERE CORPORATIONS.

(a) Section 921 (relating to Western Hemisphere trade corporations) is amended by—

(1) inserting "(a)" before the first word of the text of that section; and

(2) adding at the end thereof the following new subsection:

"(b) No corporation shall be treated as a Western Hemisphere trade corporation for any taxable year beginning after the date of enactment of the Tax Reform Act of 1973."

(b)(1) Section 170(b)(2) (relating to charitable deductions for corporations) is amended by striking out subparagraph (D).

(2) Section 172(d)(5) (relating to the net operating loss deduction) is amended by striking out "or under section 922 (relating to Western Hemisphere trade corporations)".

(3) Section 1503 (relating to consolidated returns) is amended by striking out subsection (b), and deleting "(a) GENERAL RULE.—" from such section.

(4) Section 1562(b)(4) (relating to multiple surtax exemptions) is amended by—

(1) inserting "and" before "804(a)(3) (relating to deductions for partially tax-exempt utilities)" and

(2) striking out "and 922 (relating to special deduction for Western Hemisphere trade corporations)".

SEC. 206. TAXATION OF EARNINGS AND PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

(a) Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by inserting after subpart H thereof the following new subpart:

"Subpart I—Controlled Foreign Corporations

"Sec. 985. Amounts included in gross income of United States shareholders.

"Sec. 986. Definitions.

"Sec. 987. Rules for determining stock ownership.

"Sec. 988. Exclusion from gross income of previously taxed earnings and profits.

"Sec. 989. Adjustments to basis of stock in controlled foreign corporations and of other property.

"Sec. 990. Records and accounts of United States shareholders.

"SEC. 985. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNTS INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation who owns (within the meaning of section 987(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its taxable year in which or with which such taxable year of the corporation ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) PRO RATA SHARE OF EARNINGS AND PROFITS.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 987(a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the amount determined under subparagraph (A), as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 987(a)) such stock bears to the entire year.

"(b) EARNINGS AND PROFITS.—For purposes of this subpart, under regulations prescribed by the Secretary or his delegate, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporation for any prior taxable year beginning after the date of the enactment of the Tax Reform Act of 1973,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) COORDINATION WITH ELECTION OF A FOREIGN INVESTMENT COMPANY TO DISTRIBUTE INCOME.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) COORDINATION WITH FOREIGN PERSONAL HOLDING COMPANY PROVISIONS.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"SEC. 986. DEFINITIONS.

"(a) UNITED STATES SHAREHOLDER DEFINED.—For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a domestic corporation which owns (within the meaning of section 987(a)), or is considered as owning by applying the rules of ownership of section 987(b), 1 percent or more of the total value or total combined voting power of all classes of stock.

"(b) CONTROLLED FOREIGN CORPORATION DEFINED.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 987(a)), or is considered as owned by applying the rules of ownership of section 987(b), by United States shareholders on any day during the taxable year of such foreign corporation.

"SEC. 987. RULES FOR DETERMINING STOCK OWNERSHIP.

"(a) DIRECT AND INDIRECT OWNERSHIP.—

"(1) GENERAL RULE.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) STOCK OWNERSHIP THROUGH FOREIGN ENTITIES.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly or indirectly, by or for a foreign corporation or foreign estate (within the meaning of section 7701(a)(31)) or by or for a partnership or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) CONSTRUCTIVE OWNERSHIP.—For purposes of section 986, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any domestic corporation as a United States shareholder within the meaning of section 986(a), or to treat a foreign corporation as a controlled foreign corporation under section 986(b), except that—

"(1) in applying subparagraphs (A), (B), and (C) of section 318(a)(2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote for a corporation, it shall be considered as owning all of the stock entitled to vote, and

"(2) in applying subparagraph (C) of section 318(a)(2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in paragraph (C).

"SEC. 988. EXCLUSION FROM GROSS INCOME OF PREVIOUSLY TAXED EARNINGS AND PROFITS

(a) EXCLUSION FROM GROSS INCOME.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when such amounts are distributed directly, or indirectly through a chain of ownership described under section 987(a), to—

"(1) such shareholder (or any domestic corporation which acquires from any person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of such interest as the Secretary or his delegate may by regulations prescribe), or

"(2) a trust (other than a foreign trust) of which such shareholder is a beneficiary.

be again included in the gross income of such United States shareholder (or of such domestic corporation or of such trust).

"(b) EXCLUSION FROM GROSS INCOME OF CERTAIN FOREIGN SUBSIDIARIES.—For purposes of section 985(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 985(a), shall not, when distributed through a chain of ownership described under section 987(a), be also included in the gross income of another controlled foreign corporation in such chain for purposes of the application of section 985(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary or his delegate may prescribe by regulations).

"(c) ALLOCATION OF DISTRIBUTIONS.—For purposes of subsections (a) and (b), section 316(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 985(a), and

"(2) then to other earnings and profits.

"(d) DISTRIBUTIONS EXCLUDED FROM GROSS INCOME NOT TO BE TREATED AS DIVIDENDS.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"SEC. 989. ADJUSTMENTS TO BASIS OF STOCK IN CONTROLLED FOREIGN CORPORATIONS AND OF OTHER PROPERTY.

"(a) INCREASE IN BASIS.—Under regulations prescribed by the Secretary or his delegate, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 987(a)(2) as owning stock of a controlled foreign corporation, shall be increased by the amount required to be included in its gross income under section 985(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) REDUCTION IN BASIS.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary or his delegate, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 988(a) shall be reduced by the amount so excluded.

"(2) AMOUNT IN EXCESS OF BASIS.—To the extent that an amount excluded from gross income under section 988(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"SEC. 990. RECORDS AND ACCOUNTS OF UNITED STATES SHAREHOLDERS.

"(a) RECORDS AND ACCOUNTS TO BE MAINTAINED.—The Secretary or his delegate may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) TWO OR MORE PERSONS REQUIRED TO MAINTAIN OR FURNISH THE SAME RECORDS AND ACCOUNTS WITH RESPECT TO THE SAME FOREIGN CORPORATION.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary or his delegate may by regulations provide that the maintenance or furnishing of such records and accounts by only one such person shall satisfy the requirements of subsection (a) for such other persons."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 864(c)(4)(D) is amended to read as follows:

"(D) No income from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States if it consists of dividends, interest, or royalties paid by a foreign corporation in which the taxpayer owns (within the meaning of section 958(a)), or is considered as owning (by applying the ownership rules of section 958(b)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote."

(2) Section 951 is amended by adding at the end thereof the following:

"(e) TAXABLE YEARS ENDING AFTER ENACTMENT OF THE TAX REFORM ACT OF 1973.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii), or paragraph (1)(B) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after the date of the enactment of the Tax Reform Act of 1973."

(3) Section 1016(a)(20) is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 990".

(4) Section 1246 (a)(2)(B) is amended by inserting "or 985" after "section 951" and by inserting "or 988" after "section 959".

(5) Section 1248 is amended—

(A) by striking out subsection (b);

(B) by amending subsection (d)(1) to read as follows:

"(1) AMOUNTS INCLUDED IN GROSS INCOME UNDER SECTION 951 OR 985.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 985, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 988.":

(C) by striking out in subsection (d)(3) "section 902(d)" and inserting in lieu thereof "subsection (h)", and by adding at the end of such subsection "No amount shall be excluded from the earnings and profits of a foreign corporation under this paragraph with respect to any United States person which is a domestic corporation for any taxable year of such foreign corporation ending after the enactment of this Act"; and

(D) by adding at the end thereof the following:

"(h) LESS DEVELOPED COUNTRY CORPORATION DEFINED.—For purposes of this section, the term 'less developed country corporation' means—

"(1) a foreign corporation which, for its taxable year, is a less developed country corporation within the meaning of section 955(c) (1) or (2), and

"(2) a foreign corporation which owns 10 percent or more of the total combined voting power of all classes of stock entitled to vote of a foreign corporation which is a less developed country corporation within the meaning of section 955(c)(1), and—

"(A) 80 percent or more of the gross income of which for its taxable year meets the requirement of section 955(c)(1)(A); and

"(B) 80 percent or more in value of the assets of which on each day of such year consists of property described in section 955(c)(1)(B)."

(c) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply with respect to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.

(2) The amendments made by subsection (b)(4) shall apply with respect to sales or exchanges occurring in taxable years beginning after the date of the enactment of this Act.

SEC. 207. TERMINATION OF SPECIAL TAX TREATMENT FOR DOMESTIC INTERNATIONAL SALES CORPORATIONS.

(a) Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after the date of the enactment of the Tax Reform Act of 1973."

(b) Section 992(a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—Notwithstanding any other provision of this part, no corporation shall be treated as a DISC or former DISC for any taxable year beginning after the date of the enactment of the Tax Reform Act of 1973."

SEC. 208. CAPITAL GAINS.

Section 1201(a) (relating to corporations) is amended to read as follows:

"(a) CORPORATIONS.—If for any taxable year a corporation has a net section 1201 gain, then, in lieu of the tax imposed by sections 11, 511, 821 (a) or (c), and 831(a), there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of a tax computed on the taxable income reduced by the amount of the net section 1201 gain, at the rates and in the manner as if this subsection had not been enacted, plus 35 percent of the net section 1201 gain for that taxable year."

SEC. 209. CLERICAL AMENDMENT.

The subpart analysis of part III of subchaper N of chapter 1 is amended by adding at the end thereof the following:

"Subpart H. Income of certain nonresident United States citizens subject to foreign community property laws.

"Subpart I. Controlled foreign corporations.".

SEC. 210. EFFECTIVE DATE.

Except as otherwise provided, the amendments and repeals made by this title shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE III—AMENDMENTS AFFECTING INDIVIDUALS AND CORPORATIONS

SEC. 301. REAL PROPERTY.

(a) Section 167(j) (relating to special rules for section 1250 property) is amended to read as follows:

"(j) SECTION 1250 PROPERTY.—

"(1) GENERAL RULE.—In the case of section 1250 property (as defined in section 1250 (c)), subsection (b) shall not apply and the term 'reasonable allowance' as used in subsection (a) means an allowance, computed in accordance with regulations prescribed by the Secretary or his delegate, under the straight line method.

"(2) CHANGE IN METHOD OF DEPRECIATION.—Any change in the computation of the allowance for depreciation required by reason of the application of paragraph (1) shall not be considered a change in method of accounting.

"(3) LIMITATION BASED ON TAXPAYER'S EQUITY.—In the case of section 1250 property, the deduction for depreciation for the taxable year with respect to such property shall not be allowed to the extent it would reduce the adjusted basis of the property at the end of the year below an amount equal to any mortgage indebtedness at the end of the year on the property minus the adjusted basis of the land allocable to such property.

"(4) CARRYOVER OF UNUSED DEPRECIATION.—If the amount of depreciation determined with respect to property to which this subsection applies for any taxable year exceeds the limitation provided by paragraph (3) for that year (hereinafter referred to as the 'unused deduction year'), such excess shall be a depreciation deduction carryover to succeeding taxable years. The amount of the unused deduction shall first be carried over to the taxable year next following the unused deduction year, and then carried over to each succeeding taxable year to the extent that, because of the limitation contained in paragraph (3), such unused deduction may not be used for a prior taxable year to which it might have been carried. The amount of the unused deduction which may be added under this paragraph to any taxable year succeeding the unused deduction year shall not exceed the amount by which the maximum amount allowable under the limitation provided by paragraph (3) exceeds the sum of—

"(A) the deduction allowable under subsection (a) and this subsection for section 1250 property, and

"(B) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and attributable to taxable years preceding the unused deduction year."

(b) Part IX of subchapter B of chapter 1 relating to items not deductible) is amended by adding after section 279 the following new section:

"SEC. 280. INTEREST AND TAXES ON INVESTMENT REAL PROPERTY.

"(a) INTEREST AND TAXES DURING CONSTRUCTION OF REAL PROPERTY.—No deduction shall be allowed for interest and real property taxes paid or incurred in respect of investment real property which is under construction. The interest and real property taxes so paid or incurred shall be charged to capital account.

"(b) INTEREST AND TAXES ON UNDEVELOPED REAL PROPERTY.—No deduction shall be allowed for interest on real property taxes paid or incurred in respect of investment real property acquired for the purpose of development (other than for use as the taxpayer's residence or for use in his trade or business). The interest or real property taxes so paid or incurred shall be charged to capital account.

"(c) COMMERCIAL AND RESIDENTIAL REAL PROPERTY.—For purposes of this section, property used for commercial or residential purposes by any person other than the taxpayer shall be treated as property held for investment and not as property used in a trade or business, unless the taxpayer furnishes substantial services in connection with the use of the property."

(c)(1) Section 1250 (relating to gain from dispositions of certain depreciable realty) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) ORDINARY INCOME.—Except as otherwise provided in this section, if section 1250 property is disposed of after the date of the enactment of the Tax Reform Act of 1973, the amount by which the lower of—

"(1) the recomputed basis of the property, or

"(2)(A) in the case of a sale, exchange, or involuntary conversion, the amount realized, or

"(B) in the case of any other disposition, the fair market value of such property,

exceeds the adjusted basis of such property shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231. Such gain shall be recognized notwithstanding any other provision of this subtitle.

"(b) RECOMPUTED BASIS.—For purposes of this section, the term 'recomputed basis' with respect to any property means its adjusted basis recomputed by adding thereto all adjustments, attributable to periods after December 31, 1963, reflected in such adjusted basis on account of deductions (whether in respect of the same or other property) allowed or allowable to the taxpayer or to any other person for depreciation or amortization (other than amortization under section 168, 169, 185, or 188). For purposes of the preceding sentence, if the taxpayer can establish by adequate records or other suffi-

cient evidence that the amount allowed as a deduction for any period was less than the amount allowable, the amount taken into account for such period shall be the amount allowed."

(2) Section 1250(d) (relating to exceptions and limitations) is amended—

(A) by striking out paragraph (4)(E),

(B) by striking out paragraph (6)(B),

(C) by striking out paragraph (8)(D), and

(D) by striking out paragraph (8)(E).

(3) Section 1250 is further amended by striking out subsection (e) (relating to holding period), subsection (f) (relating to treatment of separate elements), and subsection (g) (relating to special rules for low-income housing).

(d) The Secretary of the Treasury or his delegate shall review the useful lives assigned to real property for purposes of determining depreciation allowable under section 167 of the Internal Revenue Code of 1954 (relating to depreciation) with respect to such property and determine whether the lives so assigned should in any cases, be reduced.

(e)(1) Except as provided in paragraph (2), the amendments made by this section shall apply with respect to property acquired by the taxpayer after January 23, 1973, or the construction, reconstruction, or erection of which is begun after such date.

(2) The amendments made by this section shall not apply to property described in paragraph (1) if such property was acquired, constructed, reconstructed, or erected after January 23, 1973, pursuant to a binding contract into which the taxpayer has entered before January 24, 1973.

SEC. 302. INTANGIBLE DRILLING AND DEVELOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS; INTANGIBLE EXPLORATION AND DEVELOPMENT COSTS IN THE CASE OF MINING PROPERTY.

(a) Section 263(c) (relating to the deduction of intangible drilling and development costs) is repealed.

(b)(1) Section 263 (a)(1)(A) (relating to expenditures for the development of mines or deposits) is amended to read as follows:

"(A) expenditures deductible under section 616 or 617,".

(2)(A) Section 616 (relating to development expenditures) is amended by adding at the end thereof the following new subsection:

"(d) TERMINATION OF DEDUCTION.—No deduction shall be allowed under this section for any expenditure paid or incurred in any taxable year beginning atfer the date of enactment of the Tax Reform Act of 1973."

(B) Section 617 (relating to deduction and recapture of certain mining exploration expenditure) is amended by adding at the end thereof the following new subsection:

"(i) TERMINATION OF DEDUCTION.—No deduction shall be allowed under this section for any expenditure paid or incurred in any taxable year beginning after the date of enactment of the Tax Reform Act of 1973."

(c) Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1254. GAIN FROM DISPOSITION OF CERTAIN OIL, GAS, OR MINERAL PROPERTY.

"(a) GENERAL RULE.—

"(1) ORDINARY INCOME.—Except as otherwise provided in this section, if oil, gas, or mineral property is disposed of during a taxable year beginning after the date of the enactment of the Tax Reform Act of 1973 the amount by which the lower of—

"(A) the cost of the property, or

"(B)(i) in the case of a sale, exchange, or involuntary conversion, the amount realized, or

"(ii) in the case of any other disposition, the fair market value of such property.

exceeds the adjusted basis of such property shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231. Such gain shall be recognized notwithstanding any other provision of this subtitle.

"(2) OIL, GAS, OR MINERAL PROPERTY.—For purposes of this section, the term 'oil, gas, or mineral property' means property as defined in section 614 (relating to definition of property).

"(b) EXCEPTIONS AND LIMITATIONS.—Under regulations prescribed by the Secretary or his delegate, rules similar to the provisions of section 1245(b) shall apply for purposes of subsection (a).

"(c) ADJUSTMENTS TO BASIS.—The Secretary or his delegate shall prescribe such regulations as he may deem necessary to provide for adjustments to the basis of property to reflect gain recognized under subsection (a).

"(d) APPLICATION OF SECTION.—This section shall apply notwithstanding any other provision of this subtitle."

SEC. 303. TAX SHELTER FARM LOSSES.

(a) Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding after section 280 (as added by section 301(b) of this Act) the following new section:

"SEC. 280A. LIMITATION ON DEDUCTIONS ATTRIBUTABLE TO FARMING.

"(a) GENERAL RULE.—In the case of a taxpayer engaged in the business of farming, the deductions attributable to such business which, but for this section, would be allowable under this chapter for the taxable year shall not exceed the sum of—

"(1) the gross income derived from the business of farming for such taxable year, and

"(2) in the case of an individual, the higher of (A) $15,000, or (B) the amount of the special deductions (as defined in subsection (e)(1)) for the taxable year, or

"(3) in the case of any other taxpayer, the amount of the special deductions for the taxable year.

For purposes of this subsection, the term 'individual' does not include a trust.

"(b) MARRIED INDIVIDUALS AND MEMBERS OF CONTROLLED GROUPS.—

"(1) MARRIED INDIVIDUALS.—In the case of a husband and wife who file a separate return, the $15,000 amount specified in subsection (a) shall be $7,500. The preceding sentence shall not apply if the spouse of the taxpayer does not have any income or deductions attributable to the business of farming for the taxable year.

"(2) MEMBERS OF CONTROLLED GROUPS.—In the case of a controlled group of corporations (as defined in section 1563(a)) the $15,000 amount specified in subsection (a) shall be divided equally among the component members of such group unless all component members consent (at such time and in such manner as the Secretary or his delegate prescribes by regulations) to an apportionment plan providing for an unequal allocation of such amounts.

"(c) EXCEPTION FOR TAXPAYERS USING CERTAIN ACCOUNTING METHODS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to a taxpayer who elects to compute taxable income from farming (A) by using inventories, and (B) by charging to capital account all expenditures paid or incurred which are properly chargeable to capital account (including such expenditures which the taxpayer may, under this chapter or regulations prescribed thereunder, otherwise treat or elect to treat as expenditures which are not chargeable to capital account).

"(2) TIME, MANNER, AND EFFECT OF ELECTION.—An election under paragraph (1) for any taxable year shall be filed within the time prescribed by law (including extensions thereof) for filing the return for such taxable year, and shall be made and filed in such manner as the Secretary or his delegate shall prescribe by regulations. Such election shall be binding on the taxpayer for such taxable year and for all subsequent taxable years and may not be revoked except with the consent of the Secretary or his delegate.

"(3) CHANGE OF METHOD OF ACCOUNTING, ETC.—If, in order to comply with the election made under paragraph (1), a taxpayer changes his method of accounting in computing taxable income from the business of farming, such change shall be treated as having been made with the consent of the Secretary or his delegate and for purposes of section 481(a)(2) shall be treated as a change not initiated by the taxpayer.

"(d) CARRYOVER OF FARM OPERATING LOSSES.—The amount not allowed as deductions by reason of subsection (a) for any taxable year shall be treated as a deduction attributable to the business of farming for each succeeding taxable year (to the extent not allowed as a deduction under this subsection for any prior taxable year), except that the amount so treated shall be allowable as a deduction for any such succeeding taxable year only in an amount not to exceed the amount by which—

"(1) the gross income derived from the business of farming for such succeeding taxable year exceeds

"(2) the deductions allowable by this chapter (computed without regard to this subsection) for such succeeding taxable year which are attributable to the business of farming.

"(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) SPECIAL DEDUCTIONS.—The term 'special deductions' means the deductions allowable under this chapter which are attributable to the business of farming and which are attributable to—

"(A) taxes,

"(B) interest,

"(C) losses arising from fire, storm, or other casualty, or from abandonment or theft,

"(D) losses and expenses directly attributable to drought, and

"(E) recognized losses from sales, exchanges, and involuntary conversions.

"(2) INCOME AND DEDUCTIONS.—The determination of whether any item of income is derived from the business of farming and whether any deduction is attributable to the business of farming shall be made under regulations prescribed by the Secretary or his delegate, but gains or losses which for the taxable year are treated under section 1231(a) (after the application of section 1245) as gains and losses from sales or exchanges of capital assets held for more than six months shall not be taken into account.

"(3) BUSINESS OF FARMING.—

"(A) HORSERACING.—In the case of a taxpayer engaged in the raising of horses, the business of farming includes the racing of horses.

"(B) SEVERAL BUSINESSES OF FARMING.—If a taxpayer is engaged in more than one business of farming, all such businesses shall be treated as one business.

"(C) RELATED INTEGRATED BUSINESSES.—If a taxpayer is engaged in the business of farming and is also engaged in one or more businesses which are directly related to his business of farming and are conducted on an integrated basis with his business of farming, the taxpayer may elect to treat all such businesses as a single business of farming. An election under this paragraph shall be made in such manner, at such time, and subject to such conditions as the Secretary or his delegate may prescribe by regulations.

"(4) PARTNERSHIPS.—A business of farming carried on by a partnership shall be treated

as carried on by the members of such partnership in proportion to their interest in such partnership."

(b) Section 1251(b)(2) (relating to additions to excess deductions account) is amended by adding at the end thereof the following new subparagraph:

"(E) TERMINATION.—Subparagraph (A) shall not apply to any taxable year beginning after the date of the enactment of the Tax Reform Act of 1973."

SEC. 304. REDUCTION IN PERCENTAGE DEPLETION.

(a) Section 613(a) (relating to percentage depletion) is amended by striking out "50 percent" and inserting in lieu thereof "40 percent".

(b) Section 613(b) (relating to percentage depletion rates) is amended—

(1) by striking out "22 percent" and inserting in lieu thereof "17.6 percent",

(2) by striking out "15 percent" and inserting in lieu thereof "12 percent",

(3) by striking out "14 percent" each place it appears and inserting in lieu thereof "11.2 percent",

(4) by striking out "10 percent" and inserting in lieu thereof "8 percent",

(5) by striking out "7½ percent" and inserting in lieu thereof "6 percent", and

(6) by striking out "5 percent" and inserting in lieu thereof "4 percent".

SEC. 305. INCOME FROM SOURCES WITHIN UNITED STATES POSSESSIONS.

Section 931 (relating to income from sources within possessions of the United States) is amended by adding at the end thereof the following new subsection:

"(j) TERMINATION.—This section generally shall not apply with respect to taxable years beginning after the date of enactment of the Tax Reform Act of 1973, but it shall continue to apply to taxable years ending before January 1, 1984, in the case of any domestic corporation which qualified before such date of enactment under this section with respect to a trade or business conducted within a possession of the United States, but only with respect to income from that trade or business."

SEC. 306. FOREIGN TAX CREDIT.

(a) Section 902(d) (relating to definition of less developed country corporation) is amended by adding at the end thereof the following new sentence: "No foreign corporation shall be treated as a less developed country corporation for any of its taxable years which begin after the date of enactment of the Tax Reform Act of 1973."

(b) Section 904 (relating to limitation on credit) is amended by—

(1) striking out subsections (a), (b), (e), and (f)(3),

(2) redesignating subsections (f) and (g) as (e) and (f), respectively, and

(3) inserting before subsection (c) the following new subsections:

"(a) IN GENERAL.—The amount of the credit in respect of the tax paid or accrued to any foreign country or possession of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources within such country or possession (but not in excess of the taxpayer's entire taxable income) bears to his entire taxable income for the taxable year.

"(b) SPECIFIC SOURCE RULE.—For purposes of applying subsection (a), the source of income shall be determined under regulations prescribed by the Secretary or his delegate."

SEC. 307. CLERICAL AMENDMENTS.

(a) The section analysis of part IX of subchapter B of chapter 1 is amended by adding at the end thereof the following:

"Sec. 280. Interest and taxes on investment real property.

"Sec. 280A. Limitation on deductions attributable to farming."

(b) The section analysis of part IV of subchapter P of chapter 1 is amended by adding at the end thereof the following:

"Sec. 1254. Gain from disposition of certain oil, gas, or mineral property."

SEC. 308. EFFECTIVE DATE.

Except as otherwise provided the amendments and repeals made by this title shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE IV—ESTATE AND GIFT TAX AMENDMENTS

SEC. 401. INTEGRATION OF ESTATE AND GIFT TAXES.

(a) Section 2001 (relating to rate of estate tax) is amended to read as follows:

"SEC. 2001. IMPOSITION OF TAX.

"(a) GENERAL RULE.—A tax computed in accordance with the following table is hereby imposed on the transfer of the taxable estate (determined as provided in section 2051) of every decedent, citizen or resident of the United States:

"If the taxable estate is:	The tax is:
Not over $15,000	20% of the taxable estate.
Over $15,000 but not over $30,000	$3,000, plus 24% of excess over $15,000.
Over $30,000 but not over $50,000	$6,600, plus 27% of excess over $50,000.
Over $50,000 but not over $75,000	$12,000, plus 30% of excess over $50,000.
Over $75,000 but not over $120,000	$19,500, plus 33% of excess over $75,000.
Over $120,000 but not over $175,000	$34,350, plus 37% of excess over $120,000.
Over $175,000 but not over $250,000	$54,700, plus 40% of excess over $175,000.
Over $250,000 but not over $350,000	$84,700, plus 44% of excess over $250,000.
Over $350,000 but not over $475,000	128,700, plus 47% of excess over $350,000.
Over $475,000 but not over $625,000	$187,450, plus 50% of excess over $475,000.
Over $625,000 but not over $800,000	$262,450, plus 53% of excess over $625,000.
Over $800,000 but not over $1,000,000	$355,200, plus 57% of excess over $800,000.
Over $1,000,000 but not over $1,250,000	$469,200, plus 60% of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$619,200, plus 63% of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$776,700, plus 66% of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$1,106,700, plus 69% of excess over $2,000,000.
Over $2,500,000 but not over $3,500,000	$1,451,700, plus 72% of excess over $2,500,000.
Over $3,500,000 but not over $5,000,000	$2,171,700, plus 76% of excess over $3,500,000.
Over $5,000,000	$3,311,700, plus 80% of excess over $5,000,000.

"(b) ESTATES OF DECEDENTS WHO MADE TAXABLE GIFTS AFTER TAX REFORM ACT OF 1973.—

"(1) IN GENERAL.—In the case of the estate of a decedent, citizen, or resident of the United States who made taxable gifts (within the meaning of section 2503) during a calendar quarter beginning after the date of the enactment of the Tax Reform Act of 1973, there is hereby imposed on the transfer of the taxable estate of such decedent a tax equal to the excess of—

"(A) a tax computed in accordance with the rate schedule set forth in subsection (a) on the amount of the taxable estate (determined as provided in section 2501) increased by the amount of the adjusted inter vivos gifts (determined as provided in paragraph (2)), over

"(B) a tax computed in accordance with such rate schedule on the amount of such adjusted inter vivos gifts as if the taxable estate were equal to such amount.

"(2) ADJUSTED INTER VIVOS GIFTS.—For purposes of paragraph (1), the term 'adjusted inter vivos gifts' means the sum of (A) the amount of taxable gifts (within the meaning of section 2503) made by the decedent on or after the first day of the first calendar quarter beginning after the date of the enactment of the Tax Reform Act of 1973, and (B) the amount of gift taxes, imposed by chapter 12 and paid by the decedent on such taxable gifts, minus the amount (if any) in respect of any gift included in such taxable gifts which is required to be included in the value of the gross estate of the decedent in computing his taxable estate."

(b) Section 2052 (relating to exemption in computing taxable estate) is amended by striking out "exemption of $60,000" and inserting in lieu thereof "exemption of $25,000, less the aggregate of the amounts claimed and allowed as specific exemption to the decedent under section 2521 (relating to specific exemption in computing taxable gifts)".

(c) The rate schedule contained in section 2502(a) (relating to rate of gift tax) is amended to read as follows:

"RATE SCHEDULE

"If the taxable gift is:	The tax is:
Not over $15,000	20% of the taxable gifts.
Over $15,000 but not over $30,000	$3,000, plus 24% of excess over $15,000.
Over $30,000 but not over $50,000	$6,600, plus 27% of excess over $30,000.
Over $50,000 but not over $75,000	$12,000, plus 30% of excess over $50,000.
Over $75,000 but not over $120,000	$19,500, plus 33% of excess over $75,000.
Over $120,000 but not over $175,000	$34,500, plus 37% of excess over $120,000.
Over $175,000 but not over $250,000	$54,700, plus 40% of excess over $175,000.
Over $250,000 but not over $350,000	$84,700, plus 44% of excess over $250,000.
Over $350,000 but not over $475,000	$128,700, plus 47% of excess over $350,000.
Over $475,000 but not over $625,000	$187,450, plus 50% of excess over $475,000.
Over $625,000 but not over $800,000	$262,450, plus 53% of excess over $625,000.
Over $800,000 but not over $1,000,000	$355,200, plus 57% of excess over $800,000.
Over $1,000,000 but not over $1,250,000	$469,200, plus 60% of excess over $1,000,000.
Over $1,250,000 but not over $1,500,000	$619,200, plus 63% of excess over $1,250,000.
Over $1,500,000 but not over $2,000,000	$776,700, plus 66% of excess over $1,500,000.
Over $2,000,000 but not over $2,500,000	$1,106,700, plus 69% of excess over $2,000,000.
Over $2,500,000 but not over $3,500,000	$1,451,700, plus 72% of excess over $2,500,000.
Over $3,500,000 but not over $5,000,000	$2,171,700, plus 76% of excess over $3,500,000.
Over $5,000,000	$3,311,700, plus 80% of excess over $5,000,000."

(d) Section 2521 (relating to specific exemption in computing taxable gifts) is amended by striking out "$30,000" and inserting in lieu thereof "$25,000".

(e) The amendments made by subsections (a) and (b) shall apply with respect to decedents dying after the date of the enactment of this Act. The amendments made by subsections (c) and (d) shall apply with respect to gifts made on or after the first day of the first calendar quarter which commences after the date of the enactment of this Act.

SEC. 402. INCREASES IN ESTATE TAX MARITAL DEDUCTION.

(a) Section 2056(c) (relating to limitation of aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

(b) The amendment made by subsection (a) shall apply with respect to decedents dying after the date of enactment of this Act.

SEC. 403. GENERATION-SKIPPING TRANSFERS.

(a) Subchapter A of chapter 11 (relating to estates of citizens or residents) is amended by inserting after part IV the following new part:

"PART V—GENERATION-SKIPPING TRANSFERS

"Sec. 2060. Imposition of tax.
"Sec. 2061. Transfers in trust.
"Sec. 2062. Election by skipped generation.
"Sec. 2063. Generation-skipping defined.

"SEC. 2060. IMPOSITION OF TAX.

"(a) IN GENERAL.—A tax is hereby imposed on the transfer of that portion of the taxable estate (determined under section 2051) of every decedent to which this subchapter applies which consists of a generation-skipping transfer (as defined in section 2063).

"(b) RATE OF TAX.—The rate of the tax imposed by subsection (a) shall be 60 percent of the highest rate of tax imposed on the taxable estate under section 2001.

"(c) PARENTS OF TRANSFEREE DECEASED.—If a transferee has no living parents at the date of the decedent's death, the rate of the tax imposed by subsection (a) with respect to transfers to such person shall be the lower of—

"(1) the highest rate of tax imposed under section 2001 on the estate of the last surviving parent, or

"(2) the rate determined under subsection (b) of this section.

This subsection shall apply only if distributions to such parent would not be a generation-skipping transfer.

"SEC. 2061. TRANSFERS IN TRUST.

"(a) IN GENERAL.—If an election is not made under section 2063(b) and as of the beginning of any calendar year there are no survivors among the persons described in subsection (b), then a tax shall be imposed on the trust at the rate determined under section 2060 (b) or (c), whichever is applicable. The tax under this section may be imposed on more than one occasion, and in applying section 2060(c) the date the tax is imposed shall be substituted for the date of the decedent's death.

"(b) PERSONS REFERRED TO.—The persons referred to in subsection (a) are the settlor, his children, and any beneficiaries of the trust to whom a distribution would not be a generation-skipping transfer. Once a tax is imposed under this section the persons referred to in subsection (a) are beneficiaries of the trust described in paragraph (2) or (3) of section 2063(c), whichever is applicable.

"SEC. 2062. ELECTION BY SKIPPED-GENERATION.

"(a) IN GENERAL.—The tax imposed by section 2060 or 2061 shall not be imposed to the extent that a distribution to a parent of the transferee would not be a generation-skipping transfer and such parent elects to have any property treated as transferred to him and retransferred to the actual transferee. In applying this part, a person making such election shall be treated as the transferor of the property.

"(b) TIME FOR ELECTION.—An election under subsection (a) shall be made on a transfer tax return for the period in which the decendent's death has occurred and must be made on or before the due date for filing the estate tax return under section 6075 (including extensions).

"(c) TRUSTS.—In the case of a transfer in trust, an election under subsection (a) may, under regulations prescribed by the Secretary or his delegate, be made at any time before the due date of the tax under section 2060 or section 2061. Such election is effective only to the extent the trust property is distributed or is vested in the electing person and his descendants.

"SEC. 2063. GENERATION-SKIPPING DEFINED.

"(a) IN GENERAL.—A generation-skipping transfer is a distribution to a person other than—

"(1) a child of the transferor,

"(2) a brother or sister of the transferor (by whole or half blood),

"(3) a child of an individual described in paragraph (2),

"(4) an ancestor of the transferor,

"(5) a spouse of any of the persons described in paragraph (1), (2), (3), or (4) or of the transferor,

"(6) a person who is older than the transferor or is less than 25 years younger than the transferor, or

"(7) an organization which is exempt from taxation by reason of section 501.

"(b) TRANSFERS IN TRUST.—A transfer in trust is not a generation-skipping transfer unless the decedent by will directs that it be so treated.

"(c) DISTRIBUTIONS BY TRUSTS.—

"(1) IN GENERAL.—Distributions from a trust made after the death of the grantor which would be generation-skipping transfers if made directly by the grantor of the trust shall be considered generation-skipping transfers. The rate of tax shall be determined under section 2060, except that, in applying section 2060(c), the date of the trust distribution shall be substituted for the date of the decedent's death. The tax shall be withheld from the distribution by the trustee.

"(2) TRUST SUBJECT TO TAX.—If the trust has been subject to tax under section 2061, then distributions to the following persons shall not be considered generation-skipping transfers:

"(A) grandchildren of the transferor,

"(B) grandchildren of the transferor's brother or sister (of the whole or half blood),

"(C) a spouse of any of the persons described in subparagraphs (A) or (B), and

"(D) a person who is less than 50 years younger than the transferor.

"(3) MULTIPLE TAX ON TRUST.—Under regulations prescribed by the Secretary or his delegate, rules similar to those prescribed by paragraph (2) shall apply in determining the extent of generation-skipping transfers in the event a trust is subject to tax under section 2061 on more than one occasion."

(b) Section 2512 (relating to valuation of gifts) is amended by inserting after subsection (b) the following new subsections:

"(c) In the case of a generation-skipping transfer (as defined in section 2063(a)) the amount of the gift shall be considered to be 160 percent of the value determined under subsection (a). A transfer in trust shall not be considered a generation-skipping transfer unless the donor so elects on his return. Distributions from a trust during the lifetime of the donor which are generation-skipping transfers under section 2063(c) shall be considered a transfer by the donor in an amount equal to 60 percent of the value of the trust distribution.

"(d) Subsection (c) shall not apply if—

"(1) a transfer to a parent of the transferee would not be a generation-skipping transfer and such parent elects on or before the due date of the donor's return to have the property treated as transferred to him and retransferred to the actual transferee, or

"(2) the transferee has no living parent at the time of the gift and the donor elects to treat the transfer as a transfer to the last surviving parent. In such case a tax at the highest rate of tax imposed under section 2001 on the estate of such parent shall be payable by the donor and deducted from the amount of the gift. This paragraph shall apply only if a gift to such parent would not be a generation-skipping distribution."

(c) The amendment made by subsection (a) shall apply with respect to decedents dying after the date of the enactment of this Act. The amendment made by subsection (b) shall apply with respect to transfers after such date.

SEC. 404. CLERICAL AMENDMENTS.

(a) The part analysis of subchapter A of Chapter 11 is amended by adding at the end thereof the following:

"Part V. Generation-skipping transfers.".

(b) The section analysis of Part I of subchaper A of chapter 11 is amended by striking out the item relating to section 2001 and inserting in lieu thereof the following:

"Sec. 2001. Imposition of tax.".

TITLE V—STATE AND LOCAL BONDS

SEC. 501. INTEREST ON CERTAIN GOVERNMENTAL OBLIGATIONS.

(a) Section 103 (relating to interest on certain governmental obligations) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) ELECTION TO ISSUE TAXABLE BONDS.—

"(1) SUBSECTION (a)(1) NOT TO APPLY.—The issuer of obligations described in subsection (a)(1) may elect to issue obligations to which subsection (a)(1) does not apply.

"(2) ELECTION.—The election described in paragraph (1) shall be made at such time, in such manner, and subject to such conditions as the Secretary or his delegate by regulation prescribes with respect to each issue of obligations to which it is to apply. An election with respect to any issue once made shall be irrevocable.

"(3) CROSS REFERENCE.—

"For provisions relating to the payment by the United States of one-half of the interest cost of an obligation which is part of an issue for which the election described in this subsection has been made, see section 502 of the Tax Reform Act of 1973."

(b) The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 502. UNITED STATES TO PAY 50 PERCENT OF INTEREST YIELD ON TAXABLE ISSUES

(a) There are appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this section; and such appropriations shall be deemed permanent annual appropriations.

(b) The Secretary of the Treasury or his delegate shall pay to the issuer 50 percent of the interest yield on each issue of obligations to which an election under section 103 (e) of the Internal Revenue Code of 1954 applies. For purposes of this section, the interest yield on any issue of obligations shall be determined immediately after such obligations are issued. Payment of any interest required pursuant to this subsection shall be made by the Secretary of the Treasury or his delegate not later than 10 days before the time at which the interest payment on the obligation is required to be made by the issuer.

(c) This section shall apply only to obligations which, but for an election under

section 103(e) of the Internal Revenue Code of 1954, would be obligations to which section 103(a)(1) of such Code applies.

(d) The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out this section.

By Mr. PROXMIRE:

S. 1440. A bill to assure that Federal housing assistance programs are carried out to the full extent authorized by Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, I am introducing a bill today which would direct the Secretary of Housing and Urban Development to cease the present suspension, or moratorium, on the several HUD programs which provide assistance to families of low and moderate income. These programs are the 235 and 236 interest assistance programs, the rent supplement program, and the public housing program.

As we all know, these programs were suspended without prior warning by the then Secretary of Housing and Urban Development, George Romney, on January 5 of this year. This action was taken without any consultation with the Congress and is, I believe, completely contrary to the expressed intent of the Congress that these very necessary programs be carried out to provide the housing so desperately needed by millions of low and moderate income families. This action was contrary to the national housing goals, of which I was the principal sponsor in 1968, to provide 26 million new or rehabilitated dwelling units in the 10-year period from 1968 to 1978 with 6 million of these units to be provided for low and moderate income families.

The excuses used by the administration to suspend these programs were that they were scandal ridden, ineffective, and not doing the job they were designed for. I thoroughly disagree with this assessment. While I, and many other Members of the Congress, recognize that there have been problems in connection with these programs, these problems have, as stated in a recent report by the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee, resulted due to faulty administration by the Department of Housing and Urban Development rather than to any inherent defects in the legislation. As that report indicated, while there are some legislative improvements needed, the programs are not inherently unworkable as some White House spokesmen have charged.

It is amazing that an administration, which a few short weeks prior to the declaration of the moratorium took credit for producing hundreds of thousands of decent dwelling units for low- and moderate-income families under these programs, should now claim that they are truly unworkable. I can only speculate that this action was taken, not because of some inherent defects in the programs, but instead at the expense of those low and moderate income families who most need help. Mr. President, this is inexcusable when we still have millions of families living in inadequate housing, who cannot obtain decent housing within their present limited resources.

I, as much as any other member of the Senate, am interested in achieving true economy in the operations of our Government. I believe that there are a good many changes that can be made in the existing programs to make them more efficient and less costly. I intend to work for such necessary changes and I would hope that the administration has the same intention. However, to make the flatout statement that the programs are not workable and new means of housing low- and moderate-income families must be found without any backup, and then to suspend these programs for as long as 18 months, is not the way to handle the problem. We should proceed with full use of the present programs to the extent authorized by Congress, while at the same time we study what alternative means are available to provide this much needed low- and moderate-income housing and act on such needed changes as quickly as possible.

I, therefore, introduce this bill to reinstitute HUD's 235, 236, rent supplement and public housing programs and to direct the Secretary of HUD to carry out these programs to the extent of the funds appropriated or otherwise authorized by the Congress. Mr. President at the same time I pledge myself to work diligently in cooperation with the administration to bring about such changes as are merited in these programs.

By Mr. WILLIAMS:

S. 1441. A bill to extend certain benefits to National Guard technicians, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes. Referred to the Committee on Post Office and Civil Service.

NATIONAL GUARD TECHNICIANS

Mr. WILLIAMS. Mr. President, I am pleased to introduce again this year a bill that would correct several inequities of the 1968 National Guard Technicians Act. Under that law, these technicians were granted status as Federal employees. However, they were not granted all of the benefits normally extended to Federal employees. My bill intends to correct those inequities.

Specifically, the legislation authorizes the Secretaries of the Army and Air Force to establish and implement a uniform merit promotion program for National Guard technicians. Another major provision is the guarantee of a retirement program which is at least equitable with those of other Federal employees. This retirement program would entitle a technician over 50 years of age with 20 years of service to an annuity if the Secretary of his branch of the military and the Civil Service Commission approves his retirement.

In addition, my legislation concerns other problems which these technicians have been facing. For example, a condition of serving as a National Guard technician is that the individual performs maintenance functions on the Guard's equipment during the week and must also meet all the other requirements of National Guardsmen. However, too frequently, State Adjutant Generals require that these people wear their uniforms at all times. I share the technicians' belief that this is excessive and have included in my bill a provision so that they would no longer be required to wear military uniforms during the week, when they are not actually serving on National Guard duty.

Furthermore, the bill extends to the technicians the right to appeal decisions by the State Adjutant Generals to the Civil Service Commission and it would make them eligible for overtime compensation pay.

Mr. President, I believe the inequities this bill is directed at are clear and the need for it are apparent. I am pleased that it has been endorsed by the National Federation of Federal Employees and hope that the Senate will investigate and resolve the problems which I have addressed today during this session of Congress.

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

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

S. 1441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 709 of title 32, United States Code, is amended by adding at the end thereof the following new sentence: "The Secretary of the Army and the Secretary of the Air Force shall jointly establish and implement a uniform merit promotion program for technicians which shall apply in all States and the Commonwealth of Puerto Rico."

(b) Subsection (d) of such section 709 is amended by adding at the end thereof the following new sentence: "A technician may not be required to wear a military uniform while performing duties within the scope of his employment as a technician."

(c) Subsection (e) of such section 709 is amended by inserting "and" after the semicolon at the end of paragraph (4), and by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) A right of appeal to the adjutant general of the jurisdiction concerned exists with respect to paragraph (1), (2), (3), or (4) and if such appeal is made the adjutant general concerned shall make a written record of his decision and his findings supporting such decision. The technician concerned may appeal the decision by the adjutant general concerned to the Civil Service Commission in the manner provided for under chapter 77 of title 5, United States Code, with respect to adverse decisions affecting employees in the civil service. The adjutant general concerned shall take the corrective action which the Civil Service Commission finally recommends."

(d)(1) Paragraph (1) of subsection (g) of such section 709 is amended—

(A) by striking out "Secretary concerned may" and inserting in lieu thereof "Secretary concerned shall," and

(B) by striking out "may be fixed on an annual basis" and inserting in lieu thereof "shall be fixed on an annual basis".

(2) Paragraph (1) of such subsection (g) is further amended by striking out the period at the end thereof and inserting in lieu thereof the following ", except that such additional compensation shall be paid if such unusual or irregular duty or work on nonworkdays exceeds an average of eight hours per week. For the purpose of computing additional compensation, a technican shall be credited with twenty-hour hours for each twenty-four-hour period he is required to be on duty."

(3) Subsection (g) of such section 709 is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding any other provision of law, any technician who is required to fulfill annual training requirements in order to qualify for his technician's position shall, during any calendar year, be granted appropriate military leave for the purpose of meeting such qualifications, and such military leave shall be in addition to any other annual military leave authorized by law or regulation in the case of such technician."

SEC. 2. (a) Section 8332(b) of title 5, United States Code, relating to creditable service for civil service retirement purposes, is amended by striking out the last sentence thereof which reads as follows: "Service referred to in paragraph (6) is allowable only in the case of persons performing service under section 709 of title 32, United States Code, on or after the effective date of the National Guard Technicians Act of 1968."

(b) Section 8334(c) of title 5, United States Code, relating to deposits for periods of creditable service for civil service retirement purposes, is amended by striking out the last sentence thereof which reads as follows: "Notwithstanding the foregoing provisions of this subsection, the deposit with respect to a period of service referred to in section 8332(b)(6) which was performed prior to the effective date of the National Guard Technicians Act of 1968 shall be an amount equal to 55 per centum of a deposit computed in accordance with such provisions.".

(c) Section 8336 of title 5, United States Code, is amended by adding the following new subsection at the end thereof:

"(h) A person performing service under section 709 of title 32, United States Code, who is separated from such service after becoming fifty years of age and completing twenty years of service in the performance of such duty is entitled to an annuity if the Secretary of the military department concerned recommends his retirement and the Civil Service Commission approves the recommendation."

(d) Section 8339 of title 5, United States Code, relating to computation of civil service retirement annuities, is amended by striking out subsection (1) thereof which reads as follows:

"(1) In determining service for the purpose of computing an annuity under each paragraph of this section, 45 per centum of each year, or fraction thereof, of service referred to in section 8332(b)(6) which was performed prior to the effective date of the National Guard Technicians Act of 1968 shall be disregarded.".

(e) Section 3(c) of the National Guard Technicians Act of 1968 (82 Stat. 757; Public Law 90-486), relating to crediting of National Guard technician service for Federal employees' leave, death, and disability compensation, group life and health insurance, severance pay, tenure, and status, is amended by striking out the last sentence thereof which reads as follows: "The subsection shall apply only in the case of persons who perform service under section 709 of title 32, United States Code, on or after the effective date of this Act.".

(f) The foregoing provisions of this section (except subsection (c)) shall become effective as of January 1, 1969.

By Mr. COOK (for himself and Mr. BAKER):

S. 1442. A bill to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. COOK. Mr. President, on December 29 of last year the U.S. Department of Agriculture announced that the REA Electric and telephone 2-percent direct loan programs would be terminated. In the meantime, the 2-percent direct loan program under the Rural Electrification Act of 1936, as amended, has been replaced by guaranteed and insured loan programs at somewhat higher interest rates provided for in the Rural Development Act of 1972. Under this new arrangement, loans are made to rural electric and telephone cooperatives on an insured basis at 5-percent interest and guaranteed loans are available to electric cooperatives when private capital is available on advantageous terms.

By virtue of the 2-percent direct loan program promulgated in the 1936 act, rural electrification has proved to be a huge success. In the 53-year period from 1882, when the first central generating system went into service, to 1935, when REA was created, only 10.9 percent of all farms in the United States had obtained electric service. Today, however, 98.4 percent of the 2.8 million U.S. farms are electrified and REA-financed systems serve slightly more than half these farms. Therefore, it is obvious that in view of this success over the past 37 years, our rural electric co-ops are in a position to be more self-sustaining financially than they were at the inception of the Rural Electrification Administration in 1936.

However, it has been the low cost money over the years which has enabled the rural electric co-ops to meet the power needs of their sparsely settled clientele at reasonable rates. As I indicated, although a majority of the Nation's over 900 rural electric co-ops can indeed afford to pay higher interest on their operating capital, there is still a substantial minority of co-ops that are not fiscally independent and still desperately need the 2-percent low-cost money. It is for this reason that as early as January 24 of this year I advocated that instead of a rigid adherence to 5 percent money, as proposed by the Rural Electrification Administration at the termination of the 2-percent direct loan program on December 29, there should be a formula adopted by the REA which would take into account the ability to pay of the individual rural electric co-ops. At that time I advocated a three-tier program with loans, available at 2 percent, 5 percent, and at the market rate. The first category of borrowers would be composed of the approximately 88 rural electric co-ops serving such thinly populated areas that they are not eligible for financing outside the Government. This group would be eligible for a 2-percent REA loan. The second category of borrowers would be those rural electric co-ops that were more viable financially than the first group but not quite so fiscally sound that they could pay the market rate. This second category of borrowers could, therefore, have been eligible for insured loans at 5 percent interest. The last category of borrowers would be those co-ops that were so independent financially that they could pay interest at the market rate on their loans which would be guaranteed by the Rural Electrification Administration.

Since I made this original proposal on January 24, I have patiently waited to see the exact course that Congress and the Department of Agriculture were ready to pursue in this vital area of rural electrification. Several matters of note have occurred since that time.

The Senate, by virtue of S. 394, approved a bill which basically reinstates the original 2-percent loan program. The administration has presented its own proposal to Congress, and the House Agriculture Committee has worked for several months on compromise legislation which was ordered to be reported out of committee on March 20. I must say that I have not found any of the above approaches to be completely satisfactory, although the Denholm bill which was just reported out of the House Agriculture Committee does in my estimation have a great deal of merit. Nevertheless, it is because of my belief that none of the three approaches just mentioned are completely satisfactory that I introduce the legislation which I do today.

The bill which I am introducing today incorporates the basic features of the compromise bill which was so laboriously arrived at by the House Agriculture Committee, with one very notable exception, the conditions of eligibility pertaining to the 2-percent loan interest REA loans. Therefore, as in the House bill, this legislation would establish a Rural Electrification and telephone revolving fund which would consist of "all notes, bonds, obligations, and property delivered or assigned to the Administrator pursuant to loans heretofore or hereafter made" including all collections of principal and interest received on and after July 1, 1972, all appropriations for interest subsidies and losses which Congress may make, and moneys which the Administration would be authorized to borrow from the Secretary of the Treasury. I feel, as do those who voted for this proposal on the House Agriculture Committee, that the assets of this fund would sufficiently finance most of the future needs of the program.

Second, the bill provides that the Administrator of the Rural Electrification Administration is "authorized and directed" to make loans to the full extent of the assets available in the fund, subject only to limitations as to amounts authorized for loans and advances as may be imposed by Congress. This provision is of particular note since the intent of the language is to preclude the impoundment of the appropriated funds and the termination of the program by the executive branch as occurred on December 29, 1972.

The loan rates, 2 percent, 5 percent, and the market rate, are the same as those in the House bill. However, the criteria regarding the eligibility of rural electric co-ops for 2-percent loans from REA are substantially different. In the bill I am introducing today, any electric or telephone borrower which has an average consumer or subscriber density of 3 or fewer per mile will be eligible for the "special rate" of 2-percent interest if its earnings or margin coverage of interest is less than 1.50, or such coverage of debt service is less than 1.25. In addition, the Administrator of REA in his discretion can approve a 2-percent loan although the borrower does not meet the above criteria if he finds the borrower has experienced extenuating circumstances or extreme hardship or if the borrower is experiencing extreme difficulty in maintaining retail rates which are comparable to those paid by consumers of other suppliers in its general area. Thus, the primary difference between the conditions in the House bill and my proposal is that whereas in the Denholm bill approximately 180 electric cooperatives would be entitled to the 2-percent money by right—as opposed to by discretion of the Administrator—approximately 90 would be entitled to 2-percent money by right under the bill I am introducing today.

It is envisioned, however, that a majority of the loans, as provided for in sections 305(c) and 306, would be insured loans at the "standard rate" of 5 percent, or loans guaranteed up to 90 percent by REA at the market rate. The legislation also provides that the borrower may receive a combination of these two; part 5-percent money and part market-rate money.

Finally, section 310 of the bill I am submitting would provide, at the request of the borrower, refinancing for any loans received by the borrower under the provisions of the Consolidated Farm and Rural Development Act from the time of first utilization by REA for electric and telephone loans until the enactment into law of the bill being submitted today.

Mr. President, it is my hope that the legislation that I am offering today will be accepted as a compromise between the positions of the Department of Agriculture and that of the Rural Electric Cooperative Associations throughout the country. In my opinion, it is this kind of middle-of-the-road meeting of the minds which will enable the Congress to successfully enact legislation to solve the current rural electrification dilemma.

Mr. President, I ask unanimous consent that the text of this bill appear in the RECORD at this point.

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

S. 1442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended, and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives. The Rural Electrification Act of 1936, as amended (7 U.S.C. 901–950 (b)), is therefore further amended as hereinafter provided.

SEC. 2,. Title III of the Rural Electrification Act of 1936, as amended, is amended by striking out all of sections 301 and 302 and inserting in lieu thereof the following new sections:

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

"SEC. 301. (a) There is hereby established in the Treasury of the United States a fund, to be known as the Rural Electrification and Telephone Revolving Fund (hereinafter referred to as the "fund"), consisting of—

"(1) all notes, bonds, obligations, liens, mortgages, and property delivered or assigned to the Administrator pursuant to loans heretofore or hereafter made under sections 4, 5, and 201 of this Act and under this title, as of the effective date of this title, as revised herein, and all proceeds from the sales hereunder of such notes, bonds, obligations, liens, mortgages, and property, which shall be transferred to and be assets of the fund;

"(2) undisbursed balances of electric and telephone loans made under sections 4, 5, and 201, which as of the effective date of this title, as revised herein, shall be transferred to and be assets of the fund;

"(3) notwithstanding section 3 (a) and (f) of title I, all collections of principal and interest received on and after July 1, 1972, on notes, bonds, judgments, or other obligations made or held under titles I and II of this Act and under this title, except for net collection proceeds previously appropriated for the purchase of class A stock in the Rural Telephone Bank, which shall be paid into and be assets of the fund;

"(4) all appropriations for interest subsidies and losses required under this title which may hereafter be made by the Congress;

"(5) moneys borrowed from the Secretary of the Treasury pursuant to section 304 (a); and

"(6) shares of the capital stock of the Rural Telephone Bank purchased by the United States pursuant to section 406(a) of this Act and moneys received from said bank upon retirement of said shares of stock in accordance with the provisions of title IV of this Act, which said shares and moneys shall be assets of the fund.

LIABILITIES AND USES OF FUND

"SEC. 302. (a) The notes of the Administrator to the Secretary of the Treasury to obtain funds for loans under sections 4, 5, and 201 of this Act, and all other liabilities against the appropriations or assets in the funds in connection with electrification and telephone loan operations shall be liabilities of the fund, and all other obligations against such appropriations or assets in the fund arising out of electrification and telephone loan operations shall be obligations of the fund.

"(b) The assets of the fund shall be available only for the following purposes:

"(1) loans which could be insured under this title, and for advances in connection with such loans and loans previously made, as of the effective date of this title, as revised herein, under sections 4, 5, and 201 of this Act;

"(2) payment of principal when due on outstanding loans to the Administrator from the Secretary of the Treasury for electrification and telephone purposes pursuant to section 3(a) of this Act and payment of principal and interest when due on loans to the Administrator from the Secretary of the Treasury pursuant to section 304(a) of this title;

"(3) payment of amounts to which the holder of notes is entitled on insured loans: *Provided*, That payments other than final payments need not be remitted to the holder until due or until the next agreed annual, semiannual, or quarterly remittance date;

"(4) payment to the holder of insured notes of any defaulted installment or, upon assignment of the note to the Administrator at his request, the entire balance due on the note;

"(5) purchase of notes in accordance with contracts of insurance entered into by the Administrator;

"(6) payment in compliance with contracts of guarantee;

"(7) payment of taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application, and transmittal of collections as necessary to obtain credit reports on applicants or borrowers, expenses for necessary services, including construction inspections, commercial appraisals, loan servicing, consulting business advisory or other commercial and technical services, and other program services, and other expenses and advances authorized in section 7 of this Act in connection with insured loans. Such items may be paid in connection with guaranteed loans after or in connection with the acquisition of such loans or security thereof after default, to the extent determined to be necessary to protect the interest of the Government, or in connection with any other activity authorized in this Act;

"(8) payment of the purchase price and any costs and expenses incurred in connection with the purchase, acquisition, or operation of property pursuant to section 7 of this Act.

"DEPOSIT OF FUND MONEYS

"SEC. 303. Moneys in the fund shall remain on deposit in the Treasury of the United States until disbursed.

"FINANCIAL TRANSACTIONS OF THE FUND

"SEC. 304. (a) The Administrator is authorized to make and issue interim notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations of the fund and for making loans, advances and authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be agreed upon by the Administrator and the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of out-

standing marketable obligations of the United States having maturities comparable to the notes issued by the Administrator under this section. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States: *Provided, however,* That such interim notes to the Secretary of the Treasury shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(b) The Secretary of the Treasury is authorized and directed to purchase for resale obligations insured through the fund when offered by the Administrator. Such resales shall be upon such terms and conditions as the Secretary of the Treasury shall determine. Purchases and resales by the Secretary of the Treasury hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(c) The Administrator may, on an insured basis or otherwise, sell and assign any notes in the fund or sell certificates of beneficial ownership therein to the Secretary of the Treasury or in the private market. Any sale by the Administrator of notes individually or in blocks shall be treated as a sale of assets for the purposes of the Budget and Accounting Act, 1921, notwithstanding the fact that the Administrator, under an agreement with the purchaser or purchasers, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser or purchasers of the individual note or of the certificate of beneficial ownership in a number of such notes. Security instruments taken by the Administrator in connection with any notes in the fund may constitute liens running to the United States notwithstanding the fact that such notes may be thereafter held by purchasers thereof.

INSURED LOANS; INTEREST RATES AND LENDING LEVELS

"SEC. 305. (a) The Administrator is authorized and directed to make insured loans under this title and at the interest rates hereinafter provided to the full extent of the assets available in the fund, subject only to limitations as to amounts authorized for loans and advances as may be from time to time imposed by the Congress of the United States for loans to be made in any one year, which amounts shall remain available until expended: *Provided,* That any such loans and advances shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(b) Insured loans made under this title shall bear interest at either 2 per centum per annum (hereinafter called the 'special rate'), or 5 per centum per annum (hereinafter called the 'standard rate'). Loans bearing the special rate shall be reserved for and made by the Administrator to the full extent of the authorities contained herein for any electric or telephone borrower which meets the following conditions:

"(1) has an average consumer or subscriber density of three or less per mile, and

"(2) its earnings or margin coverage of interest is less than 1.50, or such coverage of debt service is less than 1.25, each determined on the basis of the average of the two highest of the preceding three calendar years: *Provided, however,* That the Administrator may in his sole discretion make a loan, including electric generating and transmission loans, at the special rate if he finds that the borrower:

"(A) has experienced extenuating circumstances or extreme hardship, or

"(B) is experiencing extreme difficulty in maintaining retail rates which are comparable to those paid by consumers of other electric supplies in its general area.

"(c) Loans made under this section shall be insured by the Administrator when purchased by a lender. As used in this Act, an insured loan is one which is made, held, and serviced by the Administrator, and sold and insured by the Administrator hereunder; such loans shall be sold and insured by the Administrator without undue delay.

"GUARANTEED LOANS; ACCOMMODATION AND SUBORDINATION OF LIENS

"SEC. 306. The Administrator may provide financial assistance to borrowers for purposes provided in the Rural Electrification Act of 1936, as amended, by guaranteeing loans, to the extent of 90 percent thereof, made by the Rural Telephone Bank, National Rural Utilities Cooperative Finance Corporation, and any other legally organized lending agency, or by accommodating or subordinating liens or mortgages in the fund held by the Administrator as owner or as trustee or custodian for purchasers of notes from the fund, or any combination of such guarantee, accommodation, or subordination. No fees or charges shall be assessed for any such guarantee, accommodation, or subordination. Guaranteed loans shall bear interest at the rate agreed upon by the borrower and the lender. Guaranteed loans, and accommodation and subordination of liens of mortgages, may be made concurrently with a loan insured at the standard rate. The amount of guaranteed loans shall be subject only to such limitations as to amounts as may be authorized from time to time by the Congress of the United States: *Provided,* That any amounts guaranteed hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States. As used in this title a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Administrator hereunder.

"OTHER FINANCING

"SEC. 307. When it appears to the Administrator that the loan applicant is able to obtain a loan for part of his credit needs from a responsible cooperative or other credit source at reasonable rates and terms consistent with the loan applicant's ability to pay and the achievement of the Act's objectives, he may request the loan applicant to apply for and accept such a loan concurrently with a loan insured at the standard rate, subject, however, to full use being made by the Administrator of the funds made available hereunder for such insured loans under this title.

"FULL FAITH AND CREDIT OF THE UNITED STATES

"SEC. 308. Any contract of insurance or guarantee executed by the Administrator under this title shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge.

"LOAN TERMS AND CONDITIONS

"SEC. 309. Loans made from or insured through the fund shall be for the same purposes and on the same terms and conditions as are provided for loans in titles I and II of this Act except as otherwise provided for in sections 303 to 308 inclusive.

"REFINANCING OF RURAL DEVELOPMENT ACT LOANS

"SEC. 310. At the request of the borrowers, the Administrator is authorized and directed to refinance with loans which may be insured under this Act, any loans made for rural electric and telephone facilities under any provision of the Consolidated Farm and Rural Development Act."

SEC. 3. Section 3(f) of the Rural Electrification Act of 1936, as amended, is amended by striking "Except as otherwise provided in section 301 and 406(a) of this Act," and by inserting ": *Provided, however,* That notwithstanding subsection (a) of this section, payments of such loans heretofore or hereafter made to the Administrator for use in making loans to borrowers under titles I and II shall not include any interest" immediately before the semicolon.

SEC. 4. Section 405 of the Rural Electrification Act of 1936, as amended, is further amended by striking subsection (e) in its entirety and by inserting in lieu thereof a new subsection (e), as follows:

"(e) Thereafter, the cooperative-type entities and organizations holding class B and class C stock, voting as a separate class, shall elect three directors to represent their class by a majority vote of the stockholders voting in such class; and the commercial-type entities and organizations holding class B and C stock, voting as a separate class, shall elect three directors to represent their class by a majority vote of the stockholders voting in such class. Limited proxy voting may be permitted, as authorized by the by-laws of the telephone bank. Cumulative voting shall not be permitted."

SEC. 5. The second sentence of section 406 (a) of the Rural Electrification Act of 1936, as amended, is further amended by striking "from net collection proceeds in the rural telephone account created under title III of this Act" immediately after the word "appropriated".

SEC. 6. Subsection (a) of section 407 of the Rural Electrification Act of 1936, as amended, is amended by striking out "eight" in the second sentence and inserting in lieu thereof "twenty", and by striking out all of the third sentence.

SEC. 7. Section 407 of the Rural Electrification Act of 1936, as amended, is amended by adding a new subsection (c) as follows:

"(c) Purchases and resales by the Secretary of the Treasury as authorized in subsection (b) of this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

SEC. 8. Subsection (a) of section 408 of the Rural Electrification Act of 1936, as amended, is amended (a) by inserting the words "or which have been certified by the Administrator to be eligible for such a loan or loan commitment," immediately following the term "this Act," where it first

appears; and (b) by adding at the end thereof the following sentence: "Loans and advances made under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

SEC. 9. Subsection (b) of section 408 of the Rural Electrification Act of 1936, as amended, is amended by striking out all of paragraph (3) and inserting in lieu thereof a new paragraph (3) reading:

"(3) Loans under this section shall bear interest at the 'cost of money rate.' The cost of money rate is defined as the average cost of moneys to the telephone bank as determined by the Governor, but not less than 5 per centum per annum."

SEC. 10. The right to repeal, alter, or amend this Act is expressly reserved.

SEC. 11. This Act shall take effect upon enactment.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 180

At the request of Mr. WILLIAMS, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 180, the Coastal Environment Protection Act.

S. 413

At the request of Mr. HATFIELD, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 413, a bill to permit American citizens to hold gold in the event of the removal of the requirement that gold reserves be held against currency in circulation.

S. 422

At the request of Mr. HATFIELD, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 422, a bill to authorize the issuance of $25 gold pieces bearing the seal or symbol of the American Revolution Bicentennial Commission.

S. 740

At the request of Mr. WILLIAMS, the Senator from Rhode Island (Mr. PASTORE), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Iowa (Mr. CLARK), the Senator from Michigan (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 740, a bill to extend the Migrant Health Act for 4 years.

S. 868

At the request of Mr. WILLIAMS, the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Michigan (Mr. HART) were added as cosponsors of S. 868, a bill to provide computation of social security benefits based on combined earnings of married couples.

S. 869

At the request of Mr. WILLIAMS, the Senator from Wyoming (Mr. MCGEE), the Senator from Rhode Island (Mr. PASTORE), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Michigan (Mr. HART) were added as cosponsors of S. 869, a bill to provide computation of social security benefits for men at age 62.

S. 904

At the request of Mr. WILLIAMS, the Senator from Wyoming (Mr. MCGEE) and the Senator from Nevada (Mr. BIBLE) were added as cosponsors of S. 904, the Truth in Food Labeling Act.

S. 928

At the request of Mr. ROTH, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 928, to create a catalog of Federal assistance programs.

S. 1094, S. 1095, AND S. 1097

At the request of Mr. SCOTT of Pennsylvania, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of S. 1094, to improve the regulation of Federal election campaign activities; S. 1095, a bill to amend the Communications Act with respect to the application of the equal time provisions to candidates for Federal elective office; and S. 1097, a bill to provide that political contributions are not subject to the gift tax.

S. 1147

At the request of Mr. DOMINICK, the Senator from Texas (Mr. BENTSEN), the Senator from Kansas (Mr. DOLE), the Senator from North Carolina (Mr. HELMS), and the Senator from Nebraska (Mr. HRUSKA) were added as cosponsors of S. 1147, a bill to amend the Occupational Safety and Health Act of 1970.

S. 1322

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Idaho (Mr. CHURCH), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 1322, the Full Benefits for Elderly Tenants Act.

SENATE JOINT RESOLUTION 24

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mr. MONDALE) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Joint Resolution 24, to designate "National Hunting and Fishing Day."

SENATE JOINT RESOLUTION 70

At the request of Mr. WILLIAMS, the Senator from New Hampshire (Mr. COTTON) was added as a cosponsor of Senate Joint Resolution 70, to authorize the President to proclaim annually the last Friday in April as "National Arbor Day."

SENATE JOINT RESOLUTION 74

At the request of Mr. SPARKMAN, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of Senate Joint Resolution 74, to authorize the President to issue a proclamation designating the last full calendar week in April of each year as "National Secretaries Week."

SENATE JOINT RESOLUTION 80

At the request of Mr. ROTH, the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Nevada (Mr. BIBLE), the Senator from Delaware (Mr. BIDEN), the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alabama (Mr. SPARKMAN), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. TAFT) were added as cosponsors of Senate Joint Resolution 80, to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month."

SENATE RESOLUTION 88—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF THE REPORT ENTITLED "SECURITIES INDUSTRY STUDY" AS A SENATE DOCUMENT

(Referred to the Committee on Rules and Administration.)

Mr. WILLIAMS submitted the following resolution:

S. RES. 88

Resolved, That the report of the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs entitled "Securities Industry Study" be printed as a Senate document, and that there be printed two thousand additional copies of such document for the use of that committee.

NOTICE OF HEARING BEFORE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. JOHNSTON. Mr. President, the Subcommittee on Production and Stabilization of the Committee on Banking, Housing and Urban Affairs will commence hearings on S. 395, S. 359, S. 413, and S. 741 at 10 a.m. on May 1 and 2, in room 5302 Dirksen Office Building.

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

NOTICE OF HEARINGS ON DEEP SEABED HARD MINERAL RESOURCES ACT

Mr. METCALF. Mr. President, I take this means to notify my colleagues that the Subcommittee on Minerals, Materials, and Fuels of the Senate Committee on Interior and Insular Affairs has scheduled hearings on May 17, June 5, 18, and 19 on the Deep Seabed Hard Mineral Resources Act, subject of my remarks at page 6820 in the CONGRESSIONAL RECORD of March 8, 1973.

On May 17, representatives of industry are invited to state the case for it.

On June 5, administration witnesses will give us a status report from the United Nations on negotiations which hopefully will lead to international agreement on the conservation and orderly development of the hard mineral resources of the deep seabed. We also will ask them for their predictions on the progress which may be made during

the meetings of the United Nations Seabed Committee in Geneva July 2 to August 24 in preparation for the 1974 Law of the Sea Conference. We will tell administration witnesses that we will request another progress report soon after the end of the Geneva meetings.

On June 18 and 19 the subcommittee will hear from environmental and conservation groups concerned with the impact of ocean mining on our marine environment and the living resources of the ocean, and from organizations and individuals interested in international management of the deep seabed. Each of these latter groups will have 1 day before the subcommittee.

The hearings will be held in room 3110, Dirksen Senate Office Building, and will begin at 10 a.m. each day.

In this connection, I call the attention of my colleagues to two recent articles in the New York Times.

One article states that the U.S. delegation to the U.N. Seabed Committee has now accredited 109 members and that the delegation consists of persons representing oil, mineral, and fisheries interests and that such representatives "hold views at variance with the official stance taken by the United States." The article further states that if it is learned that any of these delegates express views to other governments contrary to the U.S. position, the credentials of such delegates will be withdrawn.

It is well known that the large advisory group from the industry which assists the Government members of the U.S. delegation were recruited so that the delegation could more adequately represent U.S. industry interests in the law of the sea negotiations. The State Department is to be commended for its foresight in recognizing that the U.N. Seabed Committee negotiations will entail policy issues having potentially significant impact on the well-being of many of our Nation's industrial activities.

Further, State Department recognized that it was in the national interest to seek to accommodate the interests of U.S. citizens engaged in various industrial activities pertaining to ocean resource development. The State Department, as the New York Times article clearly indicated, recognized that the Senate will be deeply concerned about how well U.S. national interests have been represented in the text of any future treaty which the Senate will be called upon to review. To this extent, Mr. President, the State Department is to be commended.

I would oppose any effort that the State Department might consider making to prevent an industrial adviser from freely discussing his personal views or his company's views with members of foreign delegations so long as the adviser clearly distinguishes his personal views from those of the Government representatives on his delegation.

Mr. President, I ask unanimous consent that the New York Times article of March 23, 1973, and an earlier Times piece, this one headlined "U.S. Asking Rules on Mining of the Sea," in the issue of March 20, be printed at this point in the RECORD.

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

[From the New York Times, Mar. 23, 1973]

U.N. UNIT AT WORK ON A LAW OF SEA

(By Robert Alden)

UNITED NATIONS, N.Y.—Complex negotiations are under way here in an effort to lay groundwork for a law of the sea that will govern on the waters that cover 70 per cent of the earth's surface.

Christopher M. Phillips, a member of the United States delegation, called these talks here "unquestionably the most crucial international negotiations now being undertaken by the United Nations."

At stake are economic resources whose value can only be estimated in the trillions of dollars—nickel, copper, cobalt, manganese, oil, thermal energy and, of course, fish. At stake also is the security of nuclear powers such as the United States and the Soviet Union who feel their atomic submarines must have free access through certain straits.

A CONFLICT IN DELEGATION

At stake also is the ability of the oceans themselves to support sea life. There already exists a considerable body of evidence suggesting that unless there is effective international regulation of the pollution of the seas, the ocean will be poisoned and all living things in it killed.

So important are these talks considered by the United States that it has now accredited 109 delegates to the negotiations.

The unusual size of this delegation has been a matter of some controversy. Some persons on the delegation—representing oil, mineral and fishery interests—hold views at variance with the official stance taken by the United States at the meetings here.

"But we feel that having this kind of broad cross section on the delegation not only gives us a better understanding of the entire complex problem," Mr. Phillips said, "but also gives these people a greater understanding of the over-all problems of drawing an international law of this magnitude.

"Also when the international law is finally drawn and requires Senate ratification, having this kind of broad representation will help a great deal to get that ratification," he added.

So far there are no known instances when members of a delegation have taken positions opposite to the official United States position in talks with members of other delegations. It was made clear by the United States mission here that if contrary views were expressed to other governments the credentials of the delegate involved would be withdrawn.

This week the United States proposed in the seabed committee that temporary regulations be established to cover undersea mining until a permanent treaty could be worked out and ratified.

WORLD BENEFIT SOUGHT

In the United States view such an agreement would make certain that seabed exploitation would begin under an internationally agreed-upon regime and its benefits would accrue to the international community.

With the technology of sea-mining approaching the stage where it will be commercially feasible in a matter of years, some private companies in the United States and in Japan have favored proceeding without international regulation.

Yet because the private investment involved would be so large, they have been unwilling to undertake sea-mining ventures without some assurance from their governments that their rights at sea would be protected.

In support of their position they wrote that since early in the 17th century the doctrine of freedom of the seas has prevailed, under which a private company would have the right to tap the resources of the ocean bottom. Millions of acres of the ocean floor are lined with a dense covering of what are called manganese nodules, about the size and color of a piece of coal. These nodules are rich in copper, nickel, cobalt, manganese and some 17 other metallic elements.

Below the surface there are rich mineral deposits, including oil, natural gas and thermal heat.

Although the views of nations have a wide divergence, particularly with respect to fishing rights and coastal waters, there is now a general body of agreement that the mineral treasures of the deep ocean should be used for the common good.

Thus the enormously complicated effort has been undertaken to achieve an international agreement that would modify the doctrine of the freedom of the seas.

This session is scheduled to end here early in April with a new preparatory session to be convened in Geneva for 10 weeks this summer.

The hope is that the summer meeting will make it possible to convene a law-of-the-sea conference formally during the fall session of the General Assembly.

A working session of the conference would then get under way early in 1974 in Santiago, Chile, and the work on the law of the sea would be scheduled to be completed in 1975.

[From the New York Times, Mar. 20, 1973]

UNITED STATES ASKING RULES ON MINING OF SEA

UNITED NATIONS, N.Y.—The United States proposed today that temporary regulations be established to cover undersea mining of minerals until a United Nations seabed treaty goes into effect.

The complex treaty is being drafted, but it may take years before it is completed, signed and ratified by enough governments to go into operation.

In urging action now, John Norton Moore of the United States told a 91-nation subcommittee of the General Assembly's Committee on the Peaceful Uses of the Seabed that accelerated technology would make it possible to mine the seabed commercially in three to five years. He said that large sums of money were already being invested on preparatory work by some companies in the United States and other companies.

The preliminary response to the American policy statement from a number of Latin-American and African countries, from Canada, Singapore and others, was favorable.

CONCERN OF SMALL COUNTRIES

There has been concern among many of the smaller countries that the few industrial powers that have the technology for undersea mining would begin operating before the United Nations could approve a treaty providing at least some sharing of the ocean wealth.

Largely at their insistence, the General Assembly called two years ago for a moratorium on such exploitation until the treaty went into effect. The United States opposed the Assembly resolution.

Three private concerns in the United States, among them the Hughes Tool Company, have committed a total of $90-million toward deep-sea exploration. Approval by

Congress also has been sought for legislation that, in effect, would authorize the Government to license explorations without waiting for a United Nations treaty.

The Nixon Administration has opposed the pending legislation, Mr. Moore told the United Nations committee. But, he said the Administration was also mindful of the need of private companies for security for their growing financial commitment.

Consequently, he said, the United States proposed to bring into force provisionally these treaty articles that will set up regulations for the seabeds.

NOTICE OF HEARINGS ON CERTAIN JOINT RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Mississippi (Mr. EASTLAND), chairman of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday and Wednesday, April 10 and 11, 1973, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following joint resolutions:

S.J. Res. 9—Proposing an amendment to the Constitution of the United States relating to the assignment and transportation of pupils to public schools.

S.J. Res. 14—Proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

S.J. Res. 28—Proposing an amendment to the Constitution of the United States relative to neighborhood schools.

S.J. Res. 35—Proposing an amendment to the Constitution of the United States.

S.J. Res. 36—Proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color.

S.J. Res. 47—Proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

S.J. Res. 62—Proposing an amendent to the Constitution relating to schoolbusing.

NOTICE OF HEARING ON COAL SURFACE MINING AND RECLAMATION STUDY ON APRIL 30, 1973

Mr. METCALF. Mr. President, enactment of legislation to control surface mining activities is one of the highest priorities of the 93d Congress. Too often, the Federal Government deals with critical public policy problems without paying adequate attention to the full consequences of proposed solutions. This has frequently been true in matters involving degradation of our environment, where actions have been proposed, based on emotional reactions without full consideration of all of the impacts of the proposal.

To better understand the problems presented by the admitted abuses of surface mining, the chairman of the committee, Senator JACKSON, requested the Council on Environmental Quality to do a study of various regulatory alternatives, their costs and benefits, their impact on the environment, and how they would influence the social and economic conditions of local communities. This study was received by the committee just prior to the hearings on surface mining legislation held March 13, 14, 15, and 16.

Because witnesses at those hearings had not had an adequate opportunity to study the report, the Subcommittee on Minerals, Materials and Fuels of the Committee on Interior and Insular Affairs has scheduled a hearing on the study on April 30.

The subcommittee has asked a panel of witnesses to appear and give their reactions to the study. It is our hope that their comments, combined with the study itself, will help Congress to enact better legislation. The hearing will be held in room 3110, Dirksen Senate Office Building, beginning at 10 a.m.

ADDITIONAL STATEMENTS

REQUIREMENT FOR SENATORS AND CERTAIN EMPLOYEES TO FILE FINANCIAL DISCLOSURES

Mr. BENNETT. Mr. President, it has become customary each year about this time for the Select Committee on Standards and Conduct to remind Senators and certain employees who are paid by the Senate of their duty to file personal financial disclosure statements as required by Senate Rule 44. Each Senator is required to file two statements before May 15. The first statement, which must be filed with the Secretary of the Senate where it becomes available for public inspection, contains a report of contributions accepted by a Senator and honorariums received by him during the year 1972. The second report is to be filed with the Comptroller General of the United States and includes a copy of the Federal income tax return and supplementary statements of certain personal interests in property, securities, income, and debts.

Each employee who was paid by the Senate at a rate in excess of $15,000 a year at any time during 1972 must also file these same reports.

Also due on May 15 itself is the so-called moonlighting report by each employee, regardless of salary level, who through outside employment or the practice of a profession performs personal service for compensation. This report is made to his supervising Senator in accordance with Senate Rule 41.

Mr. President, the Committee on Standards and Conduct desires to assist Senators and employees in complying with the Senate Rules of Conduct, especially in the filing of disclosure reports. The staff of the committee will counsel in detail on request. Printed instructions and report forms have been revised this year and may be obtained upon telephoning the committee office on extension 2981.

This year we are endeavoring to make these instructions, forms and any other rountine help available through a central source in each office, namely the administrative assistant or staff director. But any inquiry from any individual Senator or employee will, of course, be honored.

A NEED FOR AN IMPROVEMENT IN OUR ENVIRONMENT

Mr. TUNNEY. Mr. President, man is a careless despoiler, and throughout history has ravaged his environment. In the 1960's, however, he began to react against the self-destructive fall out of reckless pollution, and Congress cracked down with the National Environmental Policy Act. When it became law on January 1, 1970, the decade of the environment began.

In late 1970, Congress enacted the Clean Air Act amendments, which gave the Environmental Protection Agency sweeping powers to eliminate smog. Under the act, States are required to establish plans to fight smog, subject to the approval of the EPA Administrator. Recently, EPA proposed possible gasoline rationing in Los Angeles. This is far too drastic.

Consequently, I have introduced legislation for a crash research program to develop, within 3 years, an efficient, smog-free alternative to the internal combustion engine.

The cost could run as high as $900 million, this would be a mere fraction of the $23 billion that the National Academy of Science estimates carowners will pay yearly for smog devices on internal combustion engine.

The legislation provides for investigation of a variety of possible financing, including a minimal 1-year motor vehicle registration fee, an appropriation from general revenues and an appropriate increase in gas taxes. The most sensible way to finance this research, however, is to break open the highway trust fund. The fund, which has encouraged our overdependence on the automobiles by funding up to 90 percent of costs for highway construction, at least should contribute to the development of a private vehicle which is smog free.

Over and above that, I believe the fund should be tapped for mass transit. The Government's share of mass transportation costs is pitifully small in relation to its share of highway costs. During recent debate on the highway bill, I supported an amendment which would allow up to $850 million for mass transit.

WATER QUALITY

Industrial, municipal, and agricultural wastes are the chief source of water pollution.

Last year, the Congress passed a tough water pollution control bill, but so far the administration has stood in the way of its implementation. First, the President vetoed it, and when overridden, he impounded funds Congress had appropriated to clean up our waterways.

As a member of the committee which

spent countless hours refining this crucial legislation, I am distressed by the President's actions for two reasons: First, California will lose more than $293 million in 1973 and again in 1974, sharply curtailing construction of treatment facilities to halt discharge of pollutants into navigable waterways by 1985; second, the administration's action represents a usurpation of the congressional function and threatens the balance of powers set forth in the Constitution. I will continue to urge the President to release this money, but resolution of this question may ultimately be decided by the Supreme Court.

SOLID WASTES

Bottles, cans, cartons, paper, and other trash fill our dump sites and litter our countryside and cities. Scattered refuse is one of the most evident forms of pollution.

I have sponsored legislation to promote recycling and to develop improved methods of sewage and solid waste disposal. In addition, I have cosponsored a bill to assist the States in carrying out programs to dispose of abandoned or junked cars.

NOISE POLLUTION

In March 1972 I introduced the Environmental Noise Pollution Control Act. Big business interests fought the bill, and the majority leader of the Senate said its adoption was a "legislative miracle." The law provides for the first concerted Federal assault on the din which has become a part of modern living.

Within 2 years, the Environmental Protection Agency must develop statistics on the health effects of noise and, after an opportunity for public comment and participation, set standards reducing noise emissions for everything from vacuum cleaners to jackhammers.

Separate provisions are provided for regulating noise from interstate carriers and aircraft. The EPA will set standards for trains within 9 months. In the same period, EPA will review the adequacy of the Federal Aviation Administration's efforts to reduce aircraft and airport noise and make recommendations on possible additional controls. The FAA is then required to follow through. Citizens can sue to enforce the provisions of the act.

CONSERVATION

In America, nearly 70 percent of the population lives in urban areas. Polluted air, noisy surroundings, and general congestion have increased dramatically the demand for more beaches, parks, and wilderness areas. At the same time, increasing acres of coastline and open space rapidly are losing out to ill-planned resort facilities, shopping centers, and parking lots.

I do not believe economic development and environmental quality are mutually exclusive, but to have both will take coordinated planning at local, State, and Federal levels.

This kind of cooperation should be encouraged—especially in fields which promise improved conservation and management of our natural resources.

Congress recognized this need by enacting, for example, the Coastal Zone Management Act, which encourages States to develop a comprehensive set of standards to guide the public and private uses of land and waters in coastal zones.

California voters responded with great foresight by adopting the coastline initiative. They recognized that the Federal legislation depends on the States coming to grip with their coastal land use problems.

I believe the six regional commissions established by proposition 20 can resolve local disputes over development and offer an effective and consolidated statewide plan for our 1,000-mile coastline by the federally set 1975 deadline.

The sad truth is, however, that the $5 million allocated by the State is wholly inadequate. Worse yet is the fact that, once again, the administration has eliminated funds for the Coastal Zone Management Act. I will work to have these vital funds reinstated.

WILDERNESS AREAS

The California wilderness, where man can meet nature on nature's own terms, is in great need of protection. Recreational use of these areas is among the fastest growing forms of leisure pursuit. Furthermore, wilderness areas serve as outdoor classrooms in natural history, laboratories for ecological and a living example of the original American landscape.

Already, Congress has designated 18 wilderness areas in California. These areas are a good first step in setting aside untouched land, but more needs to be done. I have joined Senator CRANSTON in introducing legislation to add an additional 883,000 acres of wilderness in our State (S. 110–115). These bills include Agua Tibia—Cleveland National Forest—Emigrant—Stanislaus National Forest—North and South Yosemite, Santa Lucia—in and near Los Padres National Forest—Snow Mountain—Mendocino National Forest—and Pinnacles—Pinnacles National Monument. Clearly, there are other areas which should be designated and I plan to introduce further wilderness legislation soon.

AN URBAN PARK

I have introduced legislation (S. 1270) to establish the Santa Monica Mountain and Seashore National Urban Park. The bill, cosponsored by Senator CRANSTON, would create a major national park along the beaches of Santa Monica Bay and the mountains and valleys of the Santa Monica Mountains in Los Angeles and Ventura Counties.

Never before in America has such a large, concentrated population suffered from such a scarcity of recreational resources. Ten million people live in metropolitan Los Angeles; yet the city has less open space than any other metropolitan area in the country, including New York. To compound this, over 8 million Americans visit southern California yearly.

If these mountains are developed, residents and visitors will lose the only remaining open space in the Los Angeles basin and the city's last remaining nonpolluting buffer will disappear.

THE FUTURE

I am committed to legislation which is directed at improving the quality of our life. Congress must adopt and oversee legislation which is both innovative and responsive. We must embrace and implement the sense of environmental balance which is absolutely indispensable to our survival.

COMMONWEALTH ELECTRIC CO., INC., OF LINCOLN, NEBR.

Mr. CURTIS. Mr. President, today marks a milestone in the history of one of Nebraska's important industries.

Commonwealth Electric Co., Inc., with headquarters in Lincoln, was founded on April 2, 1923, and during its half century of operations has helped this Nation move from conventional electrical usage by homes, farms, commerce, and industry into a new era of technology requiring massive installations of the highest complexity.

Commonwealth has grown into one of the few contracting and engineering firms with the overall capability of handling all electrical requirements involved in the generation, transmission, distribution, and use of electricity practically anywhere in the United States and Canada.

During its 50 years of service in both peace and war, Commonwealth has been recognized by our Government and by distinguished members of the business and industrial community for technical expertise, management competence, and employee relations.

Many of Commonwealth's present employees have been with the company for 25 years and longer. And the firm's relationship with the International Brotherhood of Electrical Workers is a strong asset in establishing an unblemished record of contract completions.

Founded by Paul Schorr, Commonwealth is still owned and operated by the Schorr family. In addition to managing a successful company, the Schorr family devotes much time and energy to civic activities working continually toward the improvement of community life.

At this milestone in the history of Commonwealth, we pause to recognize this company, its management, and its employees for giving this Nation another great example of the free enterprise system at its best.

INCREASED VIOLENCE REPORTED IN PUBLIC SCHOOLS

Mr. SYMINGTON. Mr. President, according to the Christian Science Monitor, 16 gun-shooting incidents in Kansas City schools have been reported since September.

Everett Copeland, security manager for Kansas City schools, is quoted as saying:

Kids carry guns for different reasons. Some say they have been threatened. Some involve extortion attempts. Some kids just say it's a status symbol.

Violence in our public school systems has ballooned to proportions unheard of a decade ago—not to mention 20 years ago.

Mr. J. Glenn Travis, Deputy to the Superintendent of the School District of Kansas City, Mo., has reported to my staff that $231,801 will be spent in 1973 for guards and other security measures in the public schools; whereas in 1953 no funds were spent for security provisions and it is unlikely that such a plan was even considered at that time.

In the past violence in high schools or elementary schools seldom seemed to amount to more than sporadic vandalism, isolated fist fights, and occasional outbursts by over-enthusiastic students after a football game.

Today students in many cases appear to have found it necessary to carry weapons as an equalizer against possible assailants.

Mr. President, I ask unanimous consent to have printed in the RECORD a recent editorial from the Christian Science Monitor which sums up the unfortunate picture characteristic today, and which could well be a warning for the future.

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

PROBLEM: GUNS IN HIGH SCHOOLS

Gunfire in U.S. high schools is becoming more frequent.

Students are carrying and using more guns in school, and some school guards have armed themselves as a result.

Most incidents occur at inner-city high schools. The weapons are usually cheap, small-caliber handguns, the so-called "Saturday night specials." Officials relate the increase to the revival of juvenile gangs in some cities and the persistence of racial tension.

An Associated Press survey around the country indicates the scope of the problem:

There have been 60 gun episodes in Los Angeles schools since September. Shots from a passing car killed a 16-year-old pupil near Locke High School. The car sped into the school parking lot, and three pupils were later arrested.

Fifteen handguns were confiscated last year in Atlanta schools. A 12-year-old boy, angered when schoolmates chided him for disobeying a traffic signal, got a pistol from home and opened fire on the school playground. He hit no one.

Four high-school pupils, three of them girls, were expelled in January in San Francisco for carrying guns.

School officials in Topeka, Kan., took a gun from a girl who said she needed it for protection.

There were 15 school gun cases in Detroit and four in Seattle during the last year. Since September, 15 incidents were reported in New York and 16 in Kansas City.

"We have a problem and it is increasing," says Everett Copeland, security manager for Kansas City schools. "Kids carry guns for different reasons. Some say they have been threatened. Some involve extortion attempts. Some kids just say it's a status symbol."

RETIREMENT OF WILBURN CARTWRIGHT

Mr. BARTLETT. Mr. President, on January 8, 1973, a truly great Oklahoman retired from public life. Mr. Wilburn Cartwright has one of the longest and most distinguished political careers in Oklahoma history. Mr. Cartwright will always be remembered by Members of the U.S. Congress because of his excellent service as a Member of the House of Representatives from 1927 to 1943. During this tenure Congressman Cartwright served as chairman of the House Roads and Highways Committee. He left his influence on this Nation when he authored, with Senator Hayden of Arizona, the Hayden-Cartwright Highway Act which became a major step in the development of the Federal Interstate Highway System.

In Oklahoma Mr. Cartwright will be remembered as an individual whose honesty has never been questioned and whose dedication to serving the citizens of the State and Nation is to this day unsurpassed.

The Oklahoma Legislature has passed a resolution commending Mr. Cartwright for his distinguished service to the State and Nation.

I now join in saying thank you to Wilburn Cartwright and wish him God's blessings in all he does.

Mr. President, I ask unanimous consent that the resolution printed in the RECORD.

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

SENATE CONCURRENT RESOLUTION NO. 2

A resolution commending the distinguished career of the Honorable Wilburn Cartwright; expressing the grateful appreciation of the legislature and people of the State of Oklahoma for his fifty years of dedicated and productive public service; expressing sadness and regret for his recent accident and tendering our sincere and heartfelt wishes for a speedy and complete recovery; extending best wishes for a happy eighty-first birthday and for health and happiness upon his retirement from public service; and directing distribution

Whereas, on January 8, 1973, a unique and singularly outstanding career of public service came to a close upon the retirement from the Oklahoma Corporation Commission of the Honorable Wilburn Cartwright, member of the Commission since 1954 and holder of high elective office for most of the years since his initial election to the Oklahoma House of Representatives in 1914; and

Whereas, prior to his eighteen years of service as a member of the Corporation Commission, Mr. Cartwright distinguished himself during eight years as a member of the House of Representatives and Senate of the Oklahoma Legislature; sixteen years as a member of the United States House of Representatives from the Third Congressional District; four years as Oklahoma's Secretary of State; and four years as State Auditor of the State of Oklahoma; and

Whereas, during his membership in the House of Representatives of the United States Congress, Mr. Cartwright served with energy, vision and distinction as the Chairman of the Committee on Roads and Highways and, through the Hayden-Cartwright Act of 1934, was instrumental in the establishment of our present national highway system; and

Whereas, as a member of the United States House of Representatives, Mr. Cartwright also served as an active member of the Committee on Indian Affairs and Veterans Legislation and, as Chairman of the Committee on Insular Affairs, was influential in the enactment of legislation granting independence to the Philippine Islands; and

Whereas, Mr. Cartwright's life as dedicated and loyal public servant and citizen also includes several years as teacher and administrator of public schools in Coal, Atoka, Bryan and Pittsburg Counties; as teacher of history and government at Southeastern State College, Durant; as a soldier in World Wars I and II, rising to the rank of Major in the latter war during volunteer service in North Africa, the Mediterranean and Italy prior to being injured at Foggia, Italy; as civil servant with the Veterans Administration, following his service with the United States Army in the second World War; and as a member of several civic and fraternal organizations and associations; and

Whereas, born in a log cabin near Georgetown, Meigs County, Tennessee, on January 12, 1892, Mr. Cartwright moved with his pioneer parents, Jackson Robert and Emma Cartwright, and several brothers and sisters to near Wapanucka, Indian Territory, in 1903, where the family farmed and earned for itself a leading role in the life of this frontier community; and

Whereas, tenacity of will and purpose guided Mr. Cartwright through difficult times and circumstances to an education in the public schools of Tennessee and Oklahoma and to a law degree from the University of Oklahoma in 1920; and

Whereas, an early and abiding concern for the well-being of his community and its people led Mr. Cartwright at a young age into the arena of politics and government and to a larger constituency, to be followed by other members of this pubic-spirited family, including his father, J.R., who served in the Oklahoma House of Representatives; his brothers Clifford (Buck) and Keith, each of whom served in both the House of Representatives and State Senate; and by his nephew Jan Eric, presently serving in the House of Representatives; and

Whereas, vigorous and energetic throughout his life, Mr. Cartwright, one week short of his eighty-first birthday, suffered an unfortunate injury, as a result of a fall on the ice which struck the capital city and state on Friday, January 5, 1973, while making his accustomed walk from home to his office and, coincidentally, his last full working day as a member of the Corporation Commission; and

Whereas, Mr. Cartwright's career of public service, spanning, as it does, virtually the entire history of our great state, stands without parallel in the annals of his beloved Oklahoma, and his contributions to his state and its people will long endure as a memorial to the dedication, energy and integrity which characterized his public trust, and will serve as a beacon for future generations as they seek examples from the past to point the way toward a better and brighter tomorrow.

Now, therefore, be it resolved by the Senate of the 1st session of the 34th Oklahoma Legislature, the House of Representatives concurring therein:

Section 1. That the distinguished career of public service of the Honorable Wilburn Cartwright, spanning half a century and much of the entire history of our great State of Oklahoma, be and hereby is officially commended and extolled.

Section 2. That the many outstanding con-

tributions of the Honorable Wilburn Cartwright to his state and its people be and hereby are commended to the annals of the great State of Oklahoma and offered as inspiring examples to all who aspire to public service.

Section 3. That our best and most heartfelt wishes are extended to Mr. Cartwright for a speedy and full recovery from the serious injury sustained in his recent accident.

Section 4. That our most sincere and grateful appreciation be and hereby is extended on behalf of the people of this state to a dedicated and loyal public servant upon the occasion of his retirement from public office, and our deepest wishes are offered to Mr. Cartwright for a happy eighty-first birthday, to be celebrated on January 12, 1973, and for health, happiness and continued productivity in all his endeavors during his retirement years.

Section 5. That a duly authenticated copy of this Resolution be presented to the Honorable Wilburn Cartwright as a measure of the high esteem of the Legislature and the people of the State of Oklahoma.

SHELLFISH

Mr. RIBICOFF. Mr. President, the GAO has released a study of Government regulation of sanitation and health practices with respect to shellfish. The study concludes that Federal, State, and industry programs designed to guard against health hazards from contaminated shellfish are failing to protect American consumers. Potential health hazards associated with contaminated shellfish include the risk of infectious viral hepatitis, typhoid, salmonellosis, gastroenteritis, and polio. Nearly one-third of the samples analyzed by agencies under the GAO's review exceeded allowable bacteriological standards.

Shocking reports on food inspection programs have by this time become commonplace. Over the past 2 years, the public has learned from reports by the GAO and other Government sources that meat and poultry are processed in insanitary facilities, that frozen and canned fruits and vegetables are processed in similar conditions, and that meat, poultry, eggs, and milk may be contaminated with cancer-causing substances. The latest GAO report, concerning shellfish, is unfortunately typical of what we have seen in other areas.

It is absolutely intolerable for these conditions to continue. One cause of the problem has been the disposition of Federal regulatory authority among several agencies. I shall introduce legislation to centralize responsibilities for these functions and help assure that consumers may finally begin to receive the protection they deserve.

I ask unanimous consent that a digest of the GAO report on shellfish be inserted in the RECORD.

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

[Comptroller General's Report to the Congress]

DIGEST

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO) wanted to know whether the National Shellfish Sanitation Program (NSSP)—a voluntary, tripartite cooperative program of Federal, State, and shellfish industry representatives—is effectively insuring that potentially harmful shellfish are not reaching the American consumer and that imported shellfish are meeting U.S. domestic standards.

Background

Under the Food, Drug, and Cosmetic Act (FD&C Act), the Food and Drug Administration (FDA) is responsible for insuring that food—including shellfish—shipped in interstate commerce is safe, pure, wholesome, and processed under sanitary conditions. Shellfish, as defined under NSSP, include all edible species of oysters, clams, and mussels, either shucked or in the shell, fresh or frozen. Processed shellfish, whether domestic or imported, are monitored by FDA under the FD&C Act.

For fresh and frozen shellfish shipped interstate, FDA seldom uses the regulatory powers of the FD&C Act but relies, instead, on its participation in NSSP.

FDA administers this tripartite program for the Federal Government. FDA annually reviews each State's compliance with NSSP requirements and endorses, or withholds endorsement of, a State's program. If FDA withdraws its endorsement of a State's program, other member States must refuse shellfish shipments from that State.

There are 20 shellfish-producing States. During 1971 about 136 million pounds of shellfish were harvested by these States and another 16 million pounds were imported.

About 2 million acres of the national shellfish-harvesting acreage, or about 20 percent, have been closed to domestic harvesting because of contaminated waters. About 1,620 shellfish plants are certified under the program to ship their products in interstate commerce.

GAO reviewed selected activities of four shellfish-producing States—Maryland, Massachusetts, New York, and Washington—to assess the effectiveness of the four FDA district offices responsible for monitoring the activities of these States. These shellfish-producing States accounted for about 53 percent of the dollar value of the national shellfish production in 1971.

GAO asked FDA to analyze water samples collected from 10 approved growing areas in these States and accompanied FDA on its inspection of 30 shellfish plants selected by GAO. These plants represent about 5 percent of the certified plants in the four States and account for about 11 percent of the shellfish sales by these States.

Shellfish meat samples were collected during the plant inspections, and, at GAO's request, FDA analyzed them for bacteria counts and for the presence of toxic metals—mercury, lead, and cadmium—and pesticides.

GAO also used water and shellfish meat sample results previously collected and analyzed by the States to evaluate the timeliness of State actions and the effectiveness of FDA monitorship under the program.

FINDINGS AND CONCLUSIONS

Overall findings

1. Shellfish not meeting NSSP bacteriological standards are reaching the consumer in quantities sufficient for GAO to question NSSP's effectiveness.

2. FDA is not adequately monitoring the States to insure that shellfish reaching the consumer are pure, safe, and wholesome.

3. The States included in GAO's review are not fulfilling their responsibilities for insuring that shellfish are harvested from only safe waters and are processed under sanitary plant conditions.

Potentially harmful shellfish reaching the consumer

There is a potential health hazard associated with eating contaminated shellfish because they can carry infectious viral hepatitis, typhoid, salmonellosis, certain forms of gastroenteritis, and polio.

FDA has not established Federal standards for bacteria or toxic metals, except mercury, in shellfish and has not requested the Environmental Protection Agency—which regulates pesticides—to establish pesticide standards. Instead, FDA relies upon the States to enforce the NSSP bacteriological and pesticide standards. Toxic metal guidelines which NSSP has had under consideration for several years have not yet been made a part of the program.

Analyses of shellfish meat samples furnished to FDA by 14 States in 1970 showed that 24 percent of the samples exceeded allowable limits under the NSSP bacteriological standards. Of the samples analyzed during 1971 by the four States included in GAO's review, 31 percent exceeded the allowable limits.

An FDA analysis of shellfish meat collected during the joint FDA–GAO plant inspections showed that 17 percent of the samples exceeded allowable bacteriological limits. The sample results indicated that the shellfish had fecal contamination—a potential health hazard—and probably had been harvested from improperly classified or closed growing areas.

The shellfish meat samples also contained other contaminants.

The States are not required to sample shellfish. FDA is not required under NSSP to evaluate States' sampling programs that do exist and does not generally collect shellfish samples during its own plant inspections.

Of the four States reviewed, one had a State-wide market-sampling program, two had limited programs, and one had no meaningful program. Neither FDA nor the four States routinely trace violative shellfish to their source to determine whether the waters are misclassified and unsafe for harvesting.

Need for improved monitoring of shellfish-growing waters

Neither approved nor closed shellfish-growing areas were monitored effectively by FDA to insure that shellfish harvested were safe to eat. Timely action was not taken to close areas that had poor water quality, and low-rated areas were not closed, contrary to NSSP requirements. States have not always adequately posted or patroled closed growing areas to deter illegal harvesting.

Plant sanitation conditions

Of the 30 shellfish plants inspected by FDA at GAO's request, 12, or 40 percent, had insanitary conditions, of which 8, or about 27 percent, were considered to be significant.

FDA is not aware of industrywide sanitation conditions because of the limited number of inspections and methods of selecting plants to be inspected. FDA plant evaluation procedures do not give adequate consideration to the effectiveness of States' actions to obtain correction of prior insanitary conditions or to the significance of current plant deficiencies. FDA does not notify violators officially of sanitation standards violated or monitor cases to promote corrective action.

Control over imported shellfish

About 15.8 million pounds of fresh, frozen, and processed (cooked, smoked, etc.) shellfish were imported into this country in 1971, of which 12.4 million pounds were harvested from waters uncertified under NSSP standards. Since the quality of the shellfish harvested and the conditions under which they

were processed were unknown, the domestic safeguards to insure the marketing of safe and sanitary shellfish were not always available. Further, an apparent inequity exists in that foreign shellfishermen are not required to harvest from only certified waters.

RECOMMENDATIONS

With respect to NSSP, GAO recommends that the Secretary, HEW, direct the Commissioner, FDA, to:

Notify States to close growing areas rated below standard unless the States justify, in writing, that there is no health hazard.

Develop with the States a systematic survey plan for monitoring all growing areas, including a minimum number of sampling stations and frequency of sampling.

Develop an effective patrol program with each State specifying frequency of patrols and posting criteria for closed areas.

Withdraw endorsement of a State's program if the State does not take aggressive and timely action to correct program deficiencies relating to control over approved and closed growing areas.

Annually assess the overall sanitation conditions of a representative number of shellfish plants.

GAO has also recommended a number of changes for incorporation into NSSP. The changes, if enacted by the tripartite, will strengthen the existing program by requiring the States to have an effective market-sampling program and to consider the significance of conditions found and the adequacy of followup actions when evaluating plant inspection activities.

Additionally, to carry out its responsibilities under the FD&C Act, GAO recommends that the Secretary, HEW, direct the Commissioner, FDA, to:

Use the regulatory powers under the FD&C Act in those instances where NSSP is not effective in correcting insanitary conditions.

Establish Federal bacteriological standards of quality for shellfish and enforce them if satisfactory compliance cannot be obtained under NSSP.

Establish Federal standards for toxic metals in shellfish and request the Environmental Protection Agency to establish standards for pesticides in shellfish.

Collect and analyze market samples of shellfish meat taken during inspections of shellfish plants.

Issue written notices in all cases where FDA finds insanitary conditions in shellfish plants and request written responses on action taken or planned to correct the violations and to insure continued compliance.

Obtain and monitor the results of all State inspections of shellfish plants and the followup actions taken when insanitary conditions are found.

AGENCY ACTIONS AND UNRESOLVED ISSUES

GAO submitted drafts of this report to the Secretary, HEW; the States agencies responsible for shellfish activities in the four States included in GAO's review; and a representative of the shellfish industry, for comments.

The recipients agreed generally with the findings discussed in the report. HEW concurred in GAO's recommendations and advised that a number of corrective actions had been, or would be, taken.

HEW stated that one of the principal reasons FDA had not played a more active role during the last several years was due to the fact that FDA's limited manpower resources have been directed toward attempting to cope with what appeared to be even more critical problems, such as microbiological contamination and drug hazards.

Need for additional substantive increases in FDA staffing for inspection activities has been recognized by the President, HEW, and FDA, according to HEW, and a substantial increase for such activities was included in the Department's most recent (fiscal year 1973) budget request.

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress should consider enacting legislation which permits importing fresh, frozen, and processed shellfish from only those countries that harvest and process shellfish under conditions which are at least equal to domestic standards to insure that only safe and wholesome shellfish are imported.

Under the Federal Meat Inspection Act, a similar requirement exists to insure that imported meat has been slaughtered and processed under conditions at least equal to domestic standards.

PROPER NUTRITIONAL PRACTICES

Mr. CASE. Mr. President, public interest in good nutrition has grown considerably in recent years and attention has been directed to what can be done in schools to teach children proper nutritional practices.

One innovative program has been carried on by Miss Lynn Ketcham, a nutritionist in Washington, D.C.

I ask unanimous consent that an article on Miss Ketcham's project which appeared in the Sunday Star be printed in the RECORD.

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

[From the Washington Star, Mar. 25, 1973]

THE SAGA OF TWO WHITE RATS—THEY SHOW SIXTH GRADERS THE EFFECTS OF GOOD AND BAD DIETS

(By Ruth Dean)

This is the saga of "Mickey" and "Mighty"—two white rats who live on a windowsill at Gibbs Elementary School and show the children how to eat.

To the sixth graders in the Northeast Washington school, this is more than a classroom nutrition experiment with laboratory rodents.

Every day, they see before their eyes what four weeks of good and bad diets have wrought on their classroom companions.

You would hardly believe "Mickey" and "Mighty" came from the same litter. Or that "Mighty," the larger one weighed less than "Mickey" at birth.

"Mighty" has been fed what nutritionists would call "a well-balanced diet," made from foods the children bring every day, grind up in a blender and feed to him in cake form. His liquid nourishment is a bottle of water he sucks on at will through the day.

As a result, "Mighty" is a frisky, bouncy rodent with good, smooth coat, erect tail and the strength to jump up on the bottom bar of his cage.

His companion by contrast is a forlorn-looking runt who sucks diffidently all day on a bottle of soda pop at cage side. His food wafer from the blender ingredients is loaded with carbohydrates and starches.

"Mickey's" tail is stiff and scaly, his hair is splotchy and broken at the ends. He is fidgety, nervous and timid. His red eyes have a dull look, and he sleeps a lot, according to his sharp classroom observers.

"The children are worried about 'Mickey'," says their teacher, Mrs. Barbara Bullock. "They can hardly wait for the experiment to end, so they can feed him 'a good diet'."

The experiment is more than an exercise in classroom curiosity. It has a message for the class itself.

For "Mickey's" diet is exactly the fare on which many of the youngsters in this poor neighborhood subsist.

The experiment, and one like it at the Miner Elementary School, is the brain child of Miss Lynn Ketcham, a nutritionist from the neighborhood mother and child clinic at 18th and E Streets NE.

Miss Ketcham, 27, is a dedicated young woman whose job at the clinic as counselor to mothers and children up to 12, may be phased out in the near future due to reapportionment of federal funds.

(The project comes under the Maternal and Child Health Services of the Department of Health, Education and Welfare, which after June 30 will lose its authorization to administer project grants. Reapportionment of funds for services such as the Northeast center offers will be folded into state foundation grants.

(Dr. Roselyn Epps, chief of the District's Division of Maternal and Child Health, when contacted by the Star-News, acknowledged that the fund cutback may mean the closing of some local centers, but that she and her staff "are hopeful" congressional efforts to secure supplementary funding "will succeed." Otherwise remaining centers will have to double up on services.)

Miss Ketcham views almost with despair what the fund cutback may do to the northeast neighborhood which so badly needs mother and child services such as prenatal and postnatal care, well baby clinics, supplementary food programs and nutrition education.

"It's like throwing a piece of meat in front of them; then snatching it away," she said bitterly.

"What we see here in the clinic," she said, "is anemia, obesity, lead poisoning and failure to thrive." Anemia is probably the biggest problem. "It's the disease of the malnourished," she said.

"This is the syndrome the child is suffering from on the diet we're feeding "Mickey" in the Gibbs School experiment—soda pop, potato chips, jelly sandwiches, sugar-coated cereals, candy bars and lots of milk."

Milk is a necessary part of diet, but not when the child is exclusively fed "lots of milk by baby-sitters so his stomach is too full for other foods," she explained.

"Milk is low in iron. And if the other foods consist of cookies and potato chips, you're going to have an anemic child on your hands."

Miss Ketcham concedes "a family on public assistance, like most of our families are, is not getting an adequate balanced diet, with foods processed as they are now. They're even putting sugar in baby foods," she lamented. "Can't you see someone on welfare trying to stay on the Weight Watchers diet? Fresh fruit and vegetables are expensive.

"Sometimes I feel that everything's programmed against us, including food coupons."

Referring to a New York Times news clipping on her desk, dated March 7, she observed, "It's discouraging when you read that the Department of Agriculture is cutting out buying canned luncheon meat for its needy families program because it is too expensive, when you already know they've cut out nondry milk solids.

"What do you do? These cuts strike right at the working poor."

As an outgrowth of her "frustration at seeing what people have to live on under some of these food programs," Miss Ketcham said she organized a nutritional legislative committee last year, as a local chapter of the National Society of Nutrition Education.

"I feel if we nutritionists band together and pick up a phone and call our congressmen, maybe we'll get some action," she said.

Despite the gloomy prospects ahead, including limited commodity support of the school lunch program, Miss Ketcham hopes she is sowing the seeds for whatever city or private funding may take its place. Or at least, within the limits of her our program, to inculcate ideas in the young generation that will stick with them for the future.

Every Wednesday, she visits Gibbs and Miner's first, second and third grades with a bag of plastic food models, from which she asks them to grab blindfolded and identify

the "food" they hold in their hands. It is an hour the children look forward to.

"We have fun with foods," she explained. "Sometimes I'll bring a fruit they've never tasted before like cantaloupe, or apricots—even raw spinach, which I tell them can be used as a salad green."

Last year, she had a "class" of overweight children whom she encouraged to substitute carrot and celery sticks for candy bars. What does the mischief, she said, "is an overindulgent grandparent with 15 cents and the availability of a corner store.

"By supper time, he's so stuffed on junk food, he has no room for what may be a nutritious meal at home."

Miss Ketcham pointed out that the ghetto child "who has the Southern black heritage has the advantages of the richest food heritage in America. Having collard greens two or three times a week probably saves him from a worse vitamin deficiency," she said.

"Greens are rich in vitamins A, C and E and iron. But if the child is not hungry when he gets home, it will do him little good."

URBAN RENEWAL: WHERE WOULD CITIES BE WITHOUT IT?

Mr. SYMINGTON. Mr. President, the Kansas City Star recently carried an editorial which presents a realistic evaluation of the urban renewal program as it has operated in that city for the past 20 years.

The article points out that urban renewal has been slow, in some cases unsuccessful, in preventing the spread of blight. As the Kansas City experience demonstrates, however, the program has been effective in many areas in both restoring and stabilizing neighborhoods which might otherwise have deteriorated.

To cite a few examples of the accomplishments, the Land Clearance for Redevelopment Authority in its 20-year history has cleared close to 100 acres of land in the central city and undertaken projects covering almost 8 square miles outside the downtown business district. Among the most notable achievements under urban renewal in Kansas City is the Hospital Hill health complex, in addition to expansion of other hospitals.

This year President Nixon has proposed a new approach to urban development—community development special revenue sharing. Next week, the Senate Subcommittee on Housing and Urban Affairs will begin hearings to examine present urban programs and proposals for restructuring them.

I ask unanimous consent that this interesting editorial be printed in the RECORD.

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

[From the Kansas City Star, Mar. 19, 1973]

URBAN RENEWAL: WHERE WOULD CITIES BE WITHOUT IT?

In the long history of the American city no single event has had a more profound effect on the way people live together than federal urban renewal.

It was a program born of necessity. At the end of the Second World War the cities were in miserable condition, the victims of long neglect. First it had been the depression years when dollars were short and little construction took place.

Then came the war. Even routine maintenance was deferred because of national priorities that ranked higher. From 1929 to 1946 little happened in the way of improvement but the forces of decay were not idle.

Washington's answer was urban renewal. It became a gigantic attack on blight, costing billions of dollars. Directly or indirectly it stimulated private and public investments costing tens of billions.

Now it appears that the program, at least in its present form, has become a casualty of President Nixon's "New Federalism." As A. J. Harmon, executive director of Kansas City's Land Clearance for Redevelopment Authority, puts it:

"It's still there but you can't see it. Six months ago I wouldn't have thought complete cutbacks possible, to stop projects in the middle of the stream. Now I believe it. It is being done."

At first it looked as though Kansas City's Convention Center would be an early casualty. Funds were in hand to finish acquisition of the south block of the 2-block site (Central to Broadway, 12th to 14th).

Some leeway was granted to complete projects under way. Federal assistance will be available to acquire the remainder of the site. But that's the lone exception for Kansas City.

UNCERTAINTY IN WASHINGTON

No one can predict what Congress will do, or if a compromise will be worked out with the White House. As of now it seems almost certain that federal urban renewal will not be around after July 1, 1974. That date falls almost exactly 25 years after Congress included urban renewal in the Housing Act of 1949 as an experiment.

It has been charged that President Nixon has written off the cities. This is unfair because it is not true. His plan is to substitute community development revenue sharing, or direct grants to the cities, in place of the present categorical aid grants that are available under urban renewal, Model Cities, the Open Space Act and allied programs.

The President wants the priorities set by the communities involved instead of the bureaucrats in Washington and he has expressed it about that bluntly. Although he will not establish the point without a fight with Congress, perhaps a bitter one, most urban observers believe Mr. Nixon will win in the end.

"It has often been said the cities can make decisions better than Washington," John L. Taylor, city manager, observed recently. "Now we, I think are going to get a chance to demonstrate that. We have a chance to succeed. And, I suppose, a chance to fail."

Harmon adds: "It could become a real dogfight at City Hall to determine who gets what, if all guidelines are removed."

The future is so much in doubt that it is difficult to speculate on what course might be adopted in Washington. It is not premature to look back over the last 24 years to appraise what has occurred. This question seems appropriate: Has urban renewal been a boondoggle of epic proportions, as some have charged, or did it save the American city, as others contend? The answer would seem to lie somewhere in the middle.

Even with a vast expenditure of money the cities are still in trouble and a growing number of people find them unfit places to live. The point, however, is where the cities would be today if the funds had not been spent to wipe away decay. The job is far from complete, but enormous strides have been made since 1949.

"The problem keeps growing," Harmon says. "Blight creeps. Unless we can find some way to stem it, Ward Parkway is going to be a blighted area. Not soon, but one day."

There are many local illustrations. Many neighborhoods that were strong and thriving when the Land Clearance for Redevelopment Authority was organized here in 1953 have slipped badly in the last two decades. Twenty years ago no one would have dreamed that Block 92 (Main to Baltimore, 11th to 12th) would be declared a blighted area and all the buildings demolished. Or that the Emery, Bird, Thayer Building would be rated as one of the two priority sites for redevelopment in Downtown Kansas City.

"If we cut off urban renewal, what is going to happen to the inner city?" Harmon asks. "What is going to happen to Downtown? We think we have made a real bite into it. But there is so much that remains to be done."

The final decision will be made sometime in the next 12 months by Congress and the White House.

Recently Harmon prepared a summary of the Kansas City experience under urban renewal. It is an impressive record that tells a story of gradual but extensive change. The impact of urban renewal, along with the Missouri Redevelopment Act, a companion program, has been so profound that a native son returning after an absence of 20 years would have to ask directions to find his way around Downtown.

Although Harmon is a modest, quiet man who makes no claims, a great deal of the success of the Kansas City program can be credited to his imagination and thoroughness in adapting the Washington guidelines to local needs.

In the last 20 years almost 100 acres in the core of the city have been cleared of blight. This work has directly, and in a few instances indirectly, stimulated new construction with a value of about a quarter billion dollars.

All of the Downtown improvements have not been built on land cleared under the federal or state laws. But it seems fair to say that most of the buildings that have gone up on private property nearby would never have been built if the environment had not been congenial to a major financial investment.

No one in his right mind would build a 20-story building on a site surrounded by worn-out, dilapidated structures almost ready to fall down. Their removal not only upgrade the property they were built on but also adjacent locations. It is the old chain reaction where one improvement encourages others to proceed.

IMPACT BEYOND DOWNTOWN

Because so much emphasis has been placed on the need to save the core cities of America, many people are unaware of the tremendous impact urban renewal has had in the older residential neighborhoods and the areas that border Downtown.

Harmon's report lists projects outside the Central Business District that encompass almost eight square miles. Planned or completed construction in those areas carries a value of about $170 million. Urban renewal had a key role in the new health-care complex on Hospital Hill and in the expansion of St. Mary's and Trinity Lutheran hospitals.

As far as the daily life of individuals is concerned the neighborhood stabilization program has had the most far-reaching effect. Here the effort has been directed at removing the few deteriorating buildings in an otherwise sound neighborhood in order to reverse a downhill trend.

This work, now well under way, cannot be halted without jeopardizing the investment and well-being of tens of thousands of Kansas City families. Neither can Downtown renewal be stopped before the job is completed.

Whether urban renewal continues in its present form, or under Mr. Nixon's proposed community development revenue-sharing plan, is basically immaterial. The important point is that the job of saving the American city is far from completed. The work must go on whether priorities are established at City Hall or in Washington. If it does not proceed, America could, in time, be plunged into a domestic crisis without parallel in its history.

FINANCIAL AID TO NORTH VIETNAM

Mr. HARRY F. BYRD, JR. Mr. President, I have opposed the proposal to extend financial aid to North Vietnam ever since it was first advanced.

I do not believe that we have any obligation to North Vietnam, at whose hands Americans have suffered so much.

Furthermore, the argument that aid to Hanoi would be a parallel to our assistance to Germany and Japan after World War II does not stand up. Unlike Germany and Japan, North Vietnam has not been destroyed, and its militaristic and aggressive government is still in power.

My opposition to proposed assistance for North Vietnam has been strengthened in the last few days with the revelations by former American prisoners of war about the conditions in their prison camps and the brutal treatment accorded them by their captors.

The treatment of our prisoners can only be described as barbarian. It violated the laws of warfare and every standard of humanity and civilization.

For the United States to extend aid to the government responsible for these outrages would be a travesty.

One of the most revealing articles to be published in the press concerning the treatment of our prisoners was an Associated Press story dated March 30 and originating from Portsmouth, Va. It was based on interviews conducted at the Portsmouth Naval Hospital and disclosed much detail about the brutality of the North Vietnamese.

I ask unanimous consent that the text of this article as published in the Northern Virginia Daily on Friday, March 30, be included at this point in the RECORD.

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

POW'S SUBJECTED TO INTENSE PHYSICAL AND MENTAL PAIN

PORTSMOUTH, VA.—American prisoners of war were subjected to intense physical and mental pain and in some cases were placed in isolation for as long as four years, four former POWs said Thursday.

Navy Capt. James A. Mulligan Jr. told a news conference at Portsmouth Naval Hospital that no man was immune from what he called "inhumane treatment" and that the North Vietnamese used physical force, beatings and drugs" to make the POWs bend to will.

Mulligan spoke out at the news conference along with Lt. Cmdr. William M. Tschudy, Capt. Allen C. Brady and Cmdr. John H. Fellowes.

'I think you can say treatment was very bad, was inhumane," in the prison camps, Mulligan said.

He said he, personally, spent 42 months in solitary and that another Navy officer, Capt. Jeremiah A. Denton, Jr., was isolated for four years.

Mulligan said the North Vietnamese withheld food, water and medical treatment in adidtion to administering beatings and various other tortures in order to force men to make antiwar statements.

Ninety-five per cent of the American prisoners were physicially tortured, Mulligan said—and torture finally induced more than 80 per cent to make some sort of statement for the enemy.

Asked about the means of torture, Mulligan said men spent long periods of time in stocks, shackles and leg irons; were beaten or tied with ropes, and that men in solitary were placed in tiny rooms in which the windows were bricked up.

Fellowes said the worst torture he underwent was when the North Vietnamese interrogated him "about an aircraft I didn't know anything about."

He said his hands were cuffed behind his back and ropes were tied around his elbows until they met. He then was left for hours, he said.

When he continued to refuse to make any statements, he said, he was blindfolded, gagged and trussed with ropes for nine hours.

Fellowes said the mistreatment severely damaged him physically and that he lost all control of his hands and arms and had to be cared for by his roommate.

He said it was a year before he was able to shave himself, and that he still suffers some effects of the torture.

At one time, Fellowes said, he was in a prison camp in which he was close enough to continually hear beatings and what the POWs referred to as "the fan belts hitting Americans and the screams."

Tschudy said the most trying ordeal for him was that the North Vietnamese would handcuff his hands so tightly that "they would swell up and turn black."

He said one man was cuffed this way for 23 hours, and that when he was freed "his hands were as black as this microphone stand, and blood was coming through the pores of his skin."

Tschudy said the North Vietnamese "experimented" to find out what each man's pain tolerance was.

He said each man had some form of pain he could not tolerate, and that once the North Vietnamese found out what it was, they concentrated on it.

Referring to the years of torture at the hands of the North Vietnamese, Mulligan said in regard to the pain the men suffered:

"I've been broken. I think everyone here has been broken. We went through agony, over and over again."

All four Navy officers said prison camp food basically was bad, although there was slight improvement in 1969, which they credited to American pressures in the form of letter-writing campaigns to the North Vietnamese.

Mulligan, who was shot down in 1966, said his weight was down to about 110 pounds by 1969.

The North Vietnamese refused for years to give the prisoners salt, Mulligan said, because they considered them "war criminals" and feared that salt would reward them.

He said the North Vietnamese finally were convinced the men were suffering from severe dehydration and needed salt.

After the North Vietnamese brought salt into the prison he said, "we stole it and hid it in our rooms for an afternoon snack."

Talking of the eternal hunger felt by the men, Mulligan said:

"If I had dropped a piece of rice on the deck—and it was a very dirty deck, I might add—I picked it up and ate it."

Obviously embittered toward his captors, Mulligar said:

"The North Vietnamese are signatories to the Geneva Convention. It is unfortunate they never saw fit to implement the provisions called for."

He said his captors "used everything to get what they wanted."

"They withheld medical treatment, they withheld food, they withheld water, they used forms of harassment . . . they used threats to our families back home" in addition to physical punishment, he said.

But apparently worst of all for Mulligan, "They used darkness."

Describing his years in solitary confinement, Mulligan, in a barely audible voice, said:

"I was kept like an animal in a cage. You've been to the zoo. Animals there can look through the bars. I didn't have any bars to look through. I didn't see the moon for years—maybe four or five. "It's a very pretty sight."

The Navy captain said the only way to "beat" isolation was through the prisoners' system of communication.

He said a man in solitary could send and receive messages by tapping on a wall, but men on the outside used various forms of code, including hand signs similar to those used by the deaf and a "coughing code."

While in solitary, he said, "You could keep in contact, but you never saw any people."

Punishment for communicating with other prisoners were common, all the ex-POWs said, as were "purges" in which there were mass punishments.

Asked about prisoners killed by the North Vietnamese, Mulligan recounted what he knew of two escape attempts in which all the men were recaptured.

He said one of the men involved disappeared.

"I don't know what happened to him," Mulligan said.

The former prisoners of war said each prisoner worked to keep a mental record on each man he knew to be in captivity in order that all could be accounted for if and when they returned to the United States.

"As POWs, our No. 1 objective was to get an angle on every man in Hanoi," Mulligan said. "We tried to account for every man."

All four men said they know of other Americans who had been severely injured for lack of medical attention.

Brady said many returning prisoners "are deformed today" because they received no treatment for broken bones.

In 1967, Brady said, when many new prisoners were coming in "Men with broken bones were left for days at a time. Many of them never had bones set."

In many instances, Mulligan said, medical treatment purposely was withheld to force the prisoners to capitulate.

Recounting his own experience, Fellowes recalled that his roommate had urgently requested aid after the torture session in which Fellowes lost use of his limbs.

"It took 17 days for them to even come look at me," Fellowes said.

Tschudy said despite all the years of "torment," it was not until shortly before the POWs returned that he got what he called a full picture of communism.

After being tortured so many times, he said, finally "They torture you for a statement saying how well you were treated."

WILDERNESS AREAS

Mr. TUNNEY. Mr. President, the American wilderness—what remains of it—is a precious and nonrenewable resource. Today, recreational use of wilderness areas, where man can meet nature on nature's own terms, is among the fastest growing forms of leisure pursuit.

Furthermore, these areas serve as outdoor classrooms in natural history, as laboratories for ecological research and as living samples of the original American landscape.

Already, the Congress has designated 18 wilderness areas in California under the protection of the national wilderness preservation system established by the 1964 Wilderness Act. These areas are a good first step in setting aside untouched land.

But more needs to be done. I have joined with my colleague, Senator CRANSTON, in introducing legislation to

create six additional wilderness areas in California.

First, is the Agua Tibia Wilderness. This area is a part of the Cleveland National Forest situated north of San Diego at the northern end of the Palomar Mountain Range. The total acreage will be approximately 16,410 acres.

Second, is the Emigrant Wilderness, an important area in the High Sierras. Basically, the area will comprise land in the Stanislaus National Forest totaling about 113,000 acres.

Third, is an area of about 692,500 acres in Yosemite which will be known as Yosemite North and South Wilderness Areas.

Fourth, is a bill to create the Santa Lucia Wilderness, 22,250 acres in and near the Los Padres National Forest.

Fifth, the Snow Mountain Wilderness, will comprise nearly 37,000 acres in the Mendocine National Forest.

Sixth, is the Pinnacles Wilderness, an area within the Pinnacles National Monument comprising about 13,000 acres.

Clearly, there are many other areas in California which should be included in the wilderness system and I plan to introduce legislation to include other areas.

Frankly, I found the Forest Service inventory superficial. It is a strange paradox today to find Federal agencies insisting upon complete purity in wilderness areas—an interpretation which coincidentally has resulted in severely limiting the size of the recommended wilderness areas.

It appears that many areas have not been inventoried as roadless which deserve consideration. The Forest Service has developed its own interpretation of what can qualify as wilderness and that interpretation seems to have strayed from the standards set down by the Wilderness Act.

It is my hope that instead, the Congress will abide by the spirit of the wilderness law in developing and giving final approval to wilderness area proposals.

Finally, Mr. President, I ask unanimous consent to have printed the text of the six proposed wilderness bills (S. 110–115).

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

S. 110

A bill to designate certain lands in the Cleveland National Forest, California, as the "Agua Tibia Wilderness" for inclusion in the National Wilderness Preservation System

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(b) of the Wilderness Act (78 Stat. 891; 16 U.S.C. 1132(b)), certain lands in the Cleveland National Forest, California, which comprise approximately sixteen thousand four hundred and ten acres and which are generally depicted on a map entitled "Agua Tibia Wilderness—Proposed" and dated March 1972, are hereby designated as wilderness.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the wilderness area with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Agua Tibia Wilderness" and shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas.

S. 111

A bill to designate certain lands in the Stanislaus National Forest, California, as the "Emigrant Wilderness" for inclusion in the National Wilderness Preservation System

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(b) of the Wilderness Act (78 Stat. 891; 16 U.S.C. 1132(b)), certain lands in the Stanislaus National Forest, California, which comprises approximately one hundred and thirteen thousand acres and which are generally depicted on a map entitled "Emigrant Wilderness—Proposed" and dated March 1972, are hereby designated as wilderness.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the wilderness area with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Emigrant Wilderness" and shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas.

S. 112

A bill to designate certain lands in the Yosemite National Park in California as wilderness

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with subsection 3(c) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132(c)), certain lands in the Yosemite National Park, California, which comprise about six hundred and ninety-two thousand five hundred acres and which are depicted on a map entitled "Yosemite North Wilderness and Yosemite South Wilderness—Proposed" and dated October 1972, are hereby designated as wilderness: *Provided, however,* That each tract identified on said map as "Wilderness Reserve" is designated as wilderness, subject only to the removal from each such tract of the existing nonconforming improvements, at which times the Secretary of the Interior is directed to publish notice thereof in the Federal Register. Pending such notice, and subject only to the existing nonconforming improvements, each such tract shall be managed as wilderness in accordance with section 3 of this Act.

SEC. 2. As soon as practicable after this Act takes effect, a map and a legal description of the wilderness areas designated by and pursuant to this Act shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The wilderness areas designated by and pursuant to this Act shall be known as the "Yosemite North Wilderness" and the "Yosemite South Wilderness" and shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

S. 113

A bill to designate certain lands in San Luis Obispo County, California, as the "Santa Lucia Wilderness" for inclusion in the National Wilderness Preservation System

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Wilderness Act (78 Stat. 890), certain lands in and adjacent to the Los Padres National Forest, San Luis Obispo County, California, which comprise about twenty-one thousand two hundred and fifty acres and which are generally depicted on a map entitled "Santa Lucia Wilderness—Proposed" and dated January 1973, are hereby designated as wilderness: *Provided, however,* That the tract identified on said map as "Wilderness Reserve" is designated as wilderness, subject only to the removal of the existing and temporary nonconforming improvement, at which time the Secretary of Agriculture is directed to publish notice thereof in the Federal Register. Pending such notice, and subject only to the maintenance of the existing nonconforming improvement, said tract shall be managed as wilderness in accordance with section 3 of this Act.

SEC. 2. As soon as practicable after this Act takes effect, a map and a legal description of the wilderness area designated by and pursuant to this Act shall be filed with the Interior and Insular Affairs Committee of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. (a) The wilderness area designated by and pursuant to this Act shall be known as the "Santa Lucia Wilderness" and shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that portion outside the boundary of the Los Padres National Forest shall be so administered by the Secretary of the Interior.

(b) Notwithstanding the provisions of section 5 of the Wilderness Act, the Secretary of Agriculture, and, within the portion of such area outside the boundary of the Los Padres National Forest, the Secretary of the Interior, are authorized to acquire by donation, purchase with donated or appropriated funds, exchange or otherwise any non-Federal lands located within the area designated as wilderness by this Act as the appropriate Secretary may determine necessary or desirable for the purposes of this Act and the Wilderness Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

S. 114

A bill to designate certain lands in the Mendocino National Forest, California, as the "Snow Mountain Wilderness" for inclusion in the national wilderness preservation system

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Wilderness Act (78 Stat. 890), certain lands in the Mendocino National Forest, California, which comprise approximately thirty-seven thou-

sand acres, and which are generally depicted on a map entitled "Snow Mountain DeFacto Wilderness Area" and dated June 1971, are hereby designated as wilderness.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the wilderness area with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Snow Mountain Wilderness" and shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas.

S. 115

A bill to designate certain lands in the Pinnacles National Monument in California as wilderness

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act (78 Stat. 890), certain lands in the Pinnacles National Monument, California, which comprise about thirteen thousand acres and which are generally depicted on a map entitled "Pinnacles Wilderness—Proposed" and dated April 1968, are hereby designated as wilderness.

SEC. 2. As soon as practicable after this Act takes effect, a map and legal description of the wilderness area designated by and pursuant to this Act shall be filed with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Pinnacles Wilderness" and shall be administered in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

METHAQUALONE BY THE MILLIONS: MORE STRINGENT CONTROLS NEEDED

Mr. PERCY. Mr. President, in the early 1900's, a nonaddictive so-called wonder drug was marketed as a substitute for morphine. It was called heroin. That treacherous drug still plagues this Nation, leaving us with over 600,000 heroin addicts. Today, another brand of poison saturates our society, and the insidious consequences of drug abuse surface once again. Quaalude, Parest, Sopor, Optimil, and Somnafac are brand names for the drug methaqualone. Methaqualone is the name of a dangerous drug.

Labeled a safe, nonaddictive sleeping pill, methaqualone is promoted as a substitute for barbiturates. Despite advertisements to the contrary, the Medical Letter on Drugs and Therapeutics in 1966 reported methaqualone addiction cases in England. Methaqualone abusers in Japan comprised half the drug addicts hospitalized in that country between 1963 and 1967. German medical journals also record methaqualone poisoning cases. Clinics throughout this Nation now indicate that the tranquilizer is indeed physically addicting. Yet, users find the drug easily obtainable.

The handwriting is on the wall and it is not very hard to read. Dangerous drugs produced in mass quantities invite mass abuse. Methaqualone sales have increased 360-fold since 1965. It quite possibly ranks as the most abused drug on the streets today. Yet, methaqualone is legally made, legally advertised as nonaddicting, and legally prescribed in much the same way as vitamins.

The "underground" did not produce the methaqualone used on the streets. Mass availability of the drug is a product of the conduct of legitimate drug companies. Methaqualone addicts are products of our own negligence.

Methaqualone occupies the dubious position once held by heroin, LSD, and amphetamines among the drug abuse cult. It occupies no position on the Bureau of Narcotics and Dangerous Drugs list of schedule II controlled drugs. The evidence gathered to date suggests that methaqualone is a highly dangerous substance. But until recently, Federal officials considered methaqualone safe. These officials, however, are now beginning to take appropriate action to warn the public of the dangerous physical and mental effects of this drug.

There is a 4- to 5-year interval, even after certification by the Food and Drug Administration, before any drug side effects can be fully realized. We are not certain how this drug affects body chemistry. We are not certain how to treat methaqualone abusers. We are learning, however, and we do know something of the tregedy which can befall such abusers.

Methaqualone's immediate effect is a numbing of the central nervous system. It was never really intended to cause sleep, just sleepiness. The dreamlike, euphoric sensation is lauded by those who abuse it. Abusers receive an exhilarating "high" along with a stupefying drunken sensation. The "thrill" is in resisting the urge to sleep.

Methaqualone is preferred among multiple drug users. When taken in combination with other controlled narcotic substance depressants, such as alcohol or barbiturates, a dangerous or even fatal synergistic effect has been observed. Alcohol reacts adversely with methaqualone, thus increasing the drug's effects and making overdose quite possible. Acute poisoning may result from this mixture, especially in the intoxicated person, who in a judgment-impaired condition may not realize the amount of either drug ingested.

The Rorer Co., original American processors of methaqualone, found that "single doses ranging from 8 to 20 grams have produced severe toxicity and death." According to doctors who have treated methaqualone addicts, most of the patients were taking only four pills, or 1,200 milligrams, a day. BNDD has recently concluded that even these minimal doses produce a severe physical dependence characteristic of the barbiturate-alcohol type. Physicians contend that any sedative-hypnotic can result in a fatal withdrawal. The victim is seized by sudden convulsions and requires immediate medical attention. BNDD studies confirm that abrupt withdrawal causes severe headaches, cramps, compulsive shaking, chills, and loss of appetite.

Users obtain methaqualone with minimum difficulty. Some steal prescription pads and forge them. Others do not need a written prescription. A short call from a sympathetic physician or black marketeer can be sufficient. Drug firm representatives flood medical centers with free samples. Presented as harmless by high-pressure mass advertising, experimenting youth become enticed and entrapped.

In the past, Government has fought drugs with police. We have banned uncontrolled manufacturing of drugs. The President has made great strides toward international drug control. Yet, what good has Government regulation done if we cannot control the distribution of an addicting drug, still being mass produced by our own domestic drug companies?

We know there is a distribution problem. Drug firms make money supplying methaqualone which finds its way to the pusher. In a recently published report entitled "Control Recommendations for Methaqualone," BNDD demonstrated how serious the distribution problem has become. The following tables, supplied by BNDD, reveal the alarming yearly increases in manufacturers' distribution of this drug:

Company No. 1: Methaqualone yearly distribution figures

Date of distribution; 400 mg. dosage units distributed:
Prior to Oct. 1969, 0.
1970, 2,100,000 (approx.).
1971, 3,100,000 (approx.)
1972, 4,000,000 (approx.).

Company No. 2: Methaqualone yearly distribution figures

Date of distribution; 400 mg. dosage units distributed:
Prior to Oct. 1971, 0.
1972, 7,000,000 (approx.).

Company No. 3: Methaqualone yearly distribution figures

Date of distribution; 300 mg. dosage units distributed:
Prior to Feb. 1969, 0.
1970, 3,500,000 (approx.).
1971, 6,000,000 (approx.).
1972, 9,000,000 (approx.).

Company No. 4: Methaqualone yearly distribution figures

Date of distribution; 400 mg. dosage units distributed:
Prior to Sep. 1970, 0.
1971, 10,000,000 (approx.).
1972, 22,000,000 (approx.).

Company No. 5: Methaqualone yearly distribution figures

Date of distribution; 300 mg. dosage units distributed:
Prior to Sept. 1967, 0.
1968, 8,000,000 (approx.).
1969, 47,000,000 (approx.).
1970, 70,000,000 (approx.)
1971, 80,000,000 (approx.).
1972, 105,000,000 (approx.).

We know how to handle the distribution problem. A short time ago, amphetamines were in abundant supply. They are now far more difficult to acquire. Amphetamines were reclassified as

schedule II drugs and removed from the streets. Federal drug officials should consider immediate curtailment of methaqualone production by putting into effect distribution controls which would limit methaqualone use to legitimate medical purposes.

Mr. President, the drug abuse problem is a malignant disease. Small children accidently swallow powerful chemical agents. Youths seek artificial tranquility from pure poison. Adults resort to heavy drug doses to cover, but not solve, their problems. Government policy must be so structured as to safeguard the public from distorted advertising which would shackle human volition.

In January of this year, I wrote Attorney General Richard Kleindienst, Dr. Jerome Jaffe, Director of the Special Action Office for Drug Abuse Prevention, and then-Food and Drug Administration Commissioner Charles Edwards calling their attention to the increasing abuse of methaqualone throughout the United States. I urged each of these officials to report to me on the feasibility and desirability of curtailing methaqualone production and distribution.

The Justice Department forwarded a response in mid-February. It reported that an investigation by the Bureau of Narcotics and Dangerous Drugs was in the final stages at that time. The results would be submitted to the Secretary of Health, Education, and Welfare for his scientific and medical evaluation.

Dr. Jaffe's response stated that—

> There is no question that methaqualone causes physical and psychological dependence and is responsible for intoxication and overdose deaths.

Commenting on the widespread availability and the increasing use of this drug, Dr. Jaffe concluded that—

> More stringent controls seem needed, and it seems to me that bringing this drug under the Comprehensive Drug Abuse Prevention Control Act of 1970 is a necessary step.

FDA Commissioner Edwards reached the same conclusion. After describing the remarkable similarity of the effects of barbiturate and methaqualone abuse, the Commissioner wrote:

> Production of this preparation can be curtailed by transfer of Schedule II of the Comprehensive Drug Abuse Prevention and Controls Act of 1970.

Dr. Jaffe and Dr. Edwards both pointed out, however, that before a schedule II classification can be made, the Bureau of Narcotics and Dangerous Drugs must first submit a report outlining the patterns and extent of abuse, accompanied by recommendations for control, to the Secretary of Health, Education, and Welfare. With this report and the scientific and medical evaluation report compiled by the FDA, the Secretary then determines whether to recommend to the Attorney General that proceedings to add methaqualone to Schedule II be initiated.

On March 15, 1973, John Ingersoll, Director of BNDD, submitted a 36-page report on methaqualone to HEW Secretary Caspar Weinberger. The report concluded that this drug produces a severe dependence effect and is abused by several varying segments of American society. Mr. Ingersoll recommended that methaqualone be placed in Schedule II of the Controlled Substances Act.

Thus, the first step toward curtailment now has been taken. The BNDD report and the Justice Department's recommendation have been completed.

Indeed, the problem has aroused considerable interest in the Senate also. Senator BAYH is currently conducting hearings in the Senate Judiciary Subcommittee on Juvenile Delinquency in order to assure prompt distribution control and production curtailment.

It is clear to me that the necessary evidence and data are complete and sufficient to warrant immediate action on the part of Secretary Weinberger declaring that methaqualone is medically and scientifically dangerous enough to necessitate a schedule II classification. The three officials I contacted all agree that the drug is inherently dangerous. In particular, Commissioner—now HEW Assistant Secretary-designate—Edwards informed me that—

> Methaqualone, which differs chemically from the barbiturates (is remarkably similar in its pharmacological actions.

In a letter dated February 23, 1973, to Mr. Ingersoll, Dr. Edwards stated:

> We believe there are other sedative-hypnotic drugs which *currently constitute a national health hazard* due to their abuse liability. (emphasis added)

He specifically referred to methaqualone as falling within that category. In his response to me, Dr. Edwards included examples of literature reports and articles concerning methaqualone abuse which tend to demonstrate that there is already compiled sufficient information to justify a schedule II classification for methaqualone. I, therefore, urge Secretary Weinberger to submit his determinations to the Attorney General forthwith.

At this point, I ask unanimous consent that the following documents be included in the RECORD: My initial inquiry to the Special Action Office for Drug Abuse Prevention, the Food and Drug Administration, and the Department of Justice; the responses from Dr. Jaffe dated March 9, 1973, Deputy Attorney General Sneed dated February 14, 1973, and Commissioner Edwards dated March 2, 1973, responding to my original inquiry; a summary of literature reports of methaqualone misuse, attached to Dr. Edwards' letter of March 2; Commissioner Edwards' letter to BNDD Director John Ingersoll dated February 23, 1973; the letter from Mr. Ingersoll to me, advising me of his recommendation regarding methaqualone; the BNDD report, "Control Recommendations for Methaqualone," containing the findings and conclusions of the Bureau; an outstanding article titled "Methaqualone: The 'Safe' Drug That Isn't Very" by Danied Zwerdling, appearing in the Washington Post, November 12, 1972; recent articles entitled "Warning on Sopors," and "The Deadly Downer," appearing in Newsweek—February 12, 1973—and Time—March 5, 1973—respectively; and a still more recent piece, "New 'Jekyll-Hyde' Drugs: U.S. Seeks Speedy Action," from the Christian Science Monitor—March 26, 1973.

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

JANUARY 19, 1973.

DR. JEROME JAFFE,
Director, Special Action Office for Drug Abuse Prevention, New Executive Office Building, Washington, D.C.

DEAR DR. JAFFE: It has recently come to my attention that a drug known as methaqualone is being widely abused in this country, and I would appreciate your investigation into the matter.

Since 1965 when the Rorer drug firm first introduced methaqualone as a "nonbarbiturate" tranquilizer and sleeping pill (under the trade name Quaalude), many other drug manufacturers have entered the methaqualone business: Arnar-Stone with Sopor, Parke-Davis with Parest, Wallace with Optimil.

Advertised as being safe and non-addictive, evidence now indicates that methaqualone can hook persons on a habit as invidious as that brought on by barbiturates and produce withdrawal effects far worse than heroin. As early as 1966, the Medical Letter on Drugs and Therapeutics warned doctors in the United States that the British Medical Journal had discovered instances of physical addiction to methaqualone. According to doctors who have treated methaqualone addicts, most of those hooked were taking only four pills, or 1200 milligrams, a day.

According to reports, there is also a sharp increase in the number of methaqualone overdose cases. Rorer Company itself reportedly found that single doses ranging from 8 to 20 grams have produced severe toxicity and death. In addition, when methaqualone users mix these pills with even small amounts of alcohol, the ill-effects of the drug are multiplied.

Even my own conversations and from accounts I have seen, methaqualone now has a larger market on the streets and college campuses of this country than even marihuana and LSD. Drug clinics around the country report that they have never seen any drugs available so freely in this quantity. Unlike most illicit drugs on the streets, methaqualone is not manufactured underground—almost all of it is produced legitimately by reputable drug manufacturing companies.

Sales of methaqualone have increased 360 times since the year it was introduced. Drug companies are making money even from the methaqualone sold on the black market, since the companies must increase production of the drug to replace the drugs that are diverted from legal channels.

Although the drug manufacturing companies are said to have received many complaints from drug clinics around the country, to date they have refused to change even their advertising or labeling practices.

In view of these circumstances, I would appreciate it if an investigation could be scheduled at the earliest possible date and a report submitted to me describing what can and should be done at this time to curtail production of these pills and to limit their use to legitimate medical purposes, and specifically whether more rigid controls are necessary under the schedules set forth in the Controlled Substances Act of 1970.

In the final analysis, aren't our youth confronted with enough grotesque enticements to wreck their lives through illicit drug use, such that the Federal government need not, by continuing its current policy, aid and abet that tragic development?

Sincerely yours,

CHARLES H. PERCY,
U.S. Senator.

OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., February 14, 1973.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This is in response to your letter of January 19, 1973, calling attention to the increasing abuse of methaqualone in the United States.

You may be assured that the Department is not unmindful of this problem and the need to bring this drug under appropriate Federal controls. To that end, the Bureau of Narcotics and Dangerous Drugs is in the final stages of an investigation of the nature and extent of methaqualone abuse in this country, and will, in the near future, submit a control recommendation to the Secretary of the Department of Health, Education, and Welfare for his scientific and medical evaluation thereof. At the present time, a decision as to which schedule of the Controlled Substances Act of 1970, (CSA), methaqualone should be assigned has not been made. However, once that decision has been made and the recommendation paper submitted, the Bureau will be happy to send you a copy.

Inasmuch as the investigation reveals that the methaqualone being abused derives from legitimately manufactured products, controls sufficient to cut down diversion must be imposed. These controls as prescribed in Schedules II and III of the CSA would include stringent security measures, thorough and readily retrievable records, and restrictions on prescriptions. Such controls would have an impact on bulk manufacturers, dosage form manufacturers, distributors, and, of particular importance with regard to methaqualone, on the minority of physicians whose prescribing habits are such that an uncontrolled drug will be dispensed in substantial quantities with little or no professional scrutiny (especially where that drug is touted to be a "safe" alternative to barbiturates).

In closing, I would like to thank you for your interest in this problem, and request that you notify the Bureau of Narcotics and Dangerous Drugs if you have any information that would assist them in the preparation of their recommendation and in the presentation of the government's position in any administrative or judicial proceeding which may result from that recommendation.

Sincerely,

JOSEPH T. SNEED,
Deputy Attorney General.

EXECUTIVE OFFICE OF THE PRESIDENT, SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION,
Washington, D.C., March 9, 1973.

Hon. CHARLES PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for your letter concerning the abuse of the drug methaqualone. Please excuse our delay in not responding sooner to your inquiry.

It is quite true that methaqualone is causing an increasing number of problems in the current youth drug scene. As you may know, the Bureau of Narcotics and Dangerous Drugs has established a Drug Abuse Warning Network (DAWN), a system by which reports are received from emergency rooms all over the country, indicating drugs being abused, reactions to the drugs, etc. We first became aware of widespread methaqualone abuse some months ago when reports from the DAWN system began to show increasing numbers of cases of adverse reaction to the use of this drug. There is no question that methaqualone causes physical and psychological dependence, and is responsible for intoxication and overdose deaths. It appears that this drug which is so easily available is now being widely used, in part because of such availability. More stringent controls seem needed and it seems to me that bringing this drug under the Comprehensive Drug Abuse Prevention Control Act of 1970 is a necessary step. However, that Act specifically requires that before a drug be scheduled the Attorney General must make certain findings and then request an opinion from the Secretary of HEW relating to medical and scientific considerations set forth in Section 201(b) of PL 91-513. In light of this clear legislative directive, the Attorney General is precluded from even requesting such an opinion until he receives sufficient evidence that the drug or substance in question has a potential for abuse and, among other things, is being abused. I have been advised that the Bureau of Narcotics and Dangerous Drugs has been working, for some time, to develop the necessary evidence of abuse requested under this Title.

In order to bring methaqualone under these appropriate Federal controls the Bureau of Narcotics and Dangerous Drugs has been conducting an investigation of the nature and extent of methaqualone abuse in the United States. This investigation is now in its final stages. Inasmuch as the investigation has revealed that the methaqualone being abused derives from legitimately manufactured products, control sufficient to substantially reduce diversion must be imposed. My Office has been advised that, in the near future, the Bureau of Narcotics and Dangerous Drugs will submit a recommendation to the Secretary of Health, Education, and Welfare to move methaqualone into Schedule Two under the Controlled Substances Act of 1970. However, at the present time, this is not public information and we will appreciate your holding this information in confidence until the recommendation is sent by the Bureau of Narcotics and Dangerous Drugs to the Secretary.

In addition to tighter controls on methaqualone, we are seeking to educate physicians in practice to the hazards inherent in the indiscriminate use of this drug. The Programs Division of the Special Action Office is preparing to distribute to the medical profession, and to other health and drug abuse treatment agencies and programs, information on the hazards of the use of this drug and suggestions for appropriate intervention.

You may be assured that we share your deep concern over the problem of methaqualone abuse and will continue to work toward solutions.

With kind personal regards, I remain,

Respectfully yours,

JEROME H. JAFFE, M.D.,
Director.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
March 2, 1973.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: This is in further reply to your January 19 letter about methaqualone.

As you are aware, the Food and Drug Administration (FDA) is very much concerned about methaqualone abuse, particularly among young drug users, and has been gathering data on the use and misuse of this drug for several months. Methaqualone, a prescription-restricted drug, is a sedative-hypnotic which differs chemically from the barbituates but is remarkably similar to these agents in its pharmacological actions.

Production of this preparation can be curtailed by transfer to Schedule II of the Comprehensive Drug Abuse Prevention and Control Act of 1970. Drugs in Schedule II are those which have a high potential for abuse, while at the same time have a currently accepted medical use. It is the Attorney General who establishes annual production quotas for drugs in Schedule II.

At the request of the Attorney General, the Secretary of Health, Education, and Welfare furnishes the Attorney General with a scientific and medical evaluation of the drug and his recommendations as to whether the drug should be controlled. Although the Attorney General initiates proceedings to control drugs, the Act does make provision for the Secretary to request that action be taken.

The Bureau of Narcotics and Dangerous Drugs of the Department of Justice, which has primary responsibility for enforcing the laws against the misuse of dangerous drugs, has been documenting actual instances of "street" use and making seizures of methaqualone. At the same time, FDA is now evaluating the available data necessary to determine whether to recommend to the Secretary of Health, Education, and Welfare that he request the Attorney General to initiate proceedings to add methaqualone to Schedule II. In the meantime, we have communicated our concern to the Director of the Bureau of Narcotics and Dangerous Drugs (BNDD), Department of Justice, and requested that he complete investigations necessary to determine whether additional controls are warranted to reduce or prevent further widespread abuse of methaqualone. A copy of this letter is enclosed.

As examples of the kinds of information upon which our scientific and medical evaluation are based, we enclose a summary of literature reports of misuse of methaqualone and also copies of several articles on the subject.

We hope this information will be helpful, and we will keep you fully informed of any decisions made concerning the distribution and availability of this drug. If there is any additional assistance we can provide, please let us know.

Sincerely yours,

CHARLES C. EDWARDS, M.D.,
Commissioner of Food and Drugs.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Rockville, Md., February 23, 1973.

JOHN E. INGERSOLL,
Director, Bureau of Narcotics and Dangerous Drugs, Department of Justice, Washington, D.C.

DEAR MR. INGERSOLL: We have recently received your document concerning the abuse of the sedative-hypnotic derivatives of barbituric acid with the recommendations for control under Schedule II of PL. 91-513 of nine specific drugs. We will evaluate the data which you have submitted with particular emphasis on the factors specified in Sec. 201(b) of PL. 91-513.

In addition, *we believe there are other sedative-hypnotic drugs which currently constitute a national health hazard due to their abuse liability.* We, therefore, request that you consider investigating the following drugs to determine whether additional controls are warranted to reduce or prevent widespread abuse.

Glutethimide (Doriden of Ciba Laboratories):

Listed as having a high abuse liability by the WHO, currently in Schedule III.

Methyprylon (Noludar of Roche Laboratories):

Listed as having a high abuse liability by the WHO, currently in Schedule III.

Meprobamate (Miltown of Wallace Laboratories):

Listed as having a high abuse liability by the WHO, currently in Schedule IV.

Methaqualone (Quaalude of Rorer Laboratories):

Current reports of widespread abuse among the youth in the U.S. Listed in the Convention of Psychotropic Substances in Schedule IV with methyprylon and meprobamate, not presently scheduled.

In order to expedite any recommendations

which you may make after gathering the data, we are currently sutdying the scientific and medical aspects of the potential for abuse of these drugs.

Sincerely yours,

CHARLES C. EDWARDS, M.D.,
Commissioner of Food and Drugs.

METHAQUALONE: SUMMARY OF LITERATURE OF MISUSE

Madden, J. S. (1966 Brit. Med. J. 1,676: "Dependency on Methaqualone Hydrochloride (Melsedin)".

Four patients were found to exhibit the following features while taking Mandrax, a combination of methaqualone and diphenhydramine: a strong desire to continue the drug, a tendency to increase the dose, and a psychic dependence on the drug's effects. The first case was an alcoholic who took 1200 mg. daily and died two years later from cardiac failure ("unrelated" to Mandrax). Another alcoholic, after abstaining from alcohol, consumed Mandrax at the rate of 7500 mg. daily, but were so spaced over the day as to enable him to continue working. One other was a woman who ingested 1500 mg. daily and the last, another woman, transferred to Mandrax after establishing a dependence on at least four other barbiturates and she took 3000 mg. daily. Madden notes that he had not had the opportunity to observe the patients when methaqualone was removed, so that he could not in fact confirm the presence of withdrawal symptoms.

DeAlarcon, R. (1969) Brit. Med. J. 1,122–123: "Methaqualone".

A "number" of depression and anxiety patients who had been prescribed methaqualone for insomnia were found difficult to transfer to less powerful hypnotics even after the main psychiatric illness had been treated. Methaqualone was a high preference drug among patients for dealing with chronic insomnia; it was also found to give them a "buzz".

DeAlarcon, R. (1969) Brit. Med. J. 1,319: "Mandrax and Methaqualone".

Three cases of accidental overdose of Mandrax, all in young people with a prior history of drug abuse were indicated.

Benady, D. R. (1969), Brit. Med. J. 1,577–578: "Mandrax".

The author cites two of his own patients as "addicted" to Mandrax including evidence of craving and increase of dosage to 2100 mg. per day. Both patients reported using Mandrax to "escape the conflicts in their lives." Three further cases of "addiction" were said to have been presented by other consultants, details omitted.

"An Epidemiological Analysis of the Fluctuation of Drug Dependence in Japan" Kato, Musaaki, M.D., The International Journal of the Addictions 4(4), pp. 591–621, Dec. 1969.

Methaqualone, known in Japan by the trade name Hyminal, began to be abused after 1960, through December, 1962 when the number of arrested youths rose to 1,942 and further increased until 1964, when it became available by prescription only, and exhibited the word "powerful" as a labeling requirement. The year 1962 showed 58% of the abusers residing in Tokyo (prior to the subsequent spread throughout the country), 72% of them male, 28% female, and 22% in the 15-year-old age bracket, 58% of whom were high and middle school students, 20.8% employed and 21.2% unemployed non-students. In this age group 81.4% of those arrested involved delinquent behavior.

In a survey of drug abusers and addicts treated in 853 mental hospitals in Japan from 1963 to 1966, methaqualone was abused by 42.8% with the greatest concentration falling between ages 21–25, with a 3:1 ratio of male to female. The chief motivation, by self-disclosure, for their drug use was influence of friends to use of mq. The main reason for admission was anti-social behavior as a function of drug action for mq., rather than withdrawal symptoms, although 16% did exhibit withdrawal symptoms, 7% of the convulsive type and 9% of the delirium type. ("Some of the arrested male delinquent abusers continued using mq. until increased "tolerance" toward it required their using larger and larger doses until they were admitted to mental hospitals for the treatment of withdrawal symptoms or antisocial behavior.")

In another hospital (out-patient) population an investigation of 63 drug addicts of all ages was conducted from May 1963 to July 1967 by N. Takahashi to correlate drug choice with three personality syndromes as defined by Takahaski. Most of the addicts were in their twenties and thirties, with the former composing the greater part. The abused drugs were mq, other hypnotics, minor tranquilizers and analgesics. The three personality classes were taken by Takahaski from observations in daily life and psychotherapeutic sessions. They were: historic, acting out, and defensive. "Histrionic" behavior patterns were defined by egocentric, overproud, emotionally unstable behavior of active and talented persons in a particular field who were easily frustrated by ordinary daily life. They abused drugs to overcome frustration and to promote and cultivate their talents and activities and they preferred to use drugs independently, rather than in groups; the second, "Acting out" defined by rebellious, suggestive, immoral, purposeless, immature behavior, was exhibited by persons who preferred to choose "any" fashionable and attractive object and used drugs recreationally. This type liked to use drugs in groups, frequently changed from one drug to another, and they were closely connected with delinquency and crime; the third, the "Defensive" type included nervous, anxious, sensitive behavior and complaints of insomnia, fatigue, inferiority feelings, and other "neurotic" symptoms; they used drugs to overcome the neurotic complaints, particularly, insomnia.

Of those found to abuse methaqualone, 56% were from the histrionic group, 19% were from the defensive group (the least frequently), and 85% were from the acting-out group (the most frequently). The acting-out group expected the exciting effect of methaqualone to be the same as that of alcohol.

"Methaqualone (Quaalude-300 and Rem Sleep" Med. Letts. on Drugs & Therapeutics, II, 65–7, 8 Aug. 1969.

Medical Letter consultants have observed reactions resembling delirium tremors following sudden withdrawal of mq. and they believe that it should be classified as a physical dependence-producing drug, susceptible to abuse.

H. Brill and T. Hirose; Seminars in Psychiatry, 1:179, May 1969.

Authors report abuse of methaqualone is widespread in Japan. Med Letters, Aug. 1969 (above).

Authors conclude that mq. can cause addiction and is susceptible to abuse. They quote the manufacturer of Quaalude (Rorer): "single doses ranging from 8 to 20 grams have produced severe toxicity and death" with the characteristic clinical features: coma, hypertonia, muscle spasm, and convulsions.

Wallace, M. R.: "Recovery after Massive Overdosage of Diphenhydramine and Methaqualone" Lancet 2, 1247–8, 7 Dec. 1968:

Wallace documents an attempted suicide in the case of a 38 year old woman who ingested 180 tablets of Mandrax (mq + diphenhydramine—mg. dosage not stated) and was found unconscious later that evening. The patient recovered completely following hospitalization for 19 days.

Ibe, Karla, "Acute Methadone Poisoning" Archiv fur Toxikologie, (Berlin) 21 (3), 179–198, 1965:

At the time of this article, Methaqualone ("Revonal") was a high preference drug for suicide attempts among Berlin youth, due to its easy access as an over-the-counter drug. Fifteen cases of mq. use for suicide are described—four of them successful. In total there were 9 males and 6 females spanning ages 15 through 72 with the majority in their late twenties, early thirties. Dosage ranged from 8000 to 16,000 mg. of mq, the average dose approximately 11,060 mg. Almost all of them had become unconscious after taking the drug, and about half experienced convulsions at a later time.

Of the four who died, two had taken alcohol concomittantly. Two died from cerebral edema, one, who had taken the alcohol—the third, a man who had not received medical attention until 54 hours had elapsed, and the remaining case, a 72 year-old woman who had other medical complications of a serious nature (lung problems and heart failure).

Matthew, Henry; "Methaqualone: Efficacy As a Hypnotic and Side Effects" Medical Journal of Australia 2, p. 546, 4, Sept. 1971:

Matthew takes issue with the view of Mandrax as safe and effective. He contends that in his experience Mandrax possesses very strong addictive properties, but he does not elaborate further. He also contends that Mandrax is ("presently") misused in Britain.

Sanderson, J. H.; Cowdell, R. H.; Higgins, G., "Fatal Poisoning with Methaqualone and Diphenhydramine" The Lancet; Oct. 8, 1966, ii, 803:

A case of lethal Mandrax poisoning is presented as well as a summary of similar findings of other cases of fatal Methaqualone overdosage. The case found by the three co-authors was that of a 62 year old woman who took 7000-12,500 mg. of Mandrax and exhibited unconsciousness, convulsions, and hemmorhaging. Postmortem examination revealed acute respiratory infection as the cause of death. Five other fatal cases (from Gellmacher, Mallinckrodt and Lautenbach; Schmidt) featured convulsions, tonic & clonic, hemorrhaging and vomiting of blood.

From the documentation report of two patients who died just under 8000 mg dosage, the speculation is made that this may be the minimum fatal dose, although the authors point out that as far as Mandrax is concerned and with each tablet containing 25 mg. diphenhydramine to 250 mg. methaqualone it is difficult to identify methaqualone as the casual agent, particularly when the two components exhibit the same symptoms in poisoning.

As for the dangers of overdosage, mention is made of Schmidt's discovery that in his hospital "not a single case of attempted suicide with barbiturate had died in the year under consideration unless there were very substantial complications, while there were 2 fatal cases of poisoning with Revonal out of a much smaller but unspecified number of cases."

Brown, Stanley S.; Cameron, Jean C.; Metthew, Henry "Tolerance to Mandrax" British Medical Journal, No. 5560: 309, 1967:

These authors report that they have not yet encountered withdrawal features indicative of physical or psychic dependence to methaqualone but argue for the acquisition of tolerance to the drug similar to that of barbiturates.

Evidence is presented in the form of a survey of 107 cases of Mandrax poisoning at different dosage levels. The first 57 patients were hospitalized with levels of 0.2 to 3.5 mg/100 ml. plasma and the remaining patients with levels of 0.2 to 8.3 mg/100 ml. plasma. Very few of the patients in the high dosage group exhibited the features of severe poisoning that characterized a high proportion of the low dosage group—and this, in a population 78 of whom had been actively prescribed mq. over a period of barely two years. Furthermore, the authors claim knowledge of at least two non-fatal cases of poisoning at mq. levels of about 10 mg./100 ml.

Evart, R. B. 2 and Priest, R. G., "Metha-

qualone Addiction and Delirium Tremens" Brit. Med. J. 3, 92:

A case of delirium tremens upon the withdrawal of mq. is documented and offered as evidence of physical dependence (of the barbiturate—alcohol type) upon mq. The example is that of a 47 year old man with a history of barbiturates, which included methaqualone the latter four years. Found unconscious one night, the man was admitted to a hospital the next day in a state of delirium with tremor with anxiousness, restlessness, reporting visual hallucinations.

The author incidentally comment that Melsedin, the British trade name for mq., had been described by its manufacturer as neither tolerance nor addiction producing, but that they have since become aware of the four cases of addiction in addition to the one reported here. Three of the patients had a history of addiction to barbiturates and alcohol as well.

Matthew, Henry, "Methaqualone: Efficacy As a Hypnotic and Side Effects" Med. J. Aust. 2, 546, 4 Sept. 1971:

Matthew takes issue with mq. being described as safe based upon reports of addiction (Kessell) and the author's own finding of "very strong addictive properties." He further contends that the drug is considerably misused in his country (Scotland) by teenagers for "kicks" and notes that it is also taken in overdose acts of suicide and self-poisoning in the country. He asserts that similar misuse in Britain has prompted the scheduling of methaqualone under the Drugs Prevention of Misuse Act.

Burston, G. R., "Self Poisoning with Mandrax" Practitioner (London) 109:340–344, 1967:

The effects of Mandrax poisoning in 12 cases lead to the possible conclusion that acute Mandrax poisoning is the cause of unconsciousness in patients concurrently presenting hyperreflexia, hypertonia, clonus, muscle twitching, carpopedal spasm, and depressed body temperature. A note is made that simultaneous chlorpromazine and Mandrax overdosage may present a particularly lethal combination.

"Mandrax," Canadian Medical Association Journal (Toronto) 100 (10); 491–492, 1969:

These doctors contend that there is no evidence of addictive potential, but that all other precautions indicated with barbiturates should be followed with respect to Mandrax. Overdosage symptoms such as hypotonia, hypothermea, respiratory and circulatory collapse, pulmonary edema, bronchopneumonia, and bleeding tendencies have been observed.

Haider, Ijaz and Oswald, Ian, "Late Brain Recovery Processes after Drug Overdose," Brit. Med. J.; 2, 318, 9 May, 1970:

The authors propose that a withdrawal syndrome indicating a high degree of drug-tolerance and dependence acquired rapidly after drug overdose can manifest itself one to three weeks after ingestion in the expression of restlessness, insomnia, raised paradoxical (R.E.M.) sleep, epileptic phenomena and delirium. This appears true in the case of two overdose patients on Mandrax.

The first patient was a 47 year old woman who took 275–550 mg. Mandrax nightly for three months, then took 11,000 mg. at one time, became unconscious, and regained consciousness 105 hours later; in two days she developed a mild delirium with visual hallucination and disorientation, which cleared at 11 days, and an increased R.E.M. pattern which normalized at 16 nights.

The second case was that of a 69 year old woman who also took about 11,000 mg. Mandrax, fell unconscious and showed a high R.E.M. pattern on the sixth night, in addition to three one-minute spike-and-wave E.E.G. paroxysms of the type in seen epileptic patients. She had no seizures neither current nor past.

"Mandrax," Canadian Medical Assn. Jnl. (100) (10), 491–2, 1969:

In this pharmaceutical breakdown of Mandrax, the precaution is made to see the drug with caution when evidence of depression or suicidal tendencies exists. "Experience has shown that this drug, like other hypnotics, has a suicidal risk." The addiction potential of the drug is not known but chronic clinical investigations of 6 weeks duration and an interim report at 6 months have shown no evidence of addictive properties. Long-term investigations are continuing and animal studies to date show no teratogenic potential. As overdose symptoms, the article lists: hypertonia, increased tendon reflexes, myclonia; in gross Mandrax overdose—respiratory and circulatory collapse, pulmonary edema, bronchopneumonia, and bleeding tendencies. Hypothermia was present from time to time.

Wilkinson, Margaret: Young, J. P. W., "Poisoning with Mandrax," British Medical Journal, Vol. 1, 4 Feb. 1967, p. 301:

Documetnation is made of the case of an elderly woman suffering from hypothyroidism, subject to depression who committed suicide from a dosage of 5250 mg. of Mandrax. Her admission to a hospital was delayed until about four hours after ingestion. (From letter by Wilkinson)

Young, in a separate letter advocates that poisoning and gross overdosage (in the case of Mandrax) should not be confused with fatality. He refers to the 28 cases of gross overdosage cited by Brown (see Stanley S.; Br. Med. J. '67) all of which survived, and he claims to have on record, cases of complete recovery following intake levels much higher than 3.0 mg/100 ml. blood plasma (cited by Brown as dangerous), one in particular in the amount of 10.5 mg./100 ml.—in addition to reports of overdosage from 3,500–10,500 mg. (including three patients at 10,500 mg.)

"Mandrax and Mogadon: Overdosage", Drug and Therapeutics Bulletin, Vol. 4, Mar. 18, 1966; p. 24:

Taken from two German sources, (1, 2*) seven cases of mg. overdose are reported. Of the seven, three died: two after taking 8000 mg., one after an unknown quantity. The remaining four had taken 4000 mg., 8000 mg., and 20,000 mg. and recovered after treatment.

Three cases of overdosage resulting in convulsions and circulatory collapse and three cases followed by pulmonary edema (2, 3*) are also referred to.

1. Drug Therapy Bulletin, 1966, *4*, 5.
2. Schmidt, A. Nervenarzt, 1962, *33*, 418.
3. Geldmacher-Mallinckrodt, M. and Lautenbach, L.; Aoci. Toxik; *20*, 31, 1963.

U.S. DEPARTMENT OF JUSTICE,
BUREAU OF NARCOTICS AND
DANGEROUS DRUGS,
Washington, D.C., March 15, 1973.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I have recommended to the Secretary of Health, Education, and Welfare that methaqualone be placed in Schedule II of the Controlled Substances Act. This schedule places stringent controls on the manufacturing, distribution and prescribing of the drug. It also permits the setting of annual production quotas.

Attached is a copy of the survey made by the Bureau of Narcotics and Dangerous Drugs upon which my recommendation is predicated.

Sincerely,

JOHN E. INGERSOLL, *Director.*

CONTROL RECOMMENDATIONS FOR METHAQUALONE

I. INTRODUCTION

Methaqualone [1] is a non-barbiturate sedative-hypnotic. Abuse of this drug is increasing in the 1970's in a manner paralleling the abuse of amphetamine in the 1960's. Therefore, the question under consideration by the Bureau of Narcotics and Dangerous Drugs is the extent of controls necessary to prevent illicit diversion and to protect the people.

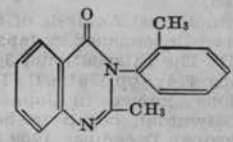
Review by this Bureau was compelled by information received through our own intelligence capabilities and from sources outside the Bureau (members of Congress, the media, State and local medical examiners, drug clinics, and concerned parents and educators), which demonstrated that with the drug's increasing availability on the legitimate market, a concomitant availability for other than medical use is increasing. Accordingly, the Bureau has determined that methaqualone is a dangerous drug that must be included in an appropriate schedule of the Controlled Substances Act.

In November, 1965, the Food and Drug Administration approved the first New Drug Application for a methaqualone preparation. Since that time production and use have increased dramatically. This increase was due largely to the fact that the drug was promoted as an alternative to barbiturates which was efficacious for daytime sedation and nighttime sleep, but which was not accompanied by many of the harmful side effects of barbiturates nor the abuse potential. However, as use and abuse of methaqualone grew it became apparent that the drug did in fact present serious threats to the abuser, primarily due to its ability to produce physical dependence with the accompanying dangers of fatal withdrawal. Although many of the dangers of methaqualone had been reported and documented in medical and scientific literature outside the United States (emanating from Great Britain, West Germany, and Japan where epidemic-like outbreaks occurred during the early and mid-1960's), little was written until recently of methaqualone's impact on the public health of the United States.

This report will examine methaqualone and its abuse. The Bureau does not intend to implicate a particular product as the major source for methaqualone abuse, nor does the Bureau intend, at this time, to suggest which manufacturers are more susceptible to diversion than others.

II. CHEMISTRY

The chemical name for methaqualone is 2-methyl-3-0-tolyl-4(3H)-quinazolinone or 2-methyl-3(0-tolyl)-4-quinazolone. The empirical formula is $C_{16}H_{14}N_2O$ and the structural formula is represented thus:



Methaqualine base is a white, odorless crystalline structure with a molecular weight of 250.3. The free base is sparingly soluble in water and alcohol and practically insoluble in ether. The hydrochloride salt is also a white, crystalline substance and is slightly soluble in water.

The first significant analysis of methaqualone synthesis appeared in Indian literature between 1951 and 1956. References authored by Kacker et al,[2] Rani,[3] and Gujral [4 5 6] reported a methaqualone synthesis involving the condensation of N-acetylanthranilic acid (obtained by the action of acetic anhydride on anthranilic acid suspended in benzene) with aniline, ortho, meta, or para toluidine in the presence of phosphorus. This process is essentially the same as that currently being used by methaqualone manufacturers in the United States. This synthesis can be quite easily performed without elaborate laboratory procedures; therefore, a chemist, for example, could produce methaqualone.

Footnotes at end of article.

III. PHARMACOLOGY

Since the American use of methalqualone began so recently, the amount of scientific information produced in the United States cannot be compared to the volume available on much older drugs of abuse, such as amphetamines and barbiturates. This discussion is based upon American and foreign pharmacological studies where the effects of methaqualone have been observed in humans, as well as monkeys, dogs, fish and rodents.

Methaqualone is a central nervous system depressant, with depression ranging from mild sedation to suppression of the respiratory drive, depending on the dose given. Recommended dosage range from 75 mg. four times daily for daytime sedation to between 150 to 400 mg. for hypnotic effect.[7] The route of administration is oral with onset of effects occurring within 30 minutes of ingestion, and the duration of effects lasting between 6 to 10 hours,[8 9 10].

Methaqualone is readily absorbed from the gastrointestinal tract, and is metabolized almost entirely in the liver and excreted through the bile, urine and feces.[11,12] Because of this metabolic route through the liver, it is important to note that liver damage will slow the rate of metabolism, thus permitting even repeated safe doses to accumulate which may result in the buildup on the drug to toxic concentrations. Inasmuch as abuse of alcohol is a major cause of liver damage, the conjunctive use of methaqualone and alcohol, a prevalent abuse pattern,[13] presents substantial dangers to the individual in situations where the liver becomes damaged.

The toxic effects of methaqualone resulting from excessive or non-therapeutic use are very similar to those resulting from barbiturate abuse, and like the barbiturates, may cause death. Non-fatal side effects include headache, dizziness, drowsiness, nausea, gastro intestinal discomfort, transient paraesthesia, dry mouth and tachycardia. The effects of mild to acute methaqualone poisoning may include respiratory depression, peripheral vascular collapse, feeble heartbeat, lowered body temperature, renal failure, and depressed reflexes. Severe toxic overdose causes pronounced depression of the respiratory centers, which can ultimately lead to asphyxxial convulsions, pulmonary edema, coma, and death. Also important to the toxicology of methaqualone, is the potentiating effects of other central nervous system (CNS) depressants, most notably alcohol and barbiturates.[14] As will be seen in Section V on abuse, the most prevalent pattern of methaqualone abuse is the pattern of conjunctive drug taking. Consequently, the dangers inherent in the abuse of each drug are heightened by the other drugs involved.

IV. DEPENDENCE

The World Health Organization has set four requirements in order to establish drug dependence of the barbiturate type:

(1) Strong desire to continue taking the drug.

(2) Tendency to increase the dose (partly due to a development of tolerance).

(3) A psychic dependence on the effects of the drug.

(4) An abstinence syndrome when the drug is withdrawn, indicating physical dependence.

Madden,[15] in 1966, observed four cases of methaqualone abuse which demonstrated the first three criteria of drug dependence set out above. Benady[16] also observed methaqualone abusers who increased their daily dose and "crave for it." Brown, Cameron and Matthew[17] observed the development of tolerance to methaqualone.

The abstinence syndrome is a complex of symptoms arising after a person dependent upon the drug abruptly stops taking it. These symptoms are evidenced by the progressive development of anxiety, involuntary twitching of muscles, tremor of hands and fingers, progressive weakness, dizziness, headaches, distortion in visual perception, nausea, vomiting, insomnia, weight loss, a precipitous drop in blood pressure on standing, convulsions of a grand mal type, and a delirium resembling alcoholic delirium tremens.

The abstinence syndrome has been seen by Ewart and Priest[18] in 1967, who characterized methaqualone withdrawal as a delirium tremens syndrome of the barbiturate-alcohol type of dependence.

Out of 411 addicts observed by Kato from 1966 through 1969, 176 (42.8%) were methaqualone abusers. Of the 176, 9% exhibited withdrawal symptoms of delirium tremens, and 7% of hte 176 had convulsions.[19]

Most recently, American physicians have observed methaqualone abusers exhibiting withdrawal symptoms, and have admitted them into hospitals for the administration of a withdrawal treatment program. Swartzburg reports cases of methaqualone abuse which convince him that the persons developed tolerance to methaqualone and exhibited withdrawal symptoms when it was withdrawn.[20] The withdrawal symptoms were controlled with pentobarbital withdrawal therapy, a customary withdrawal treatment program which consists of administering the Sodium Pentobarbital Tolerance Test. Under this test a dose of pentobarbital is cross-substituted for an equivalent does of methaqualone. The pentobarbital does is then decreased by 10% per day until the abuser is completeley detoxified.[21]

Kunnes has observed several cases of methaqualone abusers showing withdrawal symptoms, including convulsion. When he re-introduced methaqualone, the symptoms disappeared. Kunnes has referred those person to neuropsychiatric hospital facilities to be treated by pentobarbital withdrawal therapy.[22]

Schulte has also observed methaqualone abusers showing withdrawal symptoms, and has successfully administered the Sodium Pentobaribtal Tolerance Test.[23]

Schnoll reports of withdrawal symptoms in methaqualone abusers and has advised them not to withdraw themselves abruptly, but rather to decrease their daily intake by tapering off, in order to avoid the fatal consequences of abrupt withdrawal.[24]

Addicts themselves have stated in interviews with BNDD representatives that when they stop taking methaqualone they notice the onset of withdrawal symptoms, including:

"the worst headaches I ever had"

". . . began crying . . ."

". . . terrible pain"

"doubled up with cramps"

"stomach tied in knots"

"I experienced a lot of shaking when I stopped taking them."

"I sort of got climbing the walls. I couldn't eat anything and keep it down."

"It felt like somebody was tightening a band around my head."

"I shook so bad I couldn't walk."

"I had cold chills, I couldn't sleep, I was just very confused, I'd change my mind two million times; I was just totally scattered. I couldn't even drink anything and keep it down, water, anything."

"I couldn't keep my balance—my equilibrium."

One addict states, "When I got up into the really high doses, I wasn't getting high on them anymore. I just needed them to function."[25]

Cross-substitution confirms that methaqualone is capable of producing a barbiturate-type physical dependence. Deneau has demonstrated in dogs that cross-substituting methaqualone for sodium barbital has completely suppressed the abstinence syndrome created by the primary drug of dependence, sodium barbital; upon withdrawal of methaqualone following the substitution technique, Deneau observed the appearance of a typical abstinence syndrome.[26]

Bakewell[27] states that persons who are suspected of being physically dependent upon CNS depressants, including methaqualone, should be administered a test dose of pentobarbital 200 mg. If this leads to gross intoxication and, especially, impaired coordination during the test conditions, the person is assumed to have no tolerance to the suspected drug and the likelihood of drug dependence is discounted. However, if a person is not put to sleep nor grossly intoxicated after administration of 200 mg. of pentobarbital every six hours for one day, then he has significant tolerance and merits treatment for drug dependence. After the first 200 mg. dose is administered to the person, if he is alert, comfortable and steady, he has developed marked tolerance.

Schulte,[28] Kunnes[29] and Swartzburg[30] now report such observations after treating methaqualone-dependent persons by using the above-described test.

There is not yet a published methaqualone withdrawal study similar to the chronic barbiturate intoxication study by Dr. Isbell.[31] Dr. Isbell published his study in 1950.

Barbiturates have had a medical use in the United States since 1903 and their abuse was observed in 1904. Dr. Isbell's study, therefore, had the benefit of relying on 47 years of scientific exposure to barbiturates. Forty-six of those years saw abuse of barbiturates.

In the case of Methaqualone, however, several obvious reasons exist to show why there are not the volumes of scientific material concerning methaqualone-produced physical dependence as there are showing the dependence liability of barbiturates.

Methaqualone has only recently (1965) been made available for medical use in the United States. With its introduction, methaqualone was heralded as being free from the barbiturate-type physical dependence characteristic, largely on the basis of it being a non-barbiturate chemically.

Essig, however, disregards a drug's chemical structure for purposes of determining its physical dependence liability, and states that newer depressants can cause physical dependence regardless of their non-barbiturate chemical structure.[32] Bakewell includes methaqualone among those non-barbiturate depressants which share the physical dependence liability of barbiturates. It is now common pharmacological knowledge that non-barbiturate sedatives carry an abuse potential, including likelihood of inducing physical dependence.[33]

Ongoing clinical treatment programs have produced clinical evidence which documents cases of methaqualone withdrawal treatment under conditions strikingly similar to those employed by Isbell in his study. This demonstrates physical dependence upon methaqualone.

Kunnes[34] and Whitehead[35] state that, as with barbiturates, if methaqalone is abruptly discontinued and no withdrawal treatment is administered to the methaqualone-dependent persons, convulsions will likely occur, sometimes leading to death.

Therefore, we conclude that methaqualone produces a severe physical dependence characteristic of the barbiturate-alcohol type.

Psychological dependence has been described by Dr. Jerome H. Jaffe in *The Pharmacological Basis of Therapeutics*, Goodman & Gilman, 1970, page 276, as "effects produced by a drug or conditions associated with its use necessary to maintain an optimal state of well-being. The intensity of the dependence may vary from a mild desire to a "craving" or "compulsion" to take the drug.

Addicts themselves have stated:

Footnotes at end of article.

"I just needed them to function."

"I sort of got climbing walls [without methaqualone]."

During the time interval from September 1972 through January 1973, drug abuse information obtained from Project DAWN (a drug-information gathering project by the Bureau) indicates that out of approximately 1,440 incidents involving methaqualone abusers, 675 (46.9%) self-administered the drug to obtain the psychic effect of euphoria; 219 (15.2%), for unhappiness; 167 (11.4%) for dependence; 90 (6.3%), for self-destruction; and 278 (20.2%), for unknown reasons. The motivation for taking methaqualone, as seen by the percentages of methaqualone abuse and evidenced by the addicts' stated need to take the drug, is indicative of methaqualone's severe psycholgical dependence capabilities.

V. CURRENT PATTERNS OF ABUSE

This section of the report has been divided into three key areas which give a broad picture of methaqualone abuse:

1. method of administration as indicative of different abuse patterns;

2. abuse of methaqualone in conjunction with other drugs;

3. methaqualone abuse within society.

1. *Method of Administration.* Although some "downer-freaks" may attempt injection, the most practical method of administration of methaqualone is oral, largely because its insolubility does not lend itself to injection.

Since methaqualone is commercially manufactured as a tablet or capsule, it is convenient to take, carry and store. These dosage forms are inconspicuous, and therefore may be easily and discreetly sold and transferred. As an oral dosage form, methaqualone retains a lengthy shelf life. A drug abuser need not bother with injectable paraphernalia—spoons, droppers and needles, for methaqualone can be "popped" or "dropped" with the same ease as an amphetamine tablet or a barbiturate capsule.

Methaqualone is particularly attractive to drug abusers because its effects are rapid and long lasting.[36 37 38] It lowers the human inhibitions for those seeking a successful social encounter. A perpetual state of sedation can be maintained by merely taking a pill whenever life's pressures are felt; for the heroin addict who is faced with a short street supply of his drug of choice, or who is unable to maintain his "high" due to low heroin purity, or who is being maintained on methadone, oral administration of methaqualone can compensate for the absence of satisfactory heroin effects; [39] and finally, for the suicide-prone person, the excessive oral overdose of the sedative-hypnotic methaqualone is an efficient method of suicide [40].

It is the magnitude of the oral methaqualone abuse problem and diversion of these tablets and capsules from licit channels which when considered in conjunction with the same problems of barbiturate abuse and diversion, mandates the need for stringent state and federal controls over methaqualone.

2. *Abuse of Methaqualone in Conjunction with Other Drugs.* Methaqualone is a major drug of choice among multiple drug users. Current BNDD Intelligence documents over a thousand cases were hard drug users were also taking methaquolane. These reports show mernaquaine is taken with heroin, with barbiturates, with methadone, with alcohol, and with hundreds of other abusable drugs. This is particularly true in connection with alcohol, where two general abuse patterns are manifested. Many abusers use methaqualone to reduce or remove inhibitions prior to and during a social occasion where they take alcohol.[41] Others may use methaqualone and alcohol to achieve a "tranquility" when unable to cope with day-to-day pressures.

When methaqualone is taken in combination with other CNS depressants, such as alcohol or barbiturates, a synergistic effect will result, potentiating the effects of methaqualone to dangerous or even fatal levels. A further danger exists because the person who combines methaqualone with alcohol, for example, cannot possibly predict the extent and degree of the synergistic effect which results. Acute poisoning may result from automatism, a drug induced state of confusion in which the person forgets having taken certain amounts of the drug, or even whether he had taken any of it at all. Such a state arises in the intoxicated person who, in a judgment-impaired condition, may not realize the amount of either drug ingested and may seek to take more alcohol, or methaqualone, or both. These additional quantities will produce even more marked synergism which can cause a fatal overdose of methaqualone, as well as the other depressants taken with it.[42]

A recent study shows use of alcohol among school age children is dramatic and increasing.[43] The study revealed that 20 percent of sixth graders, 62 percent of seventh graders, 52 percent of eighth graders, and 62 percent of high school students have used hard liquor (the figures for those grades with regard to intoxication are 9, 11, 28, and 38 percent, respectively).

This increase in alcohol use among school-age children and teenagers has been accompanied by an increase in barbiturate abuse. Similarly, a vast, concurrent increase in methaqualone abuse has been seen.

Methaqualone abuse in conjunction with heroin abuse is increasing as successful efforts to interdict the heroin traffic increase.[44] Recent BNDD field reports show that the purity of heroin available on the street is, in most cases, less than 5 percent due to the shortage of the drug. Consequently, addicts supplement their habits with methaqualone,[45] both to potentiate the effects of heroin as well as to ease the withdrawal from heroin.[46]

Closely associated with the problem of methaqualone-heroin abuse is the tendency of heroin addicts participating in methadone maintenance programs to supplement their methadone treatment with methaqualone.[47] Although their physiological need for heroin is adequately substituted by methadone, many heroin addicts miss the feelings and sensations produced by heroin and thus seek an additional drug outlet which will not jeopardize their participation in the program, but will enable them to obtain, inexpensively, the satisfaction they seek. It would be a national tragedy if the solid achievements of the methadone programs were even remotely jeopardized by an uncontrolled flow of methaqualone.

Methaqualone can be used to "draw a person" down from the effects of a psychoactive drug such as "speed." As is the case with any conjunction drug use, the abuser is not fully aware of the consequences of such drug interaction.

3. *Methaqualone Abuse Within Society.* Many adults take excessive doses of properly prescribed drugs either out of habit or to enable themselves to cope with or cloud out unsatisfactory aspects of their lives.

Adults frequently run to the medicine chest for relief from each and every ache, pain, or fit of restlessness or sleeplessness. These patterns are impressionable upon children; to the point of kids mimicking their parents' drug-taking.

Adults generally have easy access to a supply of methaqualone coming from physicians and pharmacies. This group comes to the attention of police or hospitals after an overdose or suicide. A result of this ready access is the ease with which a teenager, for example, could get at this supply of drugs and abuse them.

The dreamlike, euphoric effects of methaqualone have been lauded by those who abuse it and they display their approval by wearing T-shirts emblazoned with one manufacturer's initials. Parties are planned and enjoyed where the sole highlight consists of taking enough methaqualone to "knock yourself out," then resisting the urge to sleep. This produces an exhilarating "high" along with a stupefying drunk effect. At these gatherings special recordings are played, presumably because they can only be enjoyed to the fullest while their listeners are on the effects of methaqualone.

Several dangers come with taking methaqualone for "highs." Among his peers, no one wants to be a "prude", "chicken" or "out of it", so he takes the drug offered to him.

The methodology of methaqualone includes a notion that the drug produces a tingling effect and is therefore an aphrodisiac. While manufacturers of methaqualone have not asserted this claim, a recent headline heralding methaqualone as "Heroin For Lovers" [48] is an example of how the myth is being converted into the "fact". Thus, a unique (if unfounded) dimension of attractiveness has been added to methaqualone for abusers of the drug.

Methaqualone is popular for suicidal purposes. In Dade County, Florida, 11 methaqualone-related deaths have been reported in approximately a one year period.[49]

Methaqualone has had an extensive abuse history in foreign countries, and world literature indicates that from 1960 until the present date, 2,931 (106 suicides; 2,825 poisonings) cases of methaqualone abuse have been reported.

Methaqualone drug abuse is viewed from a number of sources. Physicians, hospital centers, government agencies, state universities, local police officials and BNDD agents have all provided valuable data for the evaluation of methaqualone drug abuse. The recent trend of abuse data, as reported from these sources are indicative of methaqualone's widespread present abuse and potential for even greater future abuse.

Donald J. Foley, Chief of Drug Control of the New Jersey State Department of Health has advised the Bureau of a survey of methaqualone abuse in 60 randomly selected communities located in all areas of the state. The period covered by this survey was May 1, 1972, through January 31, 1973, and showed the following results:

(1) 210 arrests for being under the influence of methaqualone or for possession of methaqualone without a prescription,

(2) 28 hospitalizations for methaqualone overdoses,

(3) 3 methaqualone-related deaths.

Mr. Foley stated that New Jersey is acting to bring methaqualone into Schedule II of the New Jersey Uniform State Act, a schedule similar in drugs covered and in controls to Schedule II of the Federal law.

Between June 1971 and November of 1972, the National Clearinghouse for Poison Control Centers reported a total of 197 methaqualone self-poisonings. Documentation also is available to BNDD indicating the increasing and high incidence of methaqualone abuse relative to suicide and other drug related deaths such as accidental overdoses. From January 1, 1971, through May 1, 1972, reports within the Bureau of Narcotics and Dangerous Drugs alone cited methaqualone abuse involved in 53 suicide-deaths, 267 arrests and 313 overdoses.

The Drug Abuse Warning Network (DAWN) has also contributed to the numerous instances of abuse. DAWN, a project conceived by BNDD, tabulates reports of instances of drug abuse from over 300 selected reporting units. Data collected represents drug abuse information from a wide geographic base and from the following sources: Medical records, hospital out-patient and laboratory records, medical examiner reports, student clinic and health cen-

Footnotes at end of article.

ters, hot-lines, counseling and crisis programs, and free clinics.

For the 4-month period from September to December, 1972, DAWN tabulated 1,373 instances of methaqualone abuse from these reporting units. This was sufficient to place methaqualone among the top ten drugs of abuse in the United States, among such notorious drugs of abuse as, amphetamines, and barbiturates.

Legitimately manufactured methaqualone is easily diverted from licit drug channels because methaqualone is not currently controlled under the Controlled Substances Act.

At this time, evidence does not show that methaqualone is clandestinely manufactured. There are five manufacturers of six marketed dosage form methaqualone products in the United States. Methaqualone may only be dispensed pursuant to a legitimate prescription. Although the regulations of the Bureau do not require a manufacturer of drugs not controlled under the Controlled Substances Act to report production figures, the Bureau does have approximate distribution figures for these five manufacturers, derived from various surveys. These figures reveal large yearly increases in the manufacturers' distribution of methaqualone in the hypnotic dosage level. These increases are shown in each of the tables below.

COMPANY NO. 1.—METHAQUALONE YEARLY DISTRIBUTION FIGURES

Date of distribution and 400 mg. dosage units distributed

Prior to Oct. 1969	0
1970 (approx.)	2,100,000
1971 (approx.)	3,100,000
1972 (approx.)	4,000,000

COMPANY NO. 2.—METHAQUALONE YEARLY DISTRIBUTION FIGURES

Date of distribution and 400 mg. dosage units distributed

Prior to Oct. 1971	0

COMPANY NO. 3.—MATHAQUALONE YEARLY DISTRIBUTION FIGURES

Date of distribution and 300 mg. dosage units distributed

Prior to Feb. 1969	0
1970 (approx.)	3,500,000
1971 (approx.)	6,000,000
1972 (approx.)	9,000,000

COMPANY NO. 4.—MATHAQUALONE YEARLY DISTRIBUTION FIGURES

Date of distribution and 400 mg. dosage units distributed

Prior to Sept. 1970	0
1971 (approx.)	10,000,000
1972 (approx.)	22,000,000

One large manufacturer shows a tremendous increase of methaqualone distribution over the last five years, in the hypnotic dosage form of 300 mg. These distribution figures are represented in the table below.

COMPANY NO. 5.—METHAQUALONE YEARLY DISTRIBUTION FIGURES

Date of distribution and 300 mg. dosage units distributed

Prior to Sept. 1967	0
1968 (approx.)	8,000,000
1969 (approx.)	47,000,000
1970 (approx.)	70,000,000
1971 (approx.)	80,000,000
1972 (approx.)	105,000,000

This distribution increase is due in large part to the promotion of the drug as a "safe" alternative to barbiturate sedative-hypnotics, and its acceptance as such by many physicians. Consequently, the legitimate "pipeline" of methaqualone has been filled to capacity, and the possibility for diversion has increased apace. Diversion from domestic production covers all types of illegal diversion from the legitimate drug pipeline: manufacturer through wholesaler through dispenser (pharmacy, hospital, or physician) to the patient. These include thefts (a storage facility is robbed), employee pilferage (an insider removes drugs from the location), unauthorized sales (a pharmacy sells without a prescription or a wholesaler sells to a person not registered to procure the drug), and in some cases excessive prescribing and dispensing (a physician gives the patient more than is required medically).

Because the Bureau's regulations do not require manufacturers or distributors of non-controlled substances to report thefts of those substances, a total picture of diversion by theft is not available.

However, several incidents have been reported to the Bureau, and it is apparent that had certain physical security controls been in effect pursuant to the Controlled Substances Act, the thefts might well have been averted. For example, one large manufacturer reported the theft of 600,000 methaqualone capsules, which were stolen while contained in bulk shipping drums during processing. According to the manufacturer, approximately 10 days elapsed before the theft was discovered. In another case, an audit performed by the state pharmacy board revealed a shortage of between 300,000 and 400,000 methaqualone tablets while in the possession of a wholesaler, and disclosed that the firm had made several shipments to non-existent firms. In another case involving the arrest of a defendant for the illegal sale of barbiturates, the defendant had in his possession 2,200 methaqualone tablets apparently diverted from a distributor.

Other examples of methaqualone diversion include the case of a defendant pharmacist in the Rocky Mountain area who reported to an undercover agent that methaqualone was readily available, and that he had 250,000 tablets for sale. In addition, he admitted that he diverted 300,000 tablets. A BNDD agent reports that this pharmacist had revealed that, for the past year and a half, he shipped large quantities (25,000 to 200,000 units) to customers in Boston, New York and Columbus, Ohio.

In addition it appears that much of methaqualone's availability is due to the improper prescribing habits of a minority of doctors. This fact is mentioned repeatedly in interviews conducted by Bureau personnel with pharmacists, student health center directors, counselors at drug clinics, and members of the medical community. Again, the facile prescribing of methaqualone is due in large part to the promotion of the drug as a "safe" alternative to barbiturates. It is now necessary for the medical community to become increasingly aware of the fact that these same dangers are inherent in methaqualone.

V. CONCLUSION AND RECOMMENDATION

This report has examined the nature, extent, and danger of methaqualone abuse in the United States for the purpose of instituting proceedings under Section 201 of the Controlled Substances Act of 1970 (CSA), to place methaqualone in the appropriate Schedule prescribed therein.

Based upon the evidence obtained by the Bureau, and presented in this report, it is the recommendation of the Director of the Bureau of Narcotics and Dangerous Drugs that methaqualone be controlled under Schedule II of the CSA and the regulations promulgated thereunder. Although the information available on methaqualone abuse is not of the same magnitude and refinement as that available of barbituates, due to the fact that barbiturates have a much longer history of use and abuse in this country, we believe that we have met the requirement of the CBA that we support our control actions with "substantial evidence of potential for abuse."

The legislative history of the CSA states that as used in the phrase "substantial evidence of potential for abuse," the word ". . . 'substantial' means more than a mere scintilla of isolated abuse, but less than a preponderance."[50] In explaining the meaning of that definition, the Committee on Interstate and Foreign Commerce indicated that:

". . . documentation that, say several hundred thousand dosage units of a drug have been diverted would be 'substantial' evidence of abuse despite the fact that tens of millions of dosage units of that drug are legitimately used in the same time period . . .

Misuse of drugs in suicides and attempted suicides, as well as injuries resulting from unsupervised use are regarded as indicative of a drug's potential for abuse."[51]

With regard to the term "potential for abuse," the Committee adopted the definition appearing in the regulations adopted pursuant to the Federal Food. Drug, and Cosmetic Act (21 CFR 166.2(e)). The definition provides four alternative indicia of a drug's potential for abuse:

"(1) There is evidence that individuals are taking the drug or drugs containing such a substance in amounts sufficient to create a hazard to their health or to the safety of other individuals or of the community; or

(2) There is significant diversion of the drug or drugs containing such a substance from legitimate drug channels; or

(3) Individuals are taking the drug or drugs containing such a substance on their own initiative rather than on the basis of medical advice from a practitioner licensed by law to administer such drugs in the course of his professional practice; or

(4) The drug or drugs containing such a substance are new drugs so related in their action to a drug or drugs already listed as having a potential for abuse, to make it likely that the drug will have the same potentiality for abuse as such drugs, thus making it reasonable to assume that there may be significant use contrary to or without medical advice, or that it has a substantial capability of creating hazards to the health of the user or to the safety of the community."[52]

The Bureau believes that the information presented in this report is such that the criteria of the above definitions and explanations of Congressional intent have been easily met with regard to the decision to initiate proceedings to control methaqualone in Schedule II of the CSA. The following is a list of the important controls that would be imposed on methaqualone as a Schedule II controlled drug:

1. *Security.* The control of methaqualone in Schedule II would subject it to the rigid security requirements imposed by regulations implementing the Controlled Substances Act. Manufacturers or wholesalers would have to store the products in a safe or vault which had a self-locking day-gate, thereby limiting access to only a few authorized individuals. Manufacturing would have to be done in a limited access area under continuous monitoring by supervisory personnel. Storage in pharmacies, hospitals, and physician offices would have to be in a securely locked, substantially constructed cabinet.

All of these controls would reduce the chance for employee pilferage and theft.

2. *Prescription Limitations.* One of the most significant effects of control under Schedule II would be to restrict the prescribing flexibility of a physician. A Schedule III or Schedule IV controlled substance is allowed to be prescribed orally (that is, by telephone) and refills may be authorized up to five times and for a period of six months. Schedule II drugs, on the other hand, must be prescribed in writing (except in limited emergency situations) and may not be refilled.

Thus, the control of methaqualone in Schedule II would greatly reduce the chances

Footnotes at end of article.

for overprescribing by a physician. In addition, the restrictions would compel the patient to receive closer monitoring of his drug use by his physician; in the case of these addictive and overdose-prone drugs, such physician monitoring is imperative.

3. *Quotas.* Controlled substances in Schedule II are subject to quotas on the production permitted in the United States; noncontrolled drugs are not so subject. Quotas have long been recognized as a useful regulatory tool to control the manufacture of substances which have legitimate medical or industrial uses but which also possess high potentials for abuse. A quota represents the quantity or number of dosage units of a drug that may flow through given points in the drug distribution pipeline so that overproduction will be prevented, while assuring that there are sufficient quantities available at the patient end of the pipeline to satisfy the legitimate medical needs.

It has been documented that excessive production of a controlled substance will increase the potential for diversion throughout the pipeline. As production exceeds demand, large quantities of the controlled substance will be added to inventories. This decreases the inventory turnover rate, creating financial pressures to sell the controlled substances to convert inventory into cash, with little regard for the purpose for which the controlled substances are to be used by the buyer. Larger stocks of controlled substances also increase the potential for employee theft and pilferage, and make more attractive targets for burglars.

Quotas properly established to provide for legitimate medical needs may also reduce diversion in another manner. Ethical manufacturers, distributors and dispensers would realize that there will be only a limited quantity of a controlled substance available for legitimate patient use, and thus would scrutinize every transaction involving a controlled substance to be sure that it would be used for a valid medical purpose.

Normally, quotas are used to prevent production from growing faster than legitimate needs. However, when there is a decrease in legitimate medical use of a controlled substance (and a resulting increase in reserve supplies), a quota may be utilized to decrease or "dry up" the excess inventories. As the quota is lowered, the quantity of controlled substances placed into the pipeline is decreased and the manufacturers, distributors, and dispensers would be required to draw from their reserve supplies to satisfy the legitimate medical need.

4. *Import/Export Requirements.* The control of methaqualone in Schedule II would subject the drug to the very rigid controls of the Controlled Substances Import and Export Act.

Currently, methaqualone may be exported from the United States without restriction. Since many countries of the world have no controls whatsoever on nonnarcotic drugs, this permits shipments into those countries for re-shipment elsewhere. It is thus possible for drugs exported from the United States to move through several countries, find their way to the illicit traffic, and ultimately return to the streets of the United States. By being placed in Schedule II, methaqualone could not be exported unless it was shown that the drug was to be used exclusively for medical, scientific, or other legitimate purposes in the country to which it is exported, that it would not be reexported from that country, and that there was an actual need for the drug for legitimate purposes in that country.

On the import side, it is now possible to import an uncontrolled drug in the United States for legitimate purposes. Transfer to Schedule II would limit importation to situations where there was either a shortage of domestic supplies during an emergency, or competition among domestic manufacturers was found to be inadequate.

5. *Order Forms and Reports.* Control of methaqualone in Schedule II would require that all persons selling or purchasing the drug (other than actual patients) use order forms issued by BNDD. The order forms guarantee that only persons specifically authorized to handle these drugs are able to order them, and that all shipments are to be made directly to the address on the form. This avoids the fraudulent use of a BNDD registration number or the diversion of drugs through the theft and misuse of order forms.

In addition, these drugs would become subject to more detailed reports from manufacturers and wholesalers regarding production and inventory. The reports and order forms allow the Bureau to monitor continuously the production and distribution of these drugs throughout the United States and provide investigative leads as to possible points of diversion or other illicit activity.

6. *Recordkeeping.* Schedule II requires that complete records must be maintained. Records of substances in Schedule II must be kept separate and apart from records regarding any other controlled or noncontrolled substances. The Bureau regularly audits all registrants and performs special audits on suspected points of diversion. Through the requirement of separate records, the Bureau's investigators can more effectively perform audits and increase the efficiency of accountability checks.

FOOTNOTES

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[From the Washington Post, Nov. 12, 1972]

METHAQUALONE: THE "SAFE" DRUG THAT ISN'T VERY

(By Daniel Zwerdling)

When the William H. Rorer drug corporation introduced its new tranquilizer and sleeping pill methaqualone on the American market in 1965, president John Eckman knew just what he'd call it. "Our antacid Maalox has been a fantastic seller," he told an FDA official. "If the double A gave us so much luck with Maalox it should do it again with Quaalude."

Since then, the double A in Quaalude has stood not only for growing profits—it's the

number six best-selling sedative—but for addiction and abuse as well. Quaaludes "pave the streets in Columbus, Ohio," according to a street drug clinic, and people cary them "by the bagful" in College Park. In New York City "it's all over the place, and getting even bigger," says a spokeswoman at the city's Addiction Service Agency. Growing numbers of methaqualone poppers are being rushed from "Quaalude parties" with near-lethal overdoses.

Even more troubling is the still little-known fact that methaqualone, far from being "safe" and "nonaddictive" as advertised, can hook people on a habit as tight as barbiturates and give a withdrawal "far worse than heroin," to quote University of Michigan Hospital psychiatrist Richard Kunnes, because, unlike heroin, methaqualone can cause "fatal convulsions."

"The potential threat is equally dangerous as barbiturates," warns Ernest Carabillo of the federal Bureau of Narcotics and Dangerous Drugs. "For every Quaalude addict we come across, that addict seems to know five or six others," says Dr. Kunnes. "We're only seeing the tip of the Quaalude addict iceberg."

THE FIRST ADDICTS

When Rorer started promoting Quaalude as a "non-barbiturate" tranquilizer, doctors welcomed the drug as a valuable alternative. Soon, other drug manufacturers jumped into the methaqualone business: Arnar-Stone with Sopor, Parke-Davis with Parest, Wallace with Optimil, and others. Barbiturates are highly addicting—sudden withdrawal can kill an addict—and highly toxic. Empty barbiturate bottles have become a familiar sight in countless motel room suicides. Rorer and the other methaqualone manufacturers insist their product is different. "Psychological dependence rarely occurs, physical dependence rarely reported," proclaim the Quaalude ads. The PDR (for Physician's Desk Reference), the doctor's bible published by physicians and drug companies reports that "physical dependence has not been clearly demonstrated."

Spurred by these advertising claims, methaqualone has become the hottest drug on the streets and college campus market—bigger than marijuana and LSD. "People who are into downers are constantly looking for a non-addicting drug which will give them a 'buzz' but not get them hooked," says Kunnes. Quaaludes seemed a perfect solution.

"My skin was tingling and I was feeling nice," says John Steinbeck IV, describing a methaqualone trip in the October University Review. "A feeling not unlike what a couple of pipes of opium and a cup of hot tea give you." "For a while you're as light and hollowed out as a marshmallow and inhibitions disappear," says Straight Creek Journal.

Methaqualone poppers claim the drug has aphrodisiac qualities: They call it "heroin for lovers."

The euphoria over methaqualone started cracking this summer as drug takers reported that the stuff was getting them hooked despite the drug companies' claims. "When the first methaqualone addict came in to us this summer she freaked everybody out," says Mike Castleman, a director of Ann Arbor's Drug Help clinic. "She was doing seven 300-milligram tabs a day, and she started to withdraw because she got scared about what she was doing. She got headaches and bad cramps—the first signs of withdrawal. So we immediately called the drug companies and asked about it—and they told us methaqualone's not addictive," Castleman says. "Well, they were wrong."

Since then the University of Michigan Hospital has treated a handful of methaqualone addicts in its psychiatric ward. "Most of them were taking about 1,200 milligrams a day, or just four pills," says resident James Shapiro. Doctors don't know much yet about the addictive qualities of Methaqualone, so they treat addicts by transferring the habit to barbiturates and then gradually reducing the daily dose until they're cured. "It usually takes five days to withdraw the Quaalude addicts completely," Shapiro says.

Dr. Kunnes has seen addicts withdrawing from methaqualone going into convulsions at New York's Bronx Municipal Hospital and in Haight-Ashbury. So far, no one has reported an actual death from methaqualone withdrawal, but doctors believe that it must be the logical result of convulsions that are not treated.

The university hospital also gets methaqualone overdose cases, including three from a recent blues festival. When methaqualone takers start to feel mellow, they drink a little beer or wine to wash the pills down. Alcohol potentiates—or multiplies—the effects of the drug. "These people turn blue, and their breathing is very slow and shallow," Shapiro says. "We have to give them oxygen through a trachea tube for 24 hours.

"We just got an overdose case two nights ago," he told me. "She took 14 300-mg. pills." A few more pills, or a little more time before treatment, and she probably would have died.

German, English and Japanese medical journals have reported numerous methaqualone poisoning cases, including some successful suicides. Rorer itself finds that "singles doses ranging from 8 to 20 grams have produced severe toxicity and death."

Another danger which most users don't know about is that methaqualone may produce fetal deformities in women who get pregnant. The drug has produced mutations in laboratory animals; the Quaalude label insert warns that the drug is "contraindicated in women who are or may become pregnant."

CONTROLS ARE COMING

The methaqualone craze worries officials at FDA and the Bureau of Narcotics and Dangerous Drugs, who have always endorsed the "safe" image which the drug's producers have fostered. BNDD still rates methaqualone on a level with aspirin and vitamins on its drug control list, which means it's a drug doctors don't need to worry about. Anybody can buy it: Just ask a doctor to give your neighborhood pharmacy a call, no written prescription needed. But since the epidemic has hit the college campuses and the street freaks and news of Quaaludes fills the underground press, BNDD has assigned its Project DAWN (Drug Abuse Warning Network) investigators to find just how much methaqualone is really abused. FDA is reviewing medical literature on the drug. BNDD officials expect to place methaqualone on their control list before the end of the year, perhaps at a level with barbiturates.

Drug manufacturers have received piles of letters from drug clinics around the country reporting dangers of methaqualone, but they don't seem ruffled. "We're unaware of any true addiction cases," says Dr. John Zaroslinski, vice president for research at Arnar-Stone. "Addiction is a fuzzy area," says Rorer vice president C. Charles McCallister. "According to reports in our hands, methaqualone has been declared nonaddictive. We have heard reports from widely separated areas—doctors who say they are seeing signs of addiction. But it's unlike anything they've seen before."

And if methaqualone is getting pill takers hooked, drug corporation and government officials say, it's a new phenomenon brought on by irresponsible uses of the drug. "This problem has only come up in the last year," says FDA Bureau of Drugs director Henry Simmons. "We hadn't heard of it before because people weren't abusing it."

But the problem of methaqualone addiction is not new. Surveys in Japan where drug companies have been selling methaqualone since the '50's, show that half the drug addicts in hospitals between 1963 and 1967 were hooked on the stuff. Medical literature contains numerous similar reports dating to the first year Rorer hawked Quaaludes on the American market. The Medical Letter on Drugs and Therapeutics warned U.S. doctors in April, 1966, that the British Medical Journal was finding cases of physical addiction to methaqualone. As the Medical Letter said then, "the claim that methaqualone is nonaddicting has little meaning; even meperidine (Demerol), a highly addicting narcotic, was thought to be nonaddicting when it was new." Doctors thought glutethimide, a non-barbiturate sedative commonly sold as Doriden, was safe but after sales soared they discovered they were wrong about that one, too.

The British Medical Journal has continued over the years to monitor addiction to methaqualone, which English drug manufacturers combine with an antihistamine and call Mandrax. "Addiction to Mandrax is frequently reported," says Dr. Harold Aaron, executive director of the Medical Letter. "Addicts take two Mandrax with a glass of cider. And you don't get addicted to antihistamines—it's the methaqualone."

One issue of the Medical Letter consultants have observed reactions resembling delirium tremens following sudden withdrawal of methaqualone, and believe that *it should be classified as a physical dependence-producing drug"* (emphasis added). That was in August, 1969.

FLOODING THE MARKET

With this medical history as a backdrop, the federal government should have cracked down on methaqualone long ago, when it first hit the market. And now FDA should be forcing drug manufacturers to change their advertising claims. "We've known for a year now that methaqualone is just like barbiturates," says Dr. Edward Tocus, director of FDA's drug abuse staff.

But FDA isn't acting. "There's no drug that doesn't have some problem that isn't stated on its label," says Bureau of Drugs director Simmons. Nor will the drug companies volunteer to change their advertising claims. "From a practical standpoint, it takes several months or longer to change a package label and informational brochures," explains Dr. Zaroslinski at Arnar-Stone. And a change wouldn't do any good anyways, he says: "It would seem unlikely that a street pusher would hand out a package insert with the drugs."

There's one question which puzzles both local drug clinics and Project DAWN investigators: Where are all the methaqualone pills coming from? "I have never *ever* seen any drugs in this quantity," says David Furr, director of Help Center in College Park. "Pushers tell me if you give them a week, chances are 80 per cent they can get you anywhere from 300 to 1,000 pills.

"Most other drugs on the street are very rarely company-made—they're manufactured underground," Furr says. "But almost all the methaqualone we get around here is legitimate." BNDD confirms the same story nation-wide: It's company pills everyone's popping.

Much of the methaqualone supply comes via stolen prescription pads, and some doctors sell prescriptions outright. One Pharmacist in the Washington metropolitan area does a brisk black market business in methaqualone, taking a percentage of the street profits—much higher than he'd get on a doctor's order. And at least two dealers at the University of Maryland buy their stocks from a clerk in a drug company, who buys his supplies from a night watchman.

Doctors in Ann Arbor complain that the drug companies themselves encourage abuse of methaqualone by flooding their offices

with free samples. "Just two months ago a Rorer salesman left a box of 1,000 Quaaludes on a desk in the outpatient clinic, even though we ordered him not to and told him we'd destroy the samples if he did," says University Hospital resident Shapiro. "The next morning they were gone—stolen."

Some drug clinic workers expound a political conspiracy theory: the drug companies and the federal government, as they see it, flood the streets with disabling drugs whenever the "people" start getting dangerous. Heroin did flood the ghettos after the Watts, Detroit and Newark riots; now underground newspapers report that massive quantities of Quaaludes flooded Flamingo Park in Miami, headquarters for demonstrators, during the national political conventions last summer.

But one thing is certain about the methaqualone epidemic: It's making the drug manufacturers a bundle. Sales of the drug have increased 360 times since the year it was introduced. The better methaqualone does on the black market, the more money its producers make—because the more drugs that are diverted from legal channels, the more the companies must produce to replace them. "The drug companies always tell us that once the drug leaves their warehouse platform they're not responsible any more," says one FDA scientist who is studying methaqualone. "But in the final analysis, it's illegal sales of their drugs and there's a profit in it."

CLAIMS ARE DISPUTED

The Government will probably put methaqualone under control, doctors will have a bit more difficulty prescribing it, pharmacists will have to keep special dispensing records and perhaps sales will level off. But if the methaqualone supply dries up on the streets, it will be because street clinics and methaqualone freaks learn on their own what the drug companies wouldn't tell them: that methaqualone is dangerous.

One of the great ironies of the whole episode is that methaqualone isn't much medically anyway, addiction potential aside. The drug companies promote its unique and superior sedative qualities, but "most of these claims are not supported by the published clinical trials," according to the Medical Letter.

For example: Rorer claims that patients on Quaalude awake "refreshed without hangover, drowsiness, headache or other side effects"; the Medical Letter says clinical tests show they do wake up with hangover and dizziness. Rorer claims that Quaaludes cause "little or no suppression of the essential REM or dream stage sleep"—although the Medical Letter finds that "contrary to advertising claims, methaqualone in the usual hynotic dose of 300 mg. produced a significant suppression of REM sleep." Rorer says Quaalude induces sleep "without drugging the higher centers of the brain" as barbiturates do—but as the Medical Letter notes, "there is no evidence."

Methaqualone is a powerful sedative and sleeping pill just like any other. It's useful in some cases under careful medical supervision, but it's dangerous and even deadly. In fact, some BNDD officials say that methaqualone is more dangerous than barbituates and even heroin—simply because people who take it don't know what they're getting into.

The methaqualone boom should make an interesting case study in future medical textbooks: How skillful public relations and advertising created a best seller—and helped cause a medical crisis in the process.

[From Newsweek, Feb. 12, 1973]

WARNING ON "SOPERS"

There was widespread rejoicing among youthful pill-poppers when a new drug called methaqualone reached the counter-culture circuit early last year, accompanied by a reputation for producing a high that was pleasant, safe and supposedly non-addictive. But now the Federal and state investigators suggest that methaqualone may be much more dangerous than anyone realized. Last week, the U.S. Bureau of Narcotics and Dangerous Drugs (BNDD) was preparing a proposal that the manufacture, distribution and prescription of the drug be more tightly controlled.

Methaqualone, which is sold under the brand names Quaalude, Sopor, Parest and Optimil, is a sedative-sleeping pill, available only by prescription. It is administered in dosages of 150 to 300 mgs. to induce sleep, and 75 mgs. for "daytime sedation." Because methaqualone was believed to be non-addictive when it first went on the U.S. market in 1965, it was not placed under the special Federal restrictions that govern substances whose harmful potential has been proved, including morphine, barbiturates, LSD and amphetamines.

BOOM

As a result of its availability and reputation for safety, methaqualone has become the sixth best-selling sedative in the U.S. on the legal market; in addition, a huge supply of the drug has been diverted to campus and street pushers, who have found an apparently insatiable market for the "sopers" (catchall slang for the several brands of methaqualone) at 25 to 50 cents a pill.

The methaqualone boom is still on the rise in many areas of the country. In Berkeley, reports Dr. George Gay of the Haight-Ashbury Free Medical Clinic, "the surge definitely hasn't peaked yet; we've hospitalized a dozen people since December who've overdosed on Quaalude." Doctors cite the manufacturers' explicit warnings that the drug can occasionally produce psychological dependence, should not be combined with alcohol or other drugs and can, in large quantities, lead to delerium, coma, convulsions, liver and kidney damage, pulmonary edema, respiratory arrest—and death. But by now, a number of users have discovered these perilous side effects for themselves; in 1972 alone there were 275 reported poisonings, overdoses and attempted suicides related to methaqualone, with sixteen deaths.

[From Time magazine, Mar. 5, 1973]

THE DEADLY DOWNER

According to its manufacturers, methaqualone is a dependable end effective sleeping pill. Blurbs in the standard *Physicians' Desk Reference* attest to its "sedative and hypnotic" effects and its ability to induce prompt sleep, but warn that the drug may also produce dependency. The warning is appropriate. Though the drug may be safe if it is taken as prescribed by a physician, increasing numbers of Americans—especially on campuses and in ghettos—are obtaining the drug illegally and taking it indiscriminately. Methaqualone is rapidly becoming one of the most popular—and dangerous—drugs of abuse in the U.S. The Government has only recently recognized its dangers and moved toward establishing controls.

On the street and on campus, methaqualone is known by various corruptions of its trade names: "quads" (from Quaalude, made by William H. Rorer Inc.), "French Quaalude" (from mispronunciation of Parest, the Parke, Davis & Co. brand name), and as "soapers" (from Sopor, made by Arnar-Stone Laboratories Inc.), It was so popular among the young people who camped out at last year's political conventions that Miami Beach's Flamingo Park was dubbed "Quaalude Alley." Its abuse is now a major problem at many colleges and high schools. It is currently favored by the addict community in the New York City borough of The Bronx, and is so fashionable among some drug culturists that bowls of it have replaced peanuts as a cocktail-party staple.

Users—who are mostly youngsters—are rhapsodic about the euphoric, spaced-out state the drug can produce. Many, calling methaqualone "heroin for lovers," also believe that it is an aphrodisiac. They are mistaken. As a "downer," or depressant, the drug may release the user from his normal sexual restraints. But it is also likely to make a male incapable of normal sexual performance. As one Vassar man puts it, "All your inhibitions are definitely broken down—like everything else in your body."

The drug's effects on the body can, in fact, be deadly. Most doctors prescribe methaqualone in capsules of 150 mg. to 300 mg., one of which should be enough to put the average adult to sleep. But drug abusers are not content with such tame dosages. Their usual pattern is to take two or more, and then wash them down with a few pints of beer.

The combination can be catastrophic. Methaqualone and alcohol are synergistic: one multiplies the effects of the other. Taken together, they can depress the respiratory center and stop breathing; they may also slow the reflexes in the back of the throat, so that if a user vomits (which may happen after a large dose of methaqualone), he can choke and die.

NO CONTROLS

On top of this, methaqualone is addictive. Unlike insomniacs who abide by their doctor's prescriptions, abusers develop a tolerance for the drug and begin taking increasingly larger doses. Then they may become addicted. "Resistance can develop after only four days," says Mike, a 20-year-old San Franciscan. "Then it takes four to do what one used to do for you. The withdrawals are much worse than heroin, with the same kind of convulsion as in an epileptic fit."

Despite these dangers, however, controls over methaqualone are virtually nonexistent. Federal authorities have been considering regulations for methaqualone for the past few months, but have not yet proposed any controls on production or sales. The individual states have also been slow in acting. In New York, methaqualone is classed as a dangerous drug; that means that pharmacists cannot refill the prescription without written authorization from a doctor. Connecticut and Maryland are considering controls. But in the rest of the country, the drug and its dangers are unrestricted.

[From the Christian Science Monitor, Mar. 26, 1973]

NEW "JEKYLL-HYDE" DRUG: UNITED STATES SEEKS SPEEDY ACTION

(By Robert P. Hey)

WASHINGTON.—A new drug has burst onto the American drug-abuse scene. Virtually unknown two years ago, it now can be bought almost as easily as candy near many American college campuses, high schools, and in ghettos as well.

Two years ago no one had heard of its being used illegally. Yet today it is "among the top 10 drugs of abuse in the United States, among such notorious drugs of abuse as amphetamines and barbiturates," says the Department of Justice's Bureau of Narcotics and Dangerous Drugs. It is mostly abused by the young—from teen-age through mid-20's.

The new drug is methaqualone (pronounced "meth-ah'-kwa-lone"), a sedative medically useful as an aid in sleeping, among other purposes. Drug control authorities say it is especially sinister because until now youths had thought it a "safe" drug—that it gave an escape from reality, like alcoholic drunkenness, but that it was not addictive. That was what its manufacturers had been telling physicians; no one had said differently.

But now, "methaqualone is capable of producing a barbiturate-type physical dependence," warns the Bureau of Narcotics and

Dangerous Drugs. Experts say it is as difficult to shake addiction to it as to heroin, and that medical supervision is required. For untold thousands of pill-popping youths it is a rude shock: They now are methaqualone addicts.

Sen. Birch Bayh (D) of Indiana calls it "a Dr. Jekyll and Mr. Hyde drug—seemingly safe while actually deadly."

He says that "many law enforcement and drug program staffers claim that it is the 'hottest drug on the street,' and that its abuse is rising in 'geometric proportions.'"

Official concern and action suddenly have erupted in Washington. In recent days the Department of Justice has begun the process of placing this drug in a category with other dangerous ones. When the process is complete it will be able to force a reduction in the number of pills produced annually and take several other steps that will make it much harder for youths to get the drug without a medical need.

HEARINGS THIS WEEK

Next Wednesday and Thursday, March 28 and 29, the Senate juvenile delinquency subcommittee, chaired by Senator Bayh, will hold hearings on the new problem. Senator Bayh has introduced a bill that would require that the drug be placed in a dangerous-drug category.

He wants the hearing to spotlight the problem and to prod the other arms of government into fastest possible action to stem the massive illegal flow of methaqualone to youths.

The subcommittee will hear testimony that methaqualone use has spread across much of the United States—among black youths in Chicago, white youths in Texas, and in the heartland of Indiana, where Senator Bayh says that abuse "has increased substantially in the past six months, particularly among youths [aged] 13 to 20."

The subcommittee also will hear of the unique New York City network of social bars geared exclusively to users of methaqualone: Some estimates are as many as 20 such bars. There addicts can obtain pills, drink nonalcoholic juices, and dance—much as in the illicit prohibition speakeasies of the '20's, except that today the patrons become tipsy on methaqualone, not homemade booze.

(In most such bars alcoholic beverages are not served: Combining alcohol and methaqualone can be fatal.)

WASHINGTON HEARS IN 1972

Washington got its first taste of the problem last year, during hearings by Senator Bayh's subcommittee into illegal use of barbiturates. The term "methaqualone" began to crop up increasingly as a similarly abused drug.

By January of this year Sen. Charles H. Percy (R) of Illinois was sufficiently concerned by what he had learned to fire off letters to federal officials. In a letter to Dr. Charles C. Edwards, then commisisoner of the Food and Drug Administration, Senator Percy asked for an investigation into methaqualone, which he said "is being widely abused in this country."

Although "advertised as being safe and non-addictive, evidence now indicates that methaqualone can hook persons on a habit as invidious as that brought on by barbiturates and produces withdrawal effects far worse than heroin," the Senator said.

WHY NO PRIOR WARNING?

Why, he asked, has the addictive aspect of the drug not been widely known? The drug first was introduced in the United States in 1965, he noted. "As early as 1966, the Medical Letter on Drugs and Therapeutics warned doctors in the United States that the British Medical Journal had discovered instances of physical addiction. . . ."

Senator Percy said that, unlike most illicit drugs on the street, methaqualone "is not manufactured underground, almost all of it is produced legitimately by reputable drug manufacturing companies.

"Sales . . . have increased 360 times since the year it was introduced. Drug companies are making money even from the methaqualone sold on the black market, since the companies must increase production to replace the drugs that are diverted from legal channels.

"Although the drug manufacuring companies are said to have received many complaints from drug clinics around the country, to date they have refused to change even their advertising or labeling practices."

ACTION OFFICERS REPLIES

Dr. Jerome H. Jaffe, director of the President's Special Action Office for Drug Abuse Prevention, responded:

"There is no question that methaqualone causes physical and psychological dependence, and is responsible for intoxication and overdose deaths. It now appears that this drug which is so easily available is now being widely used, in part because of such availability. More stringent controls seem needed and it seems to me that bringing this drug under the Comprehensive Drug Abuse Prevention Control Act of 1970 is a necessary step."

Dr. Jaffe understood that the Bureau of Narcotics and Dangerous Drugs was gathering evidence necessary to taking this step, which the Department of Justice and other federal agencies are in the process of taking right now. Some here think that within a month or two the process will be complete. At that time, stricter controls will be possible: Prodded by congressional scrutiny, they are likely to be clamped quickly on methaqualone.

PAKISTANI PRISONERS OF WAR

Mr. PERCY. Mr. President, today, 15 months since the end of the hostilities which involved India, Pakistan, and Bangladesh in 1971, some 92,000 Pakistani prisoners of war are still held in India. It is my feeling that the prisoners could have been released a year ago. But certainly there can be no further excuse to detain them.

It is clear that the reputations of the Governments of India and Bangladesh will continue to suffer in world opinion if they do not agree quickly to release the Pakistani prisoners. I regret this, because both India and Bangladesh can contribute substantial leadership to humane conduct in international relations.

India and Bangladesh have a joint responsibility for the release of the prisoners, although they are held in India, since they were captured by the joint India-Bangladesh Command.

The various preconditions apparently placed by India and Bangladesh on prisoner release do not justify detaining the POW's any longer. The war ended in December 1971. The prisoners should be released to rejoin their families in Pakistan. Moreover, they constitute an unnecessary burden and expense to India and contribute nothing to better international relations for Bangladesh.

THE FUTURE OF STUDENT FINANCIAL AID

Mr. SYMINGTON. Mr. President, since 1958 when the first student assistance program, the national direct student loan, was authorized, the Congress has been committed to the goal of providing postsecondary education to all who wished to pursue it.

In support of that goal, several grant and loan programs have been instituted to assist students who otherwise might not be able to afford a college education. It would be impossible to assess the return on the investment of this Federal money, for we cannot gage the social and economic contribution these students have made that an education placed within their grasp.

Now the administration has proposed to cut back substantially these grant and loan programs and place the greatest emphasis on the new basic opportunity grant, which was first authorized by the Congress last year. According to college financial aid officials, parents, and students, this grant will not be adequate to meet the increasing financial needs of many students—especially as educational institutions have been forced to raise tuition and other fees, and the cost of living for the average family has risen dramatically.

Even if the basic opportunity grant were sufficient, it is unlikely it could be in operation before the school year begins in September. Implementation is 2 to 5 months behind schedule. In any event, September is not the time when students and college officials need to know what financial assistance will be available. They need to know now.

The basic opportunity grant is needed to assist students, but it was not enacted by Congress to replace other student aid programs. Rather it was designed to provide a foundation of financial support for needy students. I would hope that implementation of the basic opportunity grant could be delayed until the 1974–75 school year, and the student aid programs which already have proven their workability and worth could be adequately funded for this school year.

Mr. Lawrence E. Taylor, a Washington correspondent of the St. Louis Post-Dispatch, has recently written two insightful articles on the possible effects of the administration's proposals for student financial assistance, both at the undergraduate and graduate levels. Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

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

[From the St. Louis Post-Dispatch, Mar. 18, 1973]

POOR STUDENTS FACING CUTS IN AID

(By Lawrence E. Taylor)

WASHINGTON, March 17.—When Gregory Rood began to think about attending the St. Louis College of Pharmacy more than four years ago, his approach was in the oldest of American traditions.

Because his parents, with nine children, could not afford to help him financially, Rood, of St. Charles, set out to put himself through school.

He won a science scholarship that paid half his tuition, he worked long hours in a hot St. Louis bakery and as an appliance deliveryman.

And—in an American tradition that is not so old—he obtained educational grants and loans from the Federal Government. When he is graduated next year, Rood will have borrowed $3600 through the National Direct

Student Loan Program. Another $1600 will have come to him through federal educational grants that he will not have to repay.

But even as Rood, 22 years old, prepares for his last year in school, the Nixon Administration is proposing to alter or abolish the programs he has used to pay for his education.

The Administration's plan is to phase out most existing loan and grant programs. These would be replaced with a more expensive system that would increase the number of student aid recipients while reducing the amount any one student could receive.

Thus, while federal student aid would be upped by about $250,000,000 a year, the Gregory Roods of this country—deserving but short of money—would get less.

Critics of the Administration's proposal have charged that the new program would make it harder for poor students to pay for their education.

More ominous, they argue, is the likelihood that the most expensive schools would be beyond the financial reach of poor students, no matter how capable they are. Once again, the prestigious schools, just recently opened to the poor, would be attended only by the sons and daughters of the well-to-do.

For students who, like Rood, want to pursue a graduate or special study program like pharmacy, the Administration has made still more proposals that could affect their chances for an education.

In his budget, Mr. Nixon broadly outlined a series of changes that could hit hard at poor students by reducing the availability of federal scholarships for pharmacy, medicine, nursing, dentistry and the like.

The budget asks Congress to cut health scholarships by one third in fiscal 1974, reducing the amount available to $10,000,000.

More important, the budget outlines a scholarship program that would require recipients to work one year in public health for each year they received assistance.

Although this sounds like a reasonable way to bolster public health manpower, it apparently has its drawbacks, particularly for pharmacy students.

William Skinner, assistant executive secretary for the American Association of Colleges of Pharmacy, said that the new program, called the National Health Service Corps, would reduce sharply the number of pharmacy students eligible for aid.

The scholarships would be based on requests from public health organizations for specialized help, he said. Thus, for each doctor requested, a medical student could be granted a scholarship.

But of 600 persons who recently entered the corps as professionals, only one was a pharmacy student, Skinner said. "There is very little hope of any pharmacists being taken into the scholarship program," he said.

So serious is the situation that dozens of pharmacy schools across the country—including the St. Louis College of Pharmacy—have reported that poor students planning to enroll next fall may find themselves short of funds, ,Skinner said. He said the St. Louis school estimated it would lose more than 40 students.

At the University of California at San Francisco 55 per cent of the pharmacy students are receiving some form of financial aid. Jere Goyen, dean of pharmacy, said in a telephone interview that half of the school's students were blacks, Orientals or Chicanos.

If the scholarship cuts are put into effect, this group is likely to dwindle as the poor students drop out.

"I suggested at a recent staff meeting that we would have to recruit from a brand new minority: rich kids," Goyen said. He said that the pharmacy school's enrollment probably would not drop because there were more applicants than vacancies each year.

If the outlook is bleak at the graduate level, it is no less so for undergraduates hoping to enroll next fall or the following year if the Administration's proposals are adopted by Congress.

But on Capitol Hill the outlook is murky, and chances are increasing that Congress will refuse to accept Mr. Nixon's educational ideas.

The Administration wants Congress to phase out the National Direct Student Loan Program, begun in 1958, which provides federal loans at an interest rate of 3 per cent.

This would force students to turn for money to commercial banks under a guaranteed student loan program that charges 7 per cent interest. This program would be increased in value under the creation of the Student Loan Marketing Association (called "Sally Mae" in bureaucratic language). This association would act as a holding company for the signed notes, buying them from the banks which could then reinvest the money in still more student loans.

Educators, however, are skeptical that this system would meet the demand.

They point out that students have been turned down by banks that were unwilling to make loans at 7 per cent when the money could be invested elsewhere at 8 per cent or more.

Estimates on the turndown range up to 20 per cent from some university financial aid officers, who said they saw little chance for the Administration program to succeed.

One of these is Allan W. Purdy, director of financial student aid services at the University of Missouri. Purdy, in Washington for a conference with Missouri members of Congress, said that the result of the White House proposal "could be a considerable reduction in the ability of the low-income student to get his education."

Under the current system, he said, students can use an assortment of programs to acquire enough money to attend college. These include education grants, work-study programs where students are paid to work in the school library or elsewhere, and National Direct student loans. If these still do not add up to enough, then the student can turn as a last resort to the guaranteed loans from banks, he said.

The Administration, in addition to neutralizing the direct student loans, would set up a new grant system that would provide a maximum of $1400 a year to a student who could not afford to pay any educational costs.

To accomplish this, the Administration has asked Congress to appropriate $622,000,000 to be spent for grants this fall and $959,000,000 the following year.

Despite this sizeable increase over the existing grant program, the new system would be diluted, critics contend. Congressional sources said the program, called Basic Opportunity Grants, would spread the money so thinly among so many students that no one would receive the maximum amount for which he was eligible.

This new system is in keeping with Mr. Nixon's assertion that every qualified student should have a foundation of financial support for post-secondary education, including vocational training.

After all the talk, the question still boils down to whether low-income students can scrape together enough cash. Gregory Rood did it by blending three or four programs. He said he could not have made it otherwise.

"I don't think I could carry the weight if the Government didn't provide these programs," Rood said. "Without the scholarship in particular I couldn't have made it.

"I didn't want to borrow from a bank," he said. "The interest was a lot higher. Besides, I went to a bank. They didn't mention a guaranteed loan. I wouldn't have gone that route at all."

For Rood and other students already in school, the Administration would keep the existing programs in effect. But he and his colleagues could be the last group to have available to it a flexible program of federal aid.

[From the St. Louis Post-Dispatch, Mar. 19, 1973]

AID TO STUDENTS: DEBATE GOES ON

(By Lawrence E. Taylor)

WASHINGTON.—Back in 1963, college debating teams across the nation struggled with the burning issue: "Resolved, that the Federal Government should guarantee a college education to all qualified high school graduates."

A decade later the same question still is being debated, only now the forum is Congress and the answers that are given bear on the lives and futures of millions of students. Moreover, it is difficult to tell who is on what side.

President Richard M. Nixon has announced that he is committed to providing financial aid for students entering institutions of higher learning. He has introduced some legislation which he says will help accomplish that and he plans to introduce still more.

Congressional liberals, on the other hand, have proclaimed the Administration's program unworkable and there are suspicions that it may be designed to thwart the educational ambitions of low-income students.

The Administration's opponents assert that more funds are needed for existing programs to provide flexible sources of money so students could attend the school of their choice.

Thus, Representative Carl Perkins, chairman of the House Education and Labor Committee, has urged his colleagues on the Appropriations Committee to fund Mr. Nixon's proposals and at the same time keep in effect programs the President wants eliminated.

Perkins (Dem.), Kentucky, has advocated approval of the $622,000,000 sought by the President for a new Basic Opportunity Grants program along with $250,000,000 for a continued student work-study program. Both would be in effect the next school year.

Along with this, Perkins has recommended $130,000,000 for supplemental educational grants and $296,000,000 for direct student loans, programs Mr. Nixon wants phased out.

Where all this will end up is uncertain. Mr. Nixon has not yet delivered his State of the Union message dealing with education, and some of his bills have not yet reached Congress.

While these proposals form the backbone of federal aid to education, there are many more student assistance programs scattered throughout the government. Some of them are found in the Agriculture Department and others in the budget of the National Institutes of Health.

Although the Administration has proposed changes—Some of them drastic—in these programs, the final result has not yet been determined. But enough has emerged that educators and legislative strategists are beginning to piece together both the function and the purpose of Mr. Nixon's educational plans.

The philosophy underlying many of the Presidents' ideas appears to be the conservative one that the greatest beneficiaries of higher education are the students themselves.

Aside from any contributions they may make to society, they will earn more money and enjoy better living standards. If this is so, the argument goes, then students clearly ought to pay for most of their own education.

Essentially, this is what Mr. Nixon's educational proposals would do.

His recommendations thus far would provide substantially more money for more students for more fields of study. But it would also reduce the amount for each student and, for lower-income students, limit their choices of schools.

For example, the President's basic educational grant concept would provide a maximum of $14000 a year, but only to students whose families were in the lowest income group of about $7500 a year for four persons.

Above that level the grant would fall off sharply until a student whose family earns $10,000 a year would receive only $441 to attend a college costing $4100 a year. This is because his family would be expected to put up $959.

But these two contributions would total only $1400 a year, leaving the student still $2700 short. Where does that come from?

From private banks at an interest rate of 7 per cent, if the President has his way. This would leave the student after four years with a debt of $12,800.

"At 7 per cent interest, the kid could end up paying as much as $30,000 before the loan was wiped out," said staff member of the Education and Labor Committee. "That's saddling the student with an enormous debt."

It means also that students from low-income families are unlikely to attend better, expensive schools if they face a substantial debt when they are graduated.

What is left for these youths? Many are believed likely to attend community colleges where the fees are lower and so is the quality of education in some cases.

Others may find their way into vocational training programs. Still others may give it all up and join the military.

Whatever the options under the Administration's program, they appear to be limited compared with those currently available to students from poor families.

All this has raised the suspicion that the Administration intended it to be this way all along. It also seems to substantiate the contention by some that the commitment to education for all falls short of the mark.

One university financial aid officer, who asked not to be identified, said that Mr. Nixon's proposals "seem to be leaning the other way" from a guaranteed higher education for all students.

Apparently many colleges agree with this position, including Harvard University, where 40 per cent of the student body is receiving some form of student aid.

Last week, the university's board of overseers, a policymaking group, met to discuss academic problems, among them student aid.

To their dismay, the overseers learned that their alma mater would suffer not only from student assistance cutbacks but also from reductions in federal research and other grants to the school itself. Such grants provide money for faculty saalries as well as repay for part-time student jobs.

Among the most cynical opponents of the Administration's proposals, the rumor has spread that the reductions and the new plans are to last for only one year.

Next year, the rumor goes, the White House will propose sweeping new program to cash in on the fall election campaigns.

But the Harvard spokesman disputed this. "This is not a one-time budget," he said. "It is a pattern for the future. It reflects a disenchantment with education, especially graduate education."

Education authorities in Washington report that up to 10 per cent of the students attending medical schools receive federal scholarships. If these are eliminated where will future low-income students go, they ask.

"The scholarships are essential to allow schools to broaden their enrollment of blacks, Puerto Ricans, poor whites and other groups," said a spokesman for the Association of American Medical Colleges.

"But they are terminating scholarships for medicine, dentistry, nursing, veterinarians and other health students. Now if students want scholarships they must promise to work one year in a public health field for every year of assistance. The program was not designed to work this way.

THE QUALITY OF WORKING LIFE IN AMERICA

Mr. TAFT. Mr. President, I have recently read a speech delivered by my colleague, the senior Senator from Illinois (Mr. PERCY) at the national conference on the changing work ethic in New York on March 26. Senator PERCY's subject was the changed quality of American working life. His speech is a perceptive, most persuasive discussion of a phenomenon of growing importance to our society. Senator PERCY's argument is that Americans have changed with accelerating rapidity in the past 2 decades; they are far better educated, less respectful of our traditional social institutions, more individualistic, and more skeptical of the validity of traditional indudstrial and work organizations. Yet, although the American worker has changed and has forced almost all other social institutions to change, the workplace has hardly changed. It is still very largely a highly regimented, rigid, authoritarian establishment. American workers forced to work in restrictive jobs have naturally rebelled—and the result has been documented in endless articles and reports on a complex of phenomena that have come to be labelled "blue-collar blues" and "white-collar woes."

I believe that Senator PERCY has correctly identified this problem. He said.

A negative way to analyze this problem is . . . to believe that there is something wrong with the American worker—that he is newly prone to alcoholism and drug abuse, that he is innately rebellious, that he bears an inborn grudge against the industrial organization, rather than against the nature of the work he is asked to do. I believe that this is just plain wrong. I believe Americans want to express themselves in creative, valuable ways and that we can so structure their work.

The solution, the Senator suggests, lies mainly with management and labor. He urges them to begin cooperative efforts, perhaps aided by the quality of work program of the National Commission on Productivity, to develop worker participation in job design and the organization of work.

I commend Senator PERCY's address and ask unanimous consent that it and a New York Times article of March 27 relating to it be printed in the RECORD at this point.

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

ADDRESS BY SENATOR CHARLES H. PERCY

I am honored by your invitation to speak here today on the theme of quality of work in America. I know that in this audience are the men and women who have been most adventuresome and most creative in this challenging new field. For you are helping to chip away—through experimentation, research and innovation in the American workplace—at an entrenched, authoritarian industrial system that has taken decades and decades to build.

I have asked myself why such change is so difficult, why many people have tended to resist the simple proposition that by improving the nature of jobs we can both make people better satisfied and become a more productive society.

I think the central reason why change of this kind is so difficult is that our industries have been so enormously successful. With the jobs, income and products created by America's industrial machine we have created very great prosperity and enormous economic muscle. And so we encounter the problem of institutional rigidity. If it works, why change it? And even if it doesn't seem to be working as well it used to, we are accustomed to established ways of doing things, and have difficulty taking the mental leap that is often necessary to break our old habits and find new solutions.

We continue, for example, to think in terms of the idea that work should be broken down into increasingly finer details of specialization and that people should be organized in formal, pyramidic ways, all in the name of efficiency. But if such ideas or organization have now become obsolete because of their adverse effects on people and on the quality of output, efficiency becomes a myth. Then it is time to change.

I would like to suggest four separate but interrelated reasons why I think we are now on the brink of a major breakthrough in the effort to change our ideas about work.

First, we find we are suddenly an educationally affluent society. In quantity, if not yet in quality, Americans must be the best educated society on earth. A short generation ago, 40 percent of all American workers were high-school graduates, up from five percent in 1900. Today, almost 80 percent of the men and women under 34 have at least a high-school diploma, and a third of those go on to a year or more of college.

Second, there has been a collapse of respect for our traditional values and institutions, as documented both by our own observations and national surveys. A Harris poll revealed, for example, that public confidence in the executive branch of government fell from 41 percent to 27 percent between 1966 and 1972; confidence in Congress dropped from 42 percent to 21 percent; confidence in corporations, from 55 percent to 27 percent.

Third, we are becoming perhaps a more conservative, individualistic society. President Nixon's call for a return to individual responsibility finds a response in all levels of the contemporary public, perhaps as a reaction to the fact that many of the Great Society's programs have—unfortunately—not delivered what they promised.

Fourth, I perceive an acute feeling that some parts of the giant, all-powerful industrial machine that we built in the great period of American industrial expansion since the Civil War have developed profound shortcomings. There is a strong feeling that managerial and labor institutions have sometimes grown too rigid. Too often they have become selfish, insensitive to the needs of consumers and blind to the broader needs of our society. There is a growing feeling that American productive know-how is no longer considered—and might never again be—the last best hope for solution of the earth's pressing problems.

These forces have measurably changed almost every social institution in the country from marriage and family through community, church and school. In some cases—for example, the educational establishment—they have been transfiguring.

But, for the most part, the forces visibly whipsawing our society have operated, and continue to operate, outside the plant gate and office door.

As a social institution, the American workplace has stubbornly remained virtually the last redoubt of yesterday's values.

This is the key to the need now for a new awareness of work quality: Americans who

work have significantly changed. But the work they perform and the way they are organized to perform it have not changed.

In the way we structure and organize work, we frequently seem to apply the old paternalistic notions that father—or management—knows best; and that the children—or employees—should be neither expected nor permitted to ask how or why. A question-asker is frequently considered a trouble-maker because his questionings seem to challenge the institution itself. In many of our organizations, the suggestion box is considered proof of enlightenment. Both management and labor tend to view the worker as a person whose value stems only from his function as a fractional part of the vast productive machine.

These attitudes, and the systems that are built on them, are now under serious attack, and I wholeheartedly join in it.

Outside the plant gate or office door is the new American: A future-oriented, demanding, expectant, educated, freedom-loving individual. Inside that gate or door this interesting, creative, inventive American is required to conform to a past-oriented, authoritarian, hierarchical, class-based freedom-fearing social system.

Is there any wonder then that, in the past two years, the national media have given us example after example of the grinding effects of old-style jobs on new workers? Two Washington Post investigative reporters, Haynes Johnson and Nick Kotz, wrote in a major series of articles based on months of interviewing that:

"The worker's complaint is simple. He says he hates the job, particularly the monotonous factory job. At times he hates it so much that he deliberately will throw a monkey wrench in the machinery, or turn to drugs to escape the boredom. To him, whether the job is better than it used to be or pays more and gives greater benefits is beside the point."

Again and again the same theme is stressed: In spite of more pay and benefits than ever before, all kinds of working men and women, "blue collar" and "white collar," are unhappy in their work, and thus unhappy and unfulfilled in a large and very important part of their lives.

In my recent Senate campaign in Illinois this fact was brought home to me again and again. In countless encounters with people in their places of work, it was acutely clear to me how frustrated people seem to be in their jobs.

To me, the fact of job dissatisfaction and the need for a new quality in work is a very clear, very compelling problem.

To my surprise, this conclusion is not as widely accepted as I had thought. I find that the idea is often labelled a fad; it is derogated as pop sociology, or sidewalk psychology. It is even called a threat to free enterprise.

These attitudes are echoed in government, where I have discovered there is a stronger urge to study the problem of worker alienation and job dissatisfaction than there is to do something about it.

We already have a great deal of knowledge—enough to warrant action. We have the results of successful quality of work experiments, some of which are being discussed in this conference. To me, they are proof enough both that there is an immediate and perceivable problem, and that there are available techniques of solving the problem.

A negative way to analyze this problem is to view the cause as worker alienation, to believe that there is something wrong with the American worker—that he is newly prone to alcoholism and drug abuse, that he is innately rebellious, that he bears an inborn grudge against the industrial organization, rather than against the nature of the work he is asked to do. I believe that this is just plain wrong. I believe Americans want to express themselves in creative, valuable ways and that we can so structure their work. Simply measuring how alienated or dissatisfied we have become is nothing more than a superbly bureaucratic way to avoid facing and solving the problem.

The costs to our society of increasing worker frustration are only beginning to be studied, but there is some evidence that profound dissatisfaction with work has a kind of polluting effect on the larger society.

The dissatisfied worker doesn't just shrug off the bad psychological effect of his frustration. It is often expressed in antisocial, harmful, unproductive ways—in absenteeism, high quit rates, wildcat strikes, sabotage, poor quality; in drug and alcohol addiction, aggression, and delinquency; in a decline in physical and mental health, family stability, and community participation and cohesiveness.

For all these reasons government has a stake and must take a part in changing the conditions of work in America. Government can help by creating demonstration projects that reorganize work on the basis of quality of work principles. The Quality of Work Program of the National Commission on Productivity is gearing up to provide such assistance through advice and seed-money.

But the primary responsibility for improving the quality of work lies with the private sector. What can labor and management do together to implement job satisfaction programs?

I suggest the following kinds of initiatives, both for companies and unions:

Question old ways of organizing work.

Find ways to put highly fragmented, fractionated jobs back together into whole jobs.

Use the workers' own knowledge and insights to design work so that they can begin to participate in the management of their jobs, and thus have a personal stake in good job performance.

Look especially closely for unnecessary levels of supervision: There is nothing more damaging to a responsible individual than the lack of trust constantly shown by subjecting his work to unnecessary oversight. Instead, find ways to permit the employee and his co-workers to check their own work.

Most important, stop thinking that you, the manager, the industrial engineer, the fellow with the degree, know all there is to know about the job, the plant and its people. The more you ask the people who do the work how to improve it, the more you'll learn from them.

And finally, share the rewards of increased productivity. Design incentive pay plans based on worker teams or identifiable worker groups, so that the people who work together to increase productivity get the rewards of their group effort.

I am pleased that an amendment I offered to the 1971 Economic Stabilization Act Amendments to provide an exemption from wage controls for incentive pay plans seems to have worked: 75 such plans have been approved for 85 companies in the nine full months since the plan has been available. Though pay alone has been shown to matter increasingly less, particularly to younger workers, it is still an important motivator.

These types of quality of work techniques have worked. One of the leading corporations of my state, Motorola, has dismantled one of its old assembly lines and put jobs back together. One worker now assembles a complex piece of electronic equipment. This has required patience and it has not been cheap, but the experiment has paid off in terms of higher quality and a more satisfied work force.

The NBC-TV First Tuesday program on March 6 impressed me deeply because it showed first-hand how workers involved in quality of work efforts respond to their experience. I've taken this statement by an installer for Chesapeake and Potomac Telephone Company in Northern Virginia from the program's transcript:

"I was ready to quit at one time, 'cause I felt the telephone company had no use for me: I was just another body that came in daily, did what I was told to do, and gave them their answers just the way they wanted them. Now I've got my own area I take care of, and as far as I'm concerned I'm the telephone company, the whole telephone company, in this certain area. It really develops a sense of responsibility and pride in your job, something that I didn't have before."

To me, this is a perfect capsule example of a human response to responsibility and trust. It shows the persistent, obstinate hunger a man has for pride in his work.

I know that many of you can provide similar examples from your own immediate experience. I can only reiterate that it is in your interest—and in the national interest—that we build on these successful experiences and accelerate our efforts to expand them.

We have wonderful raw material to work with: A work force that is well-educated, creative, vigorous, and willing—when motivated. The result will be better use of our human resources—which benefits everyone. Quality of work is as effective for affluent white as for poor minorities. Its goal is to improve work and utilize American human potential. It is an everybody-wins effort because it improves the quality of working life and at the same time makes us a more productive, more competitive, better fulfilled society.

Quality of work is an idea whose time has come. You represent the groups that have the power to implement it. Your survival and our future national economic strength may well depend upon your decisions and the extent of your commitment.

[From the New York Times, Mar. 27, 1973]

PERCY SAYS UNITED STATES IS ON "BRINK OF A MAJOR BREAKTHROUGH" IN ATTEMPT TO CHANGE IDEAS ON WORK

(By Philip Shabecoff)

The United States is "on the brink of a major breakthrough in the effort to change our ideas about work," Senator Charles H. Percy said here yesterday in a speech to the National Conference on the Changing Work Ethic.

Most of the representatives of major corporations and other business and management consulting concerns at the conference appeared to agree with the Illinois Republican that "quality of work is an idea whose time has come."

In a series of workshops, companies now conducting programs to deal with worker alienation, job dissatisfaction and other problems related to the quality of work reported almost without exception that these programs had "paid off" in terms of higher productivity and lower costs.

But labor union officials at the meeting expressed skepticism about the new concern by "management and intellectuals for the in-plant happiness of workers, voicing fears that programs to improve the quality of work were simply an excuse to speed up assembly lines and lay off employes.

OPPOSITION VOICED

"In my union," said William W. Winpisinger, vice president of the International Association of Machinists and Aerospace Workers, "we will never let our members be used as guinea pigs in a speedup designed as a job enrichment program."

All the union officials insisted that the restructuring of work could only be accomplished through collective bargaining. And Peter Ranick of the United Auto Workers said that such programs would not work unless employers viewed "employe relations as human relations."

"First democratize the work-place," he

said. "Higher productivity should not be the goal, although it may follow."

The conference, now going at the New York Hilton Hotel, is the second of three such meetings sponsored by Urban Research Corporation. These meetings reflect a rising interest in the issue of worker alienation among industry, Government and the academic authority.

This interest has been awakened in the last year by the rising incidence of such apparent signs of worker dissatisfaction as absenteeism, inplant crime, drug abuse, vandalism, declining productivity—or hourly output per worker—and indications of rebellion against traditional management authority.

However, a new survey presented at the conference Sunday night by George Gallup, Jr., president of the American Institute of Public Opinion, indicated, he said, "that worker morale in the United States is not on the verge of collapse—that the typical American in both white-collar and blue-collar jobs is, by and large, content."

In the Gallup Poll of 1,520 adults conducted in late January, 77 per cent responded that they were satisfied with the work they do and 48 per cent of the sample said they were very satisfied. Only 11 per cent responded that they were dissatisfied and 12 per cent had no opinion.

But Mr. Gallup pointed out that the number of those satisfied with their work had declined by 10 per cent since the same question was asked in April, 1960. What is more, he reported, young workers under 30 years of age were substantially more dissatified with their jobs than others in the survey.

"AN ENTRENCHED SYSTEM"

Mr. Gallup asserted the results indicated "a greater degree of discontent today then we have found for a number of years—particularly among young persons. I think it is safe to say that young workers dissatisfied with their jobs pose a growing threat to United States industrial output."

Senator Percy placed much of the blame for this dissatisfaction on "an entrenched, authoritarian industrial system that has taken decades and decades to build."

"There is a strong feeling," he asserted, "that management and labor institutions have sometimes grown too rigid. Too often they have become blind to the broader needs of our society."

The Senator from Illinois contended that new forces was changing every American institution, from marriage and the family to schools and churches. But these changes, he said, have stopped at the plant gate and "the American workplace has stubbornly remained virtually the last redoubt of yesterday's values."

But experiments now going on, Mr. Percy said, suggest that there already are techniques available to solve the problems of worker dissatisfaction.

Some of these programs and experiments were described at the conference by experts of the companies involved in them. They included the Chase Manhattan Bank, Corning Glass, Donnelly Mirrors, the General Motors Corporation, the General Foods Corporation, the General Electric Company and others.

Donnelly Mirrors, which makes automobile mirrors, not only has divided its work force into teams with decision-making powers, but also shares productivity gains and guarantees that its workers will not be unemployed because of technology.

A NATIONAL SECRECY ACT?

Mr. HART. Mr. President, last evening my distinguished colleague from Maine, Senator MUSKIE, delivered a speech which raises grave questions about a recent legislative proposal of the administration. Buried deep within S. 1400, the revision of the criminal code, are proposed new criminal code provisions which, taken together, can only be described as a "national secrecy act." I commend Senator MUSKIE's speech to my colleagues and hope that the points it raises will be carefully considered in our deliberation over the criminal code revision.

Mr. President, I ask unanimous consent that Senator MUSKIE's speech, a background memorandum, and the relevant provisions of S. 1400 be printed in the RECORD.

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

REMARKS BY SENATOR EDMUND S. MUSKIE, FROSTBURG STATE COLLEGE, FROSTBURG, MD., APRIL 1, 1973

This week in Vietnam America reached the end of that famous tunnel where the light of peace flickered for eight long years. This week the last American troops flew out of Vietnam and the last officially recorded American prisoners of war were released to freedom.

This week should have been a joyous and a healing one. It should have signalled a new period in American life, a new era of good feelings such as the one that followed the War of 1812, a new time of reconstruction such as the one that should have followed our own Civil War, a new and constructive engagement with the tasks of restoring unity and advancing the quality of American life.

It was at such a time when Abraham Lincoln, over a century ago, uttered these words: "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds, to care for him who shall have borne the battle and for his widow and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

It is such a summons to greatness and unity which Americans want to hear.

But what did they hear?

It was the week that an American official in Saigon told a reporter: "The first thing that needs to be said about the ceasefire is that the firing hasn't ceased."

It was the week that an American Secretary of Defense in Washington defended the continued daily bombing by our B–52s in Cambodia as necessary "to support our ally there against the continuing efforts to disrupt communications, to isolate Phnom Penh."

It was the week that the President in the White House vetoed legislation to provide vocational rehabilitation to Americans who are crippled, blind or otherwise disabled.

It was also the week when the President asked the Nation to "put aside those honest differences about the war which have divided us" and then sowed new division in America by claiming for himself a monopoly of wisdom about inflation, taxation and responsible government spending.

You can say, perhaps, that it was a week of politics as usual. I would say it was a week of opportunities lost. And I regard that loss as a bad omen. If we could not, in this week of joy, begin, as Abraham Lincoln wanted, "to bind up the Nation's wounds," when will we begin?

Nine years ago, Lyndon Johnson told the Congress in his first state of the Union message: "We seek to establish a harmony between man and society which will allow each of us to enlarge the meaning of his life and all of us to elevate the quality of our civilization."

President Johnson worked to create harmony through shared purpose, yet his efforts fell short. The waste of war killed his hopes.

Now that the war is over, as far as America is concerned, we should be resuming the search for harmony and be moving with new energy and purpose against the poverty, ignorance and disease Lyndon Johnson identified as the common enemies of mankind.

But instead, I fear, we are tangled still in angry and important disputes about presidential and congressional power, about spending and taxation, about social needs and governmental indifference, about the whole structure of our Federal system and about the integrity of our political process.

And to those disputes we must now add a new one brought on by this administration's latest attempt to stifle the flow of official information to the public. The attempt is hidden deep in a lengthy and complex legislative proposal introduced in the Congress this week as a revision of the federal criminal code. Five sections of that proposal, taken together, would establish in peacetime a system of government censorship that a democracy could hardly tolerate in a time of war.

The official secrets act being proposed would punish government officials who disclosed almost any kind of defense and foreign policy information, whether or not its disclosure would endanger national security.

It would punish newsmen who received such information unless they promptly reported the disclosure and returned the material to a government official.

It would punish not only reporters but all responsible officials of their publications or broadcasting companies who participated in making the unauthorized information public.

It would punish government employees who knew of a colleague's unauthorized disclosure and failed to report their co-worker's action.

The law's penalties—from three to seven years in jail, from $25,000 to $50,000 in fines—would be imposed on actions which are not now considered crimes, which are, instead, the applauded work of investigative journalists.

For instance, part of the law would make any unauthorized disclosure of what is called classified information a crime.

And the law would explicitly prevent officials who disclosed such information from defending their action by proving that the information was improperly classified.

Well, what is classified information? According to the administration proposal, it is "any information, regardless of its origin, which is marked or designated pursuant to the provisions of a statute or executive order or a regulation or rule thereunder, as information requiring a specific degree of protection against unauthorized disclosure for reasons of national security."

On its surface, that language sounds reasonable, it does what existing law already does by insuring secrecy of data about our defense codes, about our electronic surveillance techniques, about military installations and weapons, about our atomic secrets and about plans and operations which might aid our enemies. All that information is already kept secret by laws which punish its disclosure with intent to damage America and its security.

But this new law would go farther. It would prohibit and penalize disclosure of any classified information, regardless of whether or not it damaged security.

Classified information, you should know, is any document or record or other material

which any one of over 20,000 government officials might have decided—for reasons they need never explain—should be kept secret? It is any piece of paper marked top secret, secret, or confidential, because someone, sometime, supposedly decided that its disclosure could prejudice the defense interests of the nation.

In practice, however, classified information is material which some individual in the government decides he does not want made public. He could make that decision to hide incompetence. Many have.

He could be trying to conceal waste. Many have.

He could even be attempting to camouflage corrupt behavior and improper influence. Many have.

He could simply be covering up facts which might embarrass him or his bosses. Many have.

Classified information is the 20 million documents the pentagon's own most experienced security officer has estimated to be in defense department files. Classified information is the 26-year backlog of foreign policy records in the state department archives.

And most of that information is improperly classified—not out of evil motives, but out of a mistaken interpretation by conscientious employees of what security actually requires. They do not limit the use of secrecy stamps just to information which would really affect our national defense, if disclosed. They often use them simply to keep material out of the newspapers—to make it a little harder, perhaps, for a foreign nation to get the information, whether the information is defense-related or not.

Let me give you a few examples.

Around 1960, a sign in front of a monkey cage in the national zoo explained that the monkey on display was a research animal who had traveled into space in American rockets. But at the same time the pentagon was classifying all information that showed we were using monkeys in space.

The reason given for trying to keep the information secret was someone's concern that it might damage our relationship with India where some religious sects worship monkeys.

Another example deals with India. Over a year ago when India and Pakistan were at war over the independence of Bangladesh, the Nixon administration insisted in public that it was not interfering in the conflict, that it was trying to be neutral. But Jack Anderson revealed classified information that proved that President Nixon had instructed Dr. Kissinger and others to "tilt" toward Pakistan. That information was being kept secret to conceal a lie.

India and Pakistan knew the truth. Only Americans were being deceived.

Again, back before the Korean war, the Navy Chief of Staff sent a memorandum to his colleagues complaining that too much paper was being circulated marked top secret. His memo itself was marked top secret.

In 1970, the Rand Corporation produced a document for the Defense Department listing the unclassified electronic equipment on U.S. aircraft. Nothing in the document was secret or even drew on any secret data but the Air Force classified the listing as confidential anyway.

Similarly, a laboratory at M.I.T. prepared an assembly manual last February for a gyroscopic device used in missiles. Again the Air Force classified the manual and put the following words on its front page: "Each section of this volume is in itself unclassified. To protect the compilation of information contained in the complete volume, the complete volume is confidential."

And then in 1969 it was disclosed that someone in the Navy Department was clipping newspaper articles that contained facts that were embarrassing to the Navy, pasting those articles onto sheets of paper and stamping the paper secret. It turned out that such a practice was common throughout the Defense Department.

If newspaper articles can be stamped secret as a matter of course, what else is systematically being hidden from the public? Should this administration proposal become law, you and I will never know the answer to that question.

The examples I have given should indicate to you the folly of any blanket prohibition against the disclosure of classified information, as long as our system of classification is so erratic, arbitrary and unmanageable.

Not only would the proposed law perpetuate the widespread abuses of secrecy I have listed, it would enforce public ignorance by making criminals out of honest men and women who put the public interest above bureaucratic secrecy. Indeed, the administration's proposed secrecy law goes far beyond protection of what might be legitimate secrets as determined by a workable classification system, should one be developed.

Additionally, it would punish the unauthorized disclosure of "information relating to the national defense . . . regardless of its origin" which relates, among other things, to "the conduct of foreign relations affecting the national defense." That broad definition could bar intelligent public scrutiny of America's most significant foreign policy decisions.

What could the enactment of such a sweeping gag rule mean to the flow of information to the public?

For one thing, the proposed law would mean that Robert Kennedy, where he alive and writing now, would risk prosecution for publishing in his book, "Thirteen Days," the secret cable Nikita Krushchev sent the White House during the Cuba missile crisis of October 1962.

It would mean that Seymour Hersh of the New York Times could not write, as he did last year, about the still-classified Peers Report—the Army's own investigation of the My Lai Massacre and the responsibility of Army officers for concealing the facts of that event.

It would mean that knowledgeable and conscientious government employees could be brought to trial for telling newsmen about waste in defense contracts, or about fraud in the management of the military P.X. system.

It could mean denying the public the information necessary to understand how cost estimates on 47 weapons systems rose by over $2 billion between March 31 and June 30 last year.

Thus, the administration's official secrets act would create staggering penalties for disclosure of information even when the information is totally misclassified or classified only to prevent public knowledge of waste, error, dishonesty or corruption.

We already have the criminal sanctions we need against disclosure of true defense secrets. To expand the coverage of those penalties can only stifle the flow of important but not injurious information to the press, and therefore, to the public.

With the criminal penalties already in the law and with the proven record of responsible behavior by the great majority of government employees and newsmen, the only purpose behind further expansion of the secrecy laws would be the effort to silence dissent within the government and hide incompetence and misbehavior.

New penalities will not further deter espionage and spying. They will only harm those who want the public to know what the government is doing.

Nothing could be better designed to restrict the news you get to the pasteurized jargon of official press releases than a law which would punish a newsman for receiving sensitive information unless he returned the material promptly to an authorized official.

Nothing could damage the press more than a provision which would make a newsman an accomplice in crime unless he revealed the source of information disclosed to him.

The administration proposal carries an even greater danger in the power it would give to the officials who now determine what shall be secret and what shall be disclosed. Not only would they be able to continue to make those decisions without regard to any real injury disclosure might cause, they would be empowered to prosecute anyone who defied their judgment. Their imposition of secrecy could not be reviewed in the courts. And a violation of their decision would be a crime involving not only government employees but journalists as well.

The Justice Department proposal goes far beyond any laws we have had, even the emergency requirements of World War I and II. No law now gives the government such power to prosecute newsmen not only for revealing what they determine the public should know but just for possessing information the government says they should not have.

Under this proposal, a reporter who catches the government in a lie, who uncovers fraud, who unearths examples of monumental waste could go to jail—even if he could show, beyond any question, that the government had not right to keep the information secret and that its release could not possibly harm national defense.

This law then would force journalists to rely on selfserving press releases manufactured by timid bureacrats—or risk going to jail for uncovering the truth.

It would force Government employees to spy on each other in a manner familiar in communist or fascist states but abhorrent to our concept of an open democracy.

We have had enough of that abuse of secrecy in the attempts to hide the facts about our conduct in Vietnam from the American people. Official secrecy has even been used to keep back vital facts about Government meat inspection programs or pesticide regulations or drug tests or import restrictions or rulings that interpret income tax regulations.

In a democracy there will always be a necessary tension between the right of the people to know and the requirement that Government officials be able to voice their opinions with full candor. To assure that frankness, confidential advice on grave questions of policy should be protected from disclosure. But in the balance between secrecy and disclosure, the public interest requires that the greatest weight be given to informing and involving the people in policy decisions.

Arguments made in private may be persuasive. They may even be correct. But where the public interest is at stake, argument must be open so that it can be rebutted. To be enforceable in a society built on trust, decisions must be reached in a manner that permits all those concerned to have equal access to the decision makers.

So the greatest danger in the proposal is the danger to America as a society built on law and on trust. This law would weaken the first amendment protections of free press and free speech, but it would also further isolate the American people from the information they must have to judge the conduct of Government.

In an emergency situation, censorship can be understandable and acceptable. But this effort to inaugurate a constructive period of peacetime cooperation by throttling dissent and debate is unworthy and dangerous.

Unity in America can only be built out of an informed consensus of all the people, trusting in their leaders and trusting their leaders to trust them. Extinguishing public discussion of policy will not produce har-

mony. The silence such a law would enforce would be the silence of democracy's graveyard.

MEMORANDUM: THE NIXON ADMINISTRATION'S PROPOSALS TO RESTRICT PRESS ACCESS TO GOVERNMENT CONFIDENTIAL SOURCES

On March 14, 1973, President Nixon sent to Congress his message on the federal system of criminal justice in which he proposed a sweeping reform of the Federal Criminal Code in the "Criminal Code Reform Act of 1973;" the actual bill was sent to Congress on Thursday, March 22, 1973 and introduced as S. 1400 on Wednesday, March 28. This legislation, which is approximately 600 pages long, contains some major revisions of the Federal criminal code including the near abolition of the insanity defense, an attempt to revive the death penalty, and other controversial changes in our present Federal criminal laws.

Buried in this massive legislation, and unmentioned in the President's message about it, lies four new sections to Title 18 which would, if enacted, be the equivalent of a National Secrecy Act. This memorandum discusses the scope of these proposed new federal crimes dealing with government secrecy, relates them to the present controversy regarding newspapermen's privilege, and urges that you speak to this issue in the immediate future.

I. THE PROPOSED NIXON NATIONAL SECURITY ACT

a. Limitations on the Disclosure of "Classified" Information

Two new sections of the proposed revised criminal code deal with disclosure of classified information by government employees. Section 1124 of the proposed code makes it a felony for persons having authorized possession or control of classified information to knowingly communicate such information to unauthorized persons. Classified information is broadly defined meaning "any information, regardless of its origin, which is marked or designated pursuant to the provisions of a statute or executive order, or a regulation or rule thereunder, as information requiring a specific degree of protection against authorized disclosure;" this means any information classified not only under the appropriate executive order but under any agency rule or regulation promulgated thereunder is covered.

Section 1124(b) creates an exception to criminal liability for accomplices or conspirators to such unauthorized disclosure if they are persons receiving such classified information. The ostensible purpose of Subsection (b) is to limit the offense to the illegal disclosure by the government employees and to leave the reporter or other recipient of the information without criminal liability. However, as discussed below, this exception has no meaning whatsoever since the reporter will commit a felony if he uses that information in any way whasoever or fails to turn the information over to the government. Indeed, its purpose may well be to eliminate a Fifth Amendment defense when the government seeks from the reporter compulsory disclosure of the source of the information which he obtained. This will also be discussed below.

Section 1124(d) eliminates as a defense to prosecution under this Section the fact that the information divulged was improperly classified either at the time of its classification or at the time of its divulgence. The penalty under this Section is imprisonment of not more than three years and a fine of not more than $25,000, unless the information is communicated to an agent of foreign powers.

A companion section is Section 1125 dealing with unlawfully obtaining classified information. This Section makes it a felony for a person "being an agent of a foreign power" knowingly to obtain or collect classified information which he is not authorized to receive. This Section, to which there can be little objection, clearly exempts reporters from prosecution. The penalty for this felony is not more than seven years imprisonment and $50,000 fine.

These two Sections, on their face, appear to limit the imposition of criminal penalties to those within the government who violate security classification regulations and rules and give classified information, regardless of the reasonability of such classification or regularity of the system under which they were classified, to unauthorized persons. These Sections appear to leave the reporters free from criminal liability.

Such sweeping felony penalties for disclosure of information, even when the information is totally misclassified or classified for the obvious reason of preventing disclosure of waste, mistakes, dishonesty or corruption, should be objected to. It can be convincingly argued that present criminal sanctions against unauthorized disclosure of classified information are adequate, as experience has abundantly shown, and to increase the penalties will only severely hamper the flow of information that should be given to the press, and therefore, to the public.

Both the persons who now have access to this information and the press who could publish it are both responsible enough to avoid the public disclosure of information that would be harmful to the real security interests of the United States. There are few examples of a violation of these standards. The self-censorship of the *New York Times* and the *Washington Post* and other papers in not publishing parts of the material revealed in the Pentagon Papers is a good example of this responsible behavior.

The relevant criminal statutes now in effect dealing with disclosure of classified information are as follows:

18 U.S.C. § 952, forbidding government employees to publish or give to unauthorized persons any diplomatic or military code or any diplomatic or military material that has been encoded.

18 U.S.C. § 954, forbidding any person from knowingly making untrue statements under oath which that person has reason to believe will influence a foreign government and thereby injure the United States.

18 U.S.C. § 793, forbidding persons from stealing documents, from making copies of documents or photographs of military installations, equipment, or of photographs, blueprints, plans, maps, or models of such military installations or material, and forbidding anyone from communicating information relating to the national defense "which information the possessor has reason to believe could be to the injury of the United States or the advantage of the foreign nation" and communicates such information to any person not entitled to receive it.

18 U.S.C. § 794, forbidding people to gather or deliver defense information with the intent or reason to believe that is to be used to the injury of the United States or the advantage of a foreign government.

18 U.S.C. § 798, forbidding persons from knowingly and willfully communicating or making available to an unauthorized person any classified information which is related to codes or cryptographic systems, their design, construction, use, maintenance, etc. that may be used "in any manner prejudicial to the safety or interest of the United States or for the benefit of any foreign government to the detriment of the United States."

All of these Sections, which are not restricted to classified information, are limited in two ways: they deal with strictly military related matters and/or they require an intent to injure the United States or to aid a foreign nation.

With the present criminal penalties and responsibility of government employees and reporters, the only purpose that the further expansion of the secrecy laws could have is to silence dissent within the government, and to hide incompetence and waste. New penalties will not further deter espionage and spying, they will only stop those who want the public to know what is occurring in their government.

b. The Limitations on Reporters' Use of Unauthorized Classified Information

Although the two Sections of the proposed new federal criminal code discussed above appear to carefully carve out the newsmen from criminal liability for obtaining classified information, other carefully drawn sections of the criminal code make any use of that material by a reporter a felony. For example, Section 1122 makes it a felony for any person knowingly to communicate information "relating to the national defense" to a person not authorized to receive it. Thus, any reporter who communicates such information to anyone else *i.e.*, gives it to his paper, television station or causes it to be published and transmitted to the general public has committed a felony. "Information relating to the national defense" is defined as information, regardless of its origin, that relates to U.S. military capabilities, planning, communication, installation, weaponry, weapon development or weapons research, to any intelligence activities of the United States, and to "the conduct of foreign relations affecting the national defense." This sweeping definition is ever broader than the definition of classified information used in the two Sections discussed above. A felony under Section 1122 is punishable by imprisonment of not more than seven years or a fine of not more than $50,000.

If this deterrent to a reporter for using unauthorized communications from government sources were not enough, the proposed revised criminal law contains another section, Section 1123, which again makes it an offense for a person being in possession or control of information relating to national defense to communicate it to a person not authorized to receive it. (Section 1123(a)(1)). The penalty is as in Section 1122.

Thus the proposed revision of the federal criminal code makes it abundantly clear that this proposed legislation intends to make reporters directly criminally liable for any use of information obtained from the federal government by confidential sources when this information pertains to a very broadly defined concept of national defense. Attaching criminal penalties to the use of information by the press is unprecedented in American history except for the Alien and Sedition Acts. In this case, the proposed legislation is not only attempting to tighten up the retention of this information within its own bureaucracy, but is perfectly willing to jail reporters up to seven years for publishing such information, even if that information was improperly classified, related to abuses, dishonesty or waste in the federal government, and it clearly served the national interest to make it public.

When these four provisions are taken together, they can only be described as a "national secrecy act." They impose severe criminal penalties upon all unauthorized distribution of information relating to national defense and foreign relations. Any person involved with such dissemination would be liable, including the editors, publishers, and distributors of newspapers. It would seem that *anyone* who repeated the original publication would also be liable.

c. Methods To Force Disclosure Of the Source Of Unauthorized Government Leaks

Of course, for a national secrecy legislation to be effective, not only must government be able to prosecute the publishers and reporters involved in such dissemination of unauthorized material but also, and more

important, the political leaders of any government must be able to identify the source of such leaks promptly and eliminate them. The legislation is not unmindful of this need to identify the sources of unauthorized disclosures and has provided an effective means for so doing within the statutory framework of its "National Secrecy Act."

First, the Administration has proposed that it be made a felony for a reporter to fail to report that he has received unauthorized information, even if he does not disclose that information to anyone else. Section 1123(a)(3) makes it a felony for an unauthorized person in possession or control of information relating to national defense to "knowingly fail to deliver it promptly to a federal public service servant entitled to receive it." Thus, if a reporter receives the information on a background basis and does not intend to publish it, or he uses that information merely to obtain confirmation from other legal sources, he is still committing a felony unless he reports the illegal receipt of this information to a government official. Thus all reporters not only commit a felony when they use the information, but they commit a felony if they don't turn themselves in when they receive it.

In addition, Section 1123(a)(2)(B) makes it a felony for a person in authorized possession or control of information relating to national defense to "knowingly fail to report promptly to the agency authorizing him to possess or control such information . . . communication to a person not authorized to receive it." Thus, anybody who leaks the information or knows about a co-worker who leaks the information has committed a felony if he does not report such unauthorized disclosure. This Section makes each person in the bureaucracy a spy of all his coworkers to report any unauthorized disclosure of national security information by imposing a felony for failure to make such a report.

But most important for discovering the source of the unauthorized leak is the power that the government would have if the "National Secrecy Act" were enacted to force disclosure of the source by using the present state of the newspaperman's privilege. Under the *Branzburg* v. *Hayes* (408 U.S. 665 [1972]) decision of last summer, newsmen are not provided a constitutional protection for keeping their sources of information confidential or for failing to reveal the contents of the confidential information. Until the enactment of any newspapermen's shield legislation by the Congress, the only protection a reporter has from compulsory disclosure of his sources are those few cases following the *Branzburg* decision that try to salvage some protection from dicta in that decision and the guidelines set forth by the Attorney General in 1970 which limit the federal use of compulsory testimony of reporters to certain situations. It just so happens that if the "National Secrecy Act" were enacted in law, the dicta in the *Branzburg* decision and the Attorney General's guidelines would provide a reporter no defenses whatsoever for a refusal to divulge his sources.

Under the *Branzburg* decision, the Court clearly stated that of all the situations calling for possible constitutional protection under the First Amendment for a newsmen's privilege, the one case that merited no protection under any circumstances was the case where a reporter was protecting the identity of a person who actually committed a crime. Justice White, writing the majority decision, said:

> Although stealing documents or private wiretapping could provide newsworthy information, neither reporter nor source are immune from conviction for such conduct, whatever the impact on the flow of news. (408 U.S. 665, at 691).

Insofar as any reporter in these cases undertook not to reveal or testify about the crime he witnessed, his claim of privilege under the First Amendment presents no substantial question. (*Id.* at 692).

These two sentences in the majority opinion of *Branzburg* make it almost impossible for any lower court judge to hold that a reporter's failure to divulge the source of his information is privileged when disclosure of such information was a felony under the "National Secrecy Act." The reporter who received the information, although not a conspirator or an accessory to the crime, would clearly be a witness to it. His refusal to testify would be, in no uncertain terms, the refusal to identify a felon, and it is clear that the *Branzburg* decision grants no privilege whatsoever to such a refusal.

The Attorney General's guidelines, which claimed to limit and apparently have limited the use by federal prosecutors of subpoenas for reporters' sources of information and confidential information would also clearly permit the forced disclosure of such information. Those guidelines require, in order to issue a subpoena: that a serious crime had been committed, that the information not be available from non-press sources, and that the subpoena be strictly limited in time and scope to the criminal action involved. Once again, the reporter would have no protection. He is a witness to a felony; in fact he probably is the only witness to the felony. A serious crime is under investigation, a felony involving national security. And the subpoena could clearly be limited in time or scope to the communication that was involved.

As Roger C. Crampton, Assistant Attorney General, testified before the House Judiciary Committee on September 21, 1972 about the Attorney General's guidelines: "Compulsory process is utilized only when information necessary to determine the guilt of innocence of persons under investigation for commission of serious crimes can only be obtained from the press."

Thus, once a reporter has printed information that he obtained through unauthorized disclosure, he will be subject to subpoena and can be forced to reveal the sources of his information because the fact of the information's very existence is *prima facie* evidence of a felony having been committed in his presence. In addition, by creating two distinct felonies, one for the disclosure of information (where the reporter is not liable), and the other for the distribution of that information to any other party, it is quite likely that the reporter will not have a Fifth Amendment defense when he is subpoened, for his receipt of the information itself was not criminal. The printing of the information proves that the reporter possessed it, thus making the revelation of its source in no way increasing his jeopardy of conviction of the felony of passing that information on to others. With no Fifth Amendment defense available, the reporter would face the choice of going to jail for contempt or revealing a source. Naturally, the prosecuting attorney has the availability of the other felony for bargaining purposes with the reporter.

Thus, the proposals constitute a comprehensive and effective "national secrecy act." They create a felony for the unauthorized disclosure of a broad category of information, and the publication of such information; it makes it a felony for a reporter to retain that information or for co-employees of the unauthorized source to fail to report the unauthorized disclosure. And it utilizes the present state of the law of compulsory disclosure of newsmen's confidential sources to ensure that the government could obtain the identity of the sources of information or incarcerate the reporters involved.

This situation makes the Administration's refusal to support a newspaper shield law, in either qualified or unqualified form, all the more understandable.

RELEVANT PROVISIONS OF S. 1400

"§ 1122. Disclosing National Defense Information.

"(a) Offense. A person is guilty of an offense if he knowingly communicates information relating to the national defense to a person not authorized to receive it.

"(b) Grading. An offense described in this section is:

"(1) a Class C felony if committed during time of war or during a national defense emergency;

"(2) a Class D felony in any other case.

"§ 1123. Mishandling National Defense Information

"(a) Offense. A person is guilty of an offense if:

"(1) being in possession or control of information relating to the national defense, he recklessly permits its loss, destruction, or theft, or communication to a person not authorized to receive it;

"(2) being in authorized possession or control of information relating to the national defense:

"(A) he intentionally fails to deliver it on demand to a federal public servant authorized to demand it;

"(B) he knowingly fails to report promptly, to the agency authorizing him to possess or control such information, its loss, destruction, or theft, or communication to a person not authorized to receive it; or

"(C) he recklessly violates a duty imposed upon him by a statute or executive order, or by a regulation or a rule of the agency authorizing him to possess or control such information, which statute, order, regulation, or rule is designed to safeguard such information; or

"(3) being in possession or control of information relating to the national defense which he is not authorized to possess or retain, he knowingly fails to deliver it promptly to a federal public servant entitled to receive it.

"(b) Grading. An offense described in this section is:

"(1) a Class E felony in the circumstances set forth in subsection (a)(2)(C);

"(2) A Class D felony in any other case.

"§ 1124 Disclosing Classified Information

"(a) Offense. A person is guilty of an offense if, being or having been in authorized possession or control of classified information, or having obtained such information as a result of his being or having been a federal public servant, he knowingly communicates such information to a person not authorized to receive it.

"(b) Exceptions to Liability as an Accomplice or Conspirator. A person not authorized to receive classified information is not subject to prosecution as an accomplice within the meaning of section 401 for an offense under this section, and is not subject to prosecution for conspiracy to commit an offense under this section.

"(c) Defense. It is a defense to a prosecution under this section that the information was communicated only to a regularly constituted committee of the Senate or the House of Representatives of the United States, or a joint committee thereof, pursuant to lawful demand.

"(d) Defense Precluded. It is not a defense to a prosecution under this section that the classified information was improperly classified at the time of its classification or at the time of the offense.

"(e) Grading. An offense described in this section is:

"(1) a Class D felony if the person to whom the information is communicated is an agent of a foreign power;

"(2) a Class E felony in any other case.

§ 1125. Unlawfully Obtaining Classified Information.

"(a) Offense. A person is guilty of an offense if, being an agent of a foreign power,

he knowingly obtains or collects classified information which, in fact, he is not authorized to receive.

"(b) Defense Precluded. It is not a defense to a prosecution under this section that the classified information was improperly classified at the time of its classification or at the time of the offense.

"(c) Grading. An offense described in this section is a Class D felony.

"§ 1126. Definitions for Sections 1121 through 1125.

"(a) 'authorized,' when used in relation to the receipt, possession, or control of classified information or information relating to the national defense, means with authority to have access to, to receive, to possess, or to control such information as a result of the provisions of a statute or executive order, or a regulation or rule thereunder;

"(b) 'classified information' means any information, regardless of its origin, which is marked or designated pursuant to the provisions of a statute or executive order, or a regulation or rule thereunder, as information requiring a specific degree of protection against unauthorized disclosure for reasons of national security;

"(c) 'communicate' means to impart information, to transfer information, or otherwise to make information available by any means, to a person or to the general public,

"(d) 'communications intelligence information' means information:

"(1) regarding any procedures and methods used by the United States or any foreign power in the interception of communications and the obtaining of information from such communications by other than the intended recipients;

"(2) regarding the use, design, construction, maintenance or repair of a device or apparatus used, or prepared or planned for use, by the United States or a foreign power in the interception of communications and the obtaining of information from such communications by other than the intended recipients; or

"(3) obtained by use of the procedures or methods described in paragraph (1), or by a device or apparatus described in paragraph (2);

"(e) 'cryptographic information' means information:

"(1) regarding the nature, preparation, use or interpretation of a code, cipher, cryptographic system, or any other method of any nature used for the purpose of disguising or concealing the contents or significance or means of communications, whether of the United States or a foreign power;

"(2) regarding the use, design, construction, maintenance, repair of a device or apparatus used, or prepared or planned for use, for cryptographic purposes, by the United States or a foreign power; or

"(3) obtained by interpreting an original communication by the United States or a foreign power which was in the form of a code or cipher or which was transmitted by means of a cryptographic system or any other method of any nature used for the purpose of disguising or concealing the contents or significance or means of communications;

"(f) 'information' includes any property from which information may be obtained;

"(g) 'information relating to the national defense' includes information, regardless of its origin, relating to:

"(1) the military capability of the United States or of an associate nation;

"(2) military planning or operations of the United States;

"(3) military communications of the United States;

"(4) military installations of the United States;

"(5) military weaponry, weapons development, or weapons research of the United States;

"(6) restricted data as defined in section 11 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2014);

"(7) intelligence of the United States, and information relating to intelligence operations, activities, plans, estimates, analyses, sources, and methods, of the United States;

"(8) communications intelligence information or cryptographic information as defined in subsection (d) or (e);

"(9) the conduct of foreign relations affecting the national defense; or

"(10) in time of war, any other matter involving the security of the United States which might be useful to the enemy;

"(h) 'restricted area' means any area of land, water, air or space which includes any facility of the United States, or of a contractor with or for the United States, to which access is restricted pursuant to a statute or executive order, or a regulation or rule issued pursuant thereto, for reasons of national defense.

THE VETO OF THE REHABILITATION ACT

Mr. PERCY. Mr. President, I share the President's resolve to put a ceiling on spending and to hold a firm line on prices, taxes, and inflation. However, I am disappointed that the President has again found it necessary to veto the Rehabilitation Act of 1972, approved so overwhelmingly by the Senate and the House in both 1972 and 1973.

The Rehabilitation Act of 1972 is not a big spending bill that would jeopardize the taxpayers' pocketbooks or the stability of our economy. This bill, though admittedly more than the President requested, provides $900,000 less in authorization than last year's vetoed bill, a reduction of over 25 precent.

This bill should not be looked upon as a big spending measure. I would go as far as to say that it is prime investment material. For many of our physically and mentally handicapped citizens, the only alternative to rehabilitation is custodial care under public assitance, which is often costlier than rehabilitation. In 1972 alone, State vocational rehabilitation agencies served 51,084 public assistance recipients. It is estimated that the public assistance cost for those individuals would have amounted to $34,275,000 just for the first year following rehabilitation.

Vocational rehabilitation is a proven cost-effective program. A number of cost-benefit analyses of the rehabilitation program have agreed on one crucial fact—the benefits of the rehabilitation program are many times its cost. Conservative estimates of the ratio of benefits to cost have ranged from between 8 to 1 and 35 to 1. In other words, for every dollar spent on rehabilitation, $8 to $35 have been returned in welfare costs saved and income taxes paid by workers restored to usefulness.

For example, the total annual earnings of 291,272 individuals rehabilitated in 1971 totaled approximately $1 billion, a net increase of $750,000 over the earnings of these people before rehabilitation. In addition to this contribution to the GNP, the Rehabilitation Services Administration estimates that these individuals, at a minimum, contributed approximately 5 percent of their total income of $58 million to Federal, State, and local governments for taxes. In addition to this tax contribution, there are further Government savings because of the removal of these persons from welfare dependency.

The Illinois Vocational Rehabilitation Agency, I am very proud to say, is a successful example of the cost effectiveness of rehabilitation. In fiscal 1971, the agency served some 55,288 individuals, and 14,001 of them were completely rehabilitated. The total annual earnings of these people in 1971 totaled approximately $47.2 million, showing a net increase of $30 million over their earnings before rehabilitation. If these rehabilitated wage earners contribute 5 percent of their total income to Federal, State, and local governments, their tax contribution for 1 year alone would equal $2.4 million.

In fiscal 1972, the agency served some 58,922 people and completely rehabilitated 314 more persons than in 1971. Of the 14,315 individuals completely rehabilitated, 11 percent or 1,581, were public assistance recipients. Of this total, 741 were removed entirely from the public aid rolls, saving the State approximately $1.2 million in 1 year alone. Coincidentally, it cost the agency about $1.2 million to rehabilitate these people. Moreover, 1,096 of these rehabilitated individuals increased their earning power by $3.9 million per year.

Today, developments in medical science and technology have made rehabilitation cost effective even for the severely handicapped. Therefore, I applaud the major change in the concept of rehabilitation services under the Rehabilitation Act of 1972—the added emphasis on vocational rehabilitation services to the severely handicapped. Until now the severely handicapped in this country have been doomed to a kind of living death, immobilized, hidden away, and written off as beyond redemption. This shortsightedness, in addition to the cost in human agony and waste, has cost society a huge maintenance bill. Liberty Mutual estimates that the lifetime cost of maintaining one paraplegic is $150,000; and the cost jumps to $250,000 to $500,000 for a quadriplegic. HEW estimates that there are 985,000 Americans who suffer from paralysis. Without rehabilitation services, the lifetime maintenance cost for these individuals can amount to $246 billion.

I am convinced that money spent on the rehabilitation of our physically and mentally handicapped citizens is a sound investment, not only in making life more livable for our handicapped citizens but also in returning dollars to the Federal, State, and local treasuries.

Vocational rehabilitation makes good business sense. For this reason I must regretfully vote to override the President's veto of the Rehabilitation Act of 1972. We should find other areas where budget cuts can be made. I intend to sustain certain of the Presidents vetoes and to vote against other spending bills in the authorization or appropriation stage before they are ever sent to the President.

But I cannot walk away from my commitment to the important area vocational rehabilitation for the physically or mentally handicapped. It is one of the best investments, we as a society, can make in one human resources.

MANUFACTURING PRACTICES IN THE DRUG INDUSTRY

Mr. RIBICOFF. Mr. President, the GAO has released a report which states that the FDA has failed to exercise its statutory mandate to assure that drugs are processed under proper manufacturing practices. GAO found that 48 percent of the drug producers studied were found to be deviating from good manufacturing practices on successive inspections by the FDA. In one plant, 78 deviations were found in three inspections, of which 39 were deemed "critical." In spite of this appalling record, FDA failed to take legal action to insure that the requirements of law were met.

Drugs manufactured improperly may cause severe health hazards. Examples of the dangers of improperly manufactured drugs include the so-called Cutter incident in which improperly manufactured polio vaccines caused the paralysis of hundreds of people and the Abbot Laboratory case in which hundreds of people died as a result of receiving contaminated intravenous solutions.

The failure of FDA to enforce a law designed to protect consumers in unfortunately all too typical of our experience with Federal regulatory agencies. Time and again, Congress has passed laws to protect consumers, only to find that inadequate enforcement of those laws renders them useless. I have introduced legislation to establish within the Federal Government a strong and effective consumer advocate to assure that regulatory agencies enforce the laws Congress has enacted. The existence of such an advocate could help preclude the continuance of ineffective regulation.

I ask unanimous consent that a digest of the GAO report be inserted in the RECORD.

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

PROBLEMS IN OBTAINING AND ENFORCING COMPLIANCE WITH GOOD MANUFACTURING PRACTICES FOR DRUGS

WHY THE REVIEW WAS MADE

Drugs sold in the United States during recent years have been produced by about 6,400 firms. Although each is accountable for the quality of its products, the Congress placed upon the Food and Drug Administration (FDA) the responsibility that drugs, shipped across State borders, be of satisfactory quality when sold to consumers.

The Federal Food, Drug, and Cosmetic Act (FD&C Act) makes FDA responsible for insuring that adulterated drugs are prevented from reaching the market. This law defines an adulterated drug as one, among other things, which has not been produced in conformity with good manufacturing practices, and requires FDA to inspect drug manufacturers and repackers (referred to hereinafter as drug producers) at least once every 2 years.

Good manufacturing practices include (1) maintaining formula and batch-production control records and procedures, (2) establishing test procedures to insure that drug components or the finished product conform to appropriate standards of identity, strength, quality, and purity, and (3) keeping distribution records of each batch of a drug to facilitate its recall from distribution, if necessary.

In this review the General Accounting Office (GAO) has evaluated FDA's program for inspecting drug producers and enforcing compliance with good manufacturing practices. GAO reviewed the inspection records of 73 drug producers inspected during the 2-year period ended March 31, 1971, and the inspection records of 98 drug producers which were not inspected during this period.

Except for five large drug producers, firms were randomly selected for review. The drug producers were in three FDA districts in which nearly 25 percent of the Nation's 6,400 drug producers were located.

FINDINGS AND CONCLUSIONS

Overall findings

Several factors have hindered FDA's obtaining and insuring compliance with good manufacturing practices by drug producers.

FDA has not always enforced aggressively compliance with good manufacturing practices by many of the drug producers it has inspected, even though deviations from these practices can lead to adulterated products.

Proper and timely written notification of needed corrections was not provided to drug producers' top management; and followup inspections were usually untimely, hampering, in many instances, FDA's efforts to obtain voluntary compliance with good manufacturing practices.

Some drug producers have not been inspected as often as required, although FDA considers its inspection to be an integral part of its defense against adulterated products reaching the consumer.

FDA did not have a complete and accurate list of drug producers required to be registered and inspected.

FDA has taken some steps to overcome these problems. More are needed.

According to FDA, two factors have contributed to existing conditions: (1) its limited resources and (2) its need to be concerned with good manufacturing practices for drugs posing the most significant potential health hazard.

Limited enforcement

FDA inspections have shown a large number of producers to be deviating from good manufacturing practices. Although such deviations can lead to adulterated drugs, FDA has not enforced compliance with good manufacturing practices by many of the drug producers it has inspected.

During fiscal year 1971, FDA made 7,124 inspections of drug producers. Of these, nearly 4,000 were followup inspections where deviations from good manufacturing practices had been reported previously. Over 2,174, showed that producers still were not complying with good manufacturing practices.

In reviewing inspection records of 73 drug producers, GAO found that 48 percent of the producers critically deviated from good manufacturing practices on successive inspections. FDA identifies critical deviations as those having the greatest probability of creating adulterated products.

FDA has taken relatively few legal actions to enforce compliance. During fiscal years 1970 and 1971, FDA approved only 51 seizures, 2 injunctions, and 5 prosecutions for deviating from good manufacturing practices.

GAO believes that producers chronically deviating from good manufacturing practices do not have sufficient incentive to correct their practices because FDA has not used available legal options.

For example, FDA inspected one firm's manufacturing practices three times during the 32-month period ended December 15, 1971, concluding each time that the firm was not complying with good manufacturing practices such as formula and production control records not being maintained.

The number of deviations increased from 6 in the first inspection, to 23 in the second, to 49 in the third inspection. Although 78 deviations were found, of which 39 were critical, legal action was not taken. Instead, FDA relied primarily on oral and written communications with the firm and followup inspections to promote voluntary corrective actions.

The shortcomings in FDA's enforcement are believed to stem primarily from a lack of instructions on when legal actions should be taken and the resultant confusion between district office personnel responsible for recommending legal action and FDA headquarters personnel responsible for approving it.

A February 1972 policy change indicates FDA's intention to enforce good manufacturing practices more aggressively. GAO believes that the continuing lack of guidelines to the district offices will hamper the effectiveness of this change.

Followup actions inadequate

Some drug producers have not corrected deviations from good manufacturing practices because FDA frequently did not take proper followup actions to insure that drug producers' top management was aware of inspection findings.

GAO's examination of reports and other records relating to 150 inspections of 58 producers included in the sample showed that FDA issued a post inspection letter to top management in only 75 of 150 inspections made and that such letters were often untimely.

FDA lacked guidelines for timely scheduling of followup inspections to determine whether producers take needed corrective action. GAO reviewed 83 inspection cases involving deviations from good manufacturing practices for which followup inspections were scheduled to be made during a specific month prior to December 31, 1971. GAO found that only 25 were made when scheduled, 32 were made late, and 26 were not made by December 31, 1971. The timing of followup inspections is left to the discretion of each FDA district office.

The February 1972 policy change discontinued the use of post inspection letters as a means of notifying drug producers of inspection findings. Instead, warning letters will be used for minor deviations. Action to seize products or cite firms for prosecution will be used for critical deviations. Subsequent to the completion of GAO's fieldwork FDA rescinded its policy statement of February 1972 and issued a new policy statement.

However, the policy change does not provide guidelines to insure that drug producers' replies to warning letters or citations will be properly monitored and that timely followup inspections will be made when needed.

Warning letters—unlike post inspection letters and citations—do not specify a time limit in which a drug producer must notify FDA of corrective actions planned or taken.

Inspection coverage

FDA lacks an effective means of insuring that all drug producers are inspected at least once every 2 years as required by law. In the three FDA districts reviewed, at least 213 drug producers, or about 16 percent, had not been inspected during the 2-year period April 1969 through March 1971. Another 123 firms were listed as not inspected but records were not available to substantiate that the firms were in fact subject to inspection.

Records of 98 of the 213 firms not inspected showed that an average of 36 months had elapsed (as of March 31, 1971) since 74 of these firms were last inspected.

The remaining 24 firms had registered for the first time during the 2-year period and were not required to have been inspected by March 31, 1971. The 24 firms had been registered an average of 9 months—7 for over 12 months.

FDA had not established guidelines on how soon firms should be inspected after registration. Since newly registered firms are permitted to produce and distribute drug products for consumer use, FDA should consider making an earlier initial inspection of such firms.

The failure to inspect some producers when required can be attributed to weaknesses in the inspection scheduling process, the priority given to reinspecting other producers with a history of deviating from good management practices, diversion of manpower to crisis situations, and the lack of manpower.

Although GAO found that noninspected firms generally were small producers of nonprescription drugs, the FDC Act clearly requires that FDA inspect all drug producers regardless of size or product type.

Inaccurate drug firm listings

FDA maintains two master firm listings for management and control purposes: the drug firm registration listing and the official establishment inventory.

The purpose of the registration listing is to identify all drug producers subject to the 2-year inspection requirement. The official establishment inventory is FDA's official record of all firms producing products which fall into FDA's regulatory purview. The official establishment inventory is one tool headquarters uses to decide the annual allocation of each district's inspection manpower resources among various types of inspections.

GAO found that these two listings for calendar year 1971 were inaccurate and FDA had neither monitored nor enforced annual registration of drug producers as required by law. In GAO's opinion, the usefulness of the listings has been significantly reduced as a basis for management decisionmaking and control.

Recommendations

The Secretary of Health, Education, and Welfare (HEW) should direct the Commissioner, FDA, to:

Establish more definitive guidelines to be followed by FDA headquarters and district offices, specifying (1) when products should be seized—especially those posing a questionable health hazard, (2) the amount and type of documentation needed to adequately support the seizure action, and (3) when firms should be cited for prosecution.

Consider establishing a time limit for receipt of the written response requested in warning letters.

Correct the inventory of drug products subject to the 2-year inspection requirement so that FDA will have complete and accurate knowledge of the scope of its inspection responsibilities.

Establish an inspection scheduling system monitored by FDA headquarters to insure that all drug producers are inspected at least every 2 years.

Establish guidelines to insure timely initial inspection of newly registered drug producers.

Properly enforce the annual drug producers' registration requirement and effectively monitor the accuracy and completeness of the registration listing to permit its use as a cross-check on the official establishment inventory listing.

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW concurred in GAO's recommendations and advised that a number of corrective actions had been or would be taken. (See pp. 22, 29, 35, 36, and 41.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report provides the Congress with information on FDA's drug firm inspection coverage and enforcement of good manufacturing practices.

RETIREMENT OF ROBERT BALL

Mr. COTTON. Mr. President, as a member of the Health, Education, and Welfare Appropriations Subcommittee which also deals with appropriations for the administration of our vast social security program, I have on many occasions during the last decade listened to and been impressed by the testimony of Commissioner Robert Ball and feel that his outstanding services deserve comment in the Senate.

Robert Ball has retired as Commissioner of Social Security, but the influence he has had on the development and management of the social security program will continue to be felt by many generations. His understanding of the role of the social security program in our country has been evidenced time and again during his appearances before congressional committees. His brilliance is reflected in countless pages of testimony presented in support of some of the most important social legislation in the history of our country.

Robert Ball will no doubt be remembered longest for the role he has had in the development of the social security program. However, I believe he has made equally great and lasting contributions toward assuring the program's responsiveness to its contributors and beneficiaries. Chairman WILBUR D. MILLS of the House Ways and Means Committee called Mr. Ball "a near genius in administration." His success is in large part due to his personal philosophy; his humanitarian ideals have permeated deep into the Social Security Administration.

He is responsible for establishing much of the foundation of administrative excellence in the Social Security Administration. In 1958, when Mr. Ball was the Deputy Director of the Bureau of Old-Age and Survivors Insurance—the predecessor of the Social Security Administration—he originated a statement of objectives of the organization which has since served as a guidepost for employees of the Social Security Administration.

The American people will miss Robert Ball as Commissioner of Social Security. His personal impact on social legislation has not ended though. He soon begins a new career at the National Academy of Sciences' Institute of Medicine as a scholar in residence. I am sure that Robert Ball will continue his selfless efforts on behalf of the American people.

I ask unanimous consent to enter in the RECORD an excellent story based on an interview with Mr. Ball which appeared in the Baltimore Sun. The story really captures some of the personal warmth and caring of Robert Ball's personality as well as an indication of his clear-minded thinking on social matters.

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

SOCIAL SECURITY'S ROBERT BALL—THE COMPLEAT BUREAUCRAT BOWS OUT

(By Theo Lippman, Jr.)

When Robert M. Ball took over as Commissioner of Social Security back in 1962, the New York *Times* described him as "the compleat bureaucrat." He certainly seemed to fit the description. He had spent practically all his life in the bureaucracy, progressing up through jobs with titles that were dripping with red tape words such as "analyst," "research," "program planning." Yet there is probably no less a bureaucratic executive officer in the government today than Bob Ball. Partly that is because of the nature and traditions of the Social Security Administration, and partly it is because of the kind of person Ball is.

He went into public service back in the middle Thirties, one of that breed of young men and women who came out of college with New Deal stars in their eyes. Ball, a native of New York majored in English at Wesleyan, then took a master's degree in economics. One of his professors was a consultant to the federal government when it established the Old Age and Survivors Insurance agency (the predecessor of what is called the Social Security Administration today). He got Ball interested enough to file for a Civil Service examination in the summer of 1936, the year he got his master's.

For over two years, there were no job openings for Ball in the social security field. He turned down other Civil Service appointments, among them fingerprint specialist for the FBI. Meanwhile, he married the former Laura Elizabeth Crump, and began supporting himself first by working in the office of Stern's department store in midtown Manhattan, then as one member of a two-man staff on an activist labor union newspaper in Newark and Paterson, N.J.

In January, 1939, he was hired by the government and assigned to the Newark district office of Social Security (which for convenience will be used here throughout to designate both the old agency and the new one). That specialization of function that is the hallmark of bureaucracy had not reached the degree then that it has now. Ball's first job was "kind of the outside man," he puts it. "What we did in those days was to call on big employers and talk with them about keeping Social Security records. Also, explaining to them what the program was all about. There was quite a lot of resistance to Social Security in those days, and also a lot of misunderstanding. We were also the outside person on claims. I took many claims in people's homes, people too ill to come to the office. We also ran outside contact stations in smaller communities where once a week or say once every two weeks you would be there for several hours, so people could come in there rather than go to the main district office."

From that job, Ball progressed to manager of the Bayonne office (two employees), to assistant manager of the larger Elizabeth office, to the analysis division in the central office in Baltimore.

That was in 1942. The central office was in the Equitable Building at Calvert and Fayette. The Balls lived on a small farm on Weems creek in west Annapolis. He commuted to a job in which he was expected to do research concerning then existing programs and to plan for future changes in the program. He spent much of his time working out ways to extend coverage to agricultural and domestic workers.

Before long Ball was transferred to the training office, to become the number-two man. He conducted classes in the Candler Building near the waterfront. "We were running quite intensive background courses in what Social Security was all about. Not just how you figure benefits and so on, but the history, the philosophy, the ideas, the

alternatives, the foreign systems. I think really it was in the training office that I had the opportunity to learn a great deal about, and think through my own attitudes and views toward Social Security as an historical movement and its relationship to private efforts in this area. Because if you're going to sort things out to teach people, you really start to grapple with it yourself."

Shortly after the end of World War II, Ball temporarily left Social Security to teach what he had learned to people active in the general field of retirement insurance planning both outside and inside government. This was as director of a special committee of the American Council on Education in Washington. After two years in that job, he went to work for a Senate committee studying Social Security. In late 1949, he was named assistant director of Social Security (the predecessor agency), in charge of analysis, legislative and program planning, statistics and research, and moved from the Washington suburbs to Loch Raven. Before long he was deputy director of the growing agency. He was still a Civil Service appointee, and when the top man resigned with the advent of the Republican Eisenhower administration in 1953, Ball was not seriously considered for the job—but he ran the place as acting director for a year. He resumed the deputy's job and title when a presidential appointee came in.

In 1962 President Kennedy, at the urging of Secretary of Health, Education, and Welfare Abraham Ribicoff and his assistant Wilbur Cohen, decided to pick a career man. Ball was the logical choice, as the highest ranking Civil Service executive in Social Security, and with Cohen's and Ribicoff's enthusiastic endorsement, Ball got the job. He immediately did an unusual if not unprecedented thing in the annals of bureaucracy. Instead of empire-building, he cut his realm in half.

"When I became commissioner, the Social Security Administration had in its responsibility not only the contributory social insurance program, but also the Children's Bureau, the federal end of all welfare programs, Cuban refugee programs and some other things. I had always thought that it was a mistake to put under one person the responsibility for the federal-state program for welfare and the direct line operation of what we call Social Security. So I went to work to get a reorganization that would divest me of half my responsibility. I thought it would work better if I would take only half the job, if there were a Social Security commissioner and a Welfare commissioner." It was done.

By 1962 the Balls (they have a son and a daughter) had moved to the Villa Rica section of Baltimore county, a choice made because it would be convenient to the new Social Security headquarters at Woodlawn. Ball had a great deal to do not only with selecting the site, but also with such details as approving the brick used and some of the furniture. He's the kind of person who likes to have his hand in everything. But in addition to that, there is that other, traditional force at work which makes him unlike the general public impression of a bureaucrat. (The word has an unflattering definition in some modern dictionaries.) Each previous chief of Social Security has, like him, been only part administrator. Each has also been part thinker or improviser. That is, unlike agency heads in most of government, Social Security commissioners have been leading policy advocates.

Asked what exactly his job is, Ball replies this way:

"I guess I'd have to plead guilty to being really a social planner, a social reformer, at least as much as an administrator. I really think that to head an organization of this kind, it's best to be able to combine program skills—what the program should be and where it is going—with being able to lead the administration of that program after it is in effect. You find so many people who divide the thing. You have an administrator who is just focused on managing. Theoretically he's a person who can move from one place to another. I don't fully buy that. . . ."

It is possible that Ball has more of an impact on Social Security than any other single man. For twenty years now there has not been an idea that became part of the system with which he personally was not "significantly involved" (his own quote) in the development of. Certainly that is unquestionable in the past decade in which he has served as commissioner. It is a reflection of his own liberalism that Social Security has been liberalized far more than most people who are not directly affected by it realize today. It is, in fact, not really the same program it was 10 years ago. In just the past five years, the level of benefits has gone up by 70 per cent. In addition to that, for the first time there is an automatic provision that makes future benefits inflation proof. And, of course, there is medicare. Social Security has grown so much in the past decade that beginning next year it will be handling something like one-fourth of *all* federal spending.

Ball's admitted liberalism has not been the most precious asset in the past four years. He almost was not retained in the job in 1969, and is not being kept after 1973. His routine letter of resignation has been accepted by the President. The only reason it wasn't accepted four years ago is believed to be that House Ways and Means Chairman Wilbur Mills warned the new President that dumping Ball would be unwise. When Mills learned this year that the dumping was at last taking place, he said that he hoped no "political" appointee would be named.

Ball is of two minds about this—both personally and professionally. "I think this is a good time for me to leave. Congress isn't going to do much more to Social Security in the near future. I'd like to help get a national health insurance plan going, and I think I can do that better from the outside than from the inside."

So after three decades of working for Social Security, Robert Ball is leaving for good. He will apparently continue to live in Baltimore, but not work here. Though there have been some "interesting" job offers in Baltimore, he seems to be leaning toward others in Washington. Probably some foundation will pay him to start thinking full time, absolutely no administrative chores. He will also be lecturing, writing, lobbying—and devoting a little more time than in the past to such leisure time activities as going to plays and concerts here, in Washington and in New York, to loafing at his New Hampshire lake cottage, to badminton and hiking.

At the end of a recent long interview conducted in his handsome offices on the top floor of the main building at Woodlawn, Ball said, "Could I take the initiative on one point I'd like to make? I've been somewhat concerned in recent months at the number of people who are making generalizations across the board about the ineffectiveness of the federal governmnment's programs. I don't know enough about some other programs to make a blanket defense, but if it's true of many programs, it's not true of Social Security, and that's not a small exception.

"I think it's a big mistake for people to fall into the trap that because a few anti-poverty programs didn't work, that everything about the federal government is a mess. . . . I can tell you a lot of programs that didn't turn out as good as they should have, yes, but personally I don't think the problems of America are going to be solved by turning them back over to the states and localities. Some of this [criticism of federal programs] sounds like an excuse for the federal government to withdraw from a role that is perfectly appropriate for the federal government. People who are developing such a thesis forget the successful programs. Take food and drug, the environment thing, aid to education, and so on. The idea of dismantling the federal machinery—I don't want to do that. I am concerned. I feel that the federal government would need to retain more of a role than seems to be the opinion of many people . . . including many in this administration."

TRIBUTE TO JOHN FORD, FILM DIRECTOR

Mr. TUNNEY. Mr. President, on March 31 the American Film Institute, an organization chartered by the Congress, honored John Ford, the distinguished American film director.

In the charter of the American Film Institute, that organization is charged with the preservation of the American film heritage and the advancement of the film art. The American Film Institute, in making the first of its Lifetime Achievement Awards, has chosen wisely. John Ford embodies both elements of that charge given the AFI by the Congress. John Ford represents both the American film heritage and the highest advancement of the film art.

John Ford's career covers more than five decades, from the earliest days of the motion pictures to the present. He directed great silent pictures and his mastery of the art carried him into the sound era as a pioneer and innovator. The names of some of his films give a clue—Arrowsmith, The Informer, The Grapes of Wrath, How Green Was My Valley. It is for these and other achievements that the American Film Institute bestows on John Ford its award. His films, his special movie genius, have provided not only entertainment for millions throughout the world, but a special vision of America.

John Ford, when his country needed him during World War II, also put his talents at his country's service. Some of the films he made for his country are as fine and ennobling as anything he did for his art. It is for this and other services that President Nixon presented him with this Government's Freedom Medal, the highest civilian award.

But it is not only John Ford who is honored by the President and by the American Film Institute. In a measure he symbolizes the whole field of which he is such a glorious part. I mean the American motion picture.

Far too often Hollywood and its films have been a convenient object of attack. Sometimes perhaps they have merited attack. But in the long history of the film—short by other arts, but long in this frantically developing age—in that history there is so much that is fine. It is time, and past time, that a President honor the great spirit of the movie pioneers, the men and women who had a piece of the American dream and who projected it throughout the world by means of the motion picture.

It is these men and women whom John Ford symbolizes in this first American Film Institute Award.

It is particularly fitting that so many of John Ford's films should have been concerned with American history and the growth—in agony and glory—of the American dream. He has recorded all sides of it; all aspects. Now he, through his heroic accomplishments, personifies that American promise and fulfillment.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I would like to report that, according to current Census Bureau approximations, the total population of the United States as of April 1 was 210,508,767. In spite of the widely publicized reductions in our fertility levels, this represents an increase of 1,540,229 since April 1, 1972. It also represents an increase of 128,607 in just the last month.

Over the year, therefore, we have added enough additional people to fill two cities the size of Washington, D.C., and, in just 1 short month, we have added about the equivalent of Little Rock, Ark.

SWEDISH-AMERICAN RELATIONS

Mr. CHURCH. Mr. President, Sweden is one of our most traditional European friends. Millions of its people have come to the United States and contributed to the physical and intellectual development of our own country. In recent years, Sweden's high standards for the common good at home and abroad, and its practical prescription for self-preservation—freedom from alliances to be neutral in time of war—provide this democratic country a unique place in the annals of nations.

Presently, our Government has been cold-shouldering this important country because of Sweden's disapproval of our military conduct in Indochina. Holding a grudge toward those who oppose our actions, however, is neither good policy nor good politics, especially in light of the fact that the negotiated settlement reached at Paris in January was an event the Swedes were urging all along.

The Government of Sweden last week attempted to warm the current chill in the relationship with a forthright and friendly statement in the Riksdag, the Parliament in Stockholm. I ask unanimous consent, Mr. President, that an excerpt from the Government's declaration on foreign policy of March 21 be inserted in the RECORD at this point. I look forward to a similar statement of reconciliation from our Government soon.

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

EXCERPTS FROM THE SWEDISH GOVERNMENT: DECLARATION ON FOREIGN POLICY

During the last few years Sweden's relations with the United States have been in the centre of attention. The reason has been the American participation in the Vietnam war. With the support of an overwhelming public opinion the Swedish Government has taken a strongly critical attitude towards the United States' Vietnam policy. The intensity of our reaction has been based on an awareness of the suffering especially afflicting the civilian population as well as on a conviction that a small people must have the right to form its own future without interference from the outside. The American Government has reacted by scaling down the diplomatic relations.

We believe that the Swedish-American relations in the long run are better served if we make clear our determination to uphold principles fundamental to us than if we attempt to hide our views. We have noted the reassessment of important elements of American foreign policy which now seems to be under way. This ought to contribute to an international development characterized by détente. In this perspective we can hope that differences of view of the kind that have been caused by the Vietnam conflict will not need to arise in the future.

In this context it could be emphasized that the traditional, lively exchange between Sweden and the United States continues. The personal ties between the two peoples are strong. The American and Swedish societies have many common traits and are basically founded on the same democratic ideals. Both face the task to solve the many complicated technical and social problems of the modern industrial society.

In a time of increased international cooperation and interdependence diplomatic channels are valuable means of contact and information. No nation is served by weakening these channels. Not the least in situations where there are differences of political views we find it important to maintain the possibility of dialogue on a high level. It is our wish that normal diplomatic relations shall exist between Sweden and the United States.

NO-STRIKE STEEL PLAN

Mr. PACKWOOD. Mr. President, the United Steelworkers and the Big 10 steel companies last week completed arrangements and approved in final form a no-strike pact designed to bring stability back to the steel industry and regain the business which has been lost in recent years to foreign competition. The so-called experimental negotiating agreement, approved on March 29 by the United Steelworkers basic steel conference, pledges no industrywide strike over the next 4 years, and provides, as an alternative to the strike, binding arbitration of all unresolved issues after a certain date in contract negotiations. Savings from the no-strike pact will be shared with steelworkers through use of a bonus system.

Mr. President, I for one would like to congratulate and commend the steelworkers and the steel companies for achieving this landmark agreement. As many of my colleagues know, I have been deeply involved in seeking alternatives to the devastation of strikes and lockouts. Without voluntary agreements such as this excellent pact, we in Congress, sworn to protect the public, have no alternative but to seek governmental solutions. But let me be the first to state my conviction that the voluntary approach is far preferable to Government coercion, and the private agreement far more effective than one imposed by Congress or the Executive.

Mr. President, again, I would like to express my heartiest congratulations to the parties involved in working out this forward-looking plan, and my deep and sincere hope that other industries are able to duplicate what will surely be an alternative leading to significant mutual benefits.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two Washington Post articles describing the pact and its impact.

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

NO-STRIKE STEEL PLAN IS APPROVED

(By John Moody)

PITTSBURGH, March 29.—The United Steelworkers Basic Steel Conference today overwhelmingly approved a pioneering agreement pledging workers not to strike their industry nationwide over the next four years.

The "Experimental Negotiating Agreement," approved earlier by the Big 10 companies of the steel industry, is intended to bring stability to mills that have been losing business and jobs to foreign imports.

Shortly after the 600 delegates, representing 400,000 basic steel employees, shouted approval and celebrated at a cocktail party, I. W. Abel, president of the nation's second largest union, said:

"We have today embarked on an unprecedented experiment that we think will prove there is a better way for labor and management to negotiate contracts."

R. Heath Larry, vice chairman of the U.S. Steel Corp., the nation's No. 1 producer, and chief negotiator of the Big 10 firms, told the joint meeting:

"This experimental agreement should work for the union, the corporations, the customers and the nation."

Flanked by other high officials of both the union and the steel industry at a press conference, Abel and Larry called the agreement "historic."

The unique program specifies that all issues in dispute after a certain date in contract negotiations will be submitted to binding arbitration.

The 11-page agreement sets a specific timetable for basic steel contract negotiations, which begin in February, 1974. All issues must be settled and arbitration decisions made before the current agreement ends July 31, 1974.

The plan assures workers a 3 per cent wage increase in each of the three years of the forthcoming contracts, 1974, 1975 and 1976. It also guarantees a $150 bonus for each worker.

While Abel, at the press conference, stressed the experimental nature of the agreement, officials of the steel industry, which has seen foreign-produced steel take nearly one-fifth of the domestic market in recent years, expressed pleasure with the union's decision.

Larry said the agreement "should help us recapture part of the market we have been losing."

In answer to a question, Abel said he "is sure other international unions are watching the experiment." He named the Seafarers' International Union specifically.

He said he did not see how the plan would have any adverse effect on auto industry or any other labor negotiations scheduled for this year.

Abel said there has been no monetary pattern set in the experimental plan that would put a ceiling on what other unions may ask.

"We have a completely wide-open set of negotiations coming up with no holds barred," he said.

"This is an experiment," Abel said. "It well may last only one term. It very well may fail."

He said George Meany, president of the AFL–CIO, of which the USW is the single biggest member with 1.4 million members,

has expressed keen interest in the experiment. But he said the White House has not been advised and has not commented.

STEEL UNION OFFICIALS OFFER NO-STRIKE PLAN

(By John Moody)

PITTSBURGH, March 28.—United Steelworkers officers today asked representatives of 400,000 basic steel workers to approve an "experimental agreement" that could end nationwide steel strikes and stabilize an industry under constant pressure from foreign competition.

I. W. Abel, USW president, in an innovative move, proposed binding arbitration to settle knotty contract issues. He said the plan would allay customers' fears of strikes and eliminate the need for traditional stockpiling of steel when contracts are being negotiated.

After a day of discussion by 600 members of the Basic Steel Conference, the sentiment was running heavily in favor of approving the plan, an informed source said. The delegates are scheduled to vote Thursday.

The plan, which if approved would become effective May 15, calls for a five-man arbitration board that would convene when the union and negotiators for the Big Ten companies of the steel industry are unable to agree on contract terms.

Steel sources said they know of no such plan in any major industry at the present time. It could, some sources said, have an effect on automobile industry and over-the-road trucking negotiations scheduled for later this year. The plan, which establishes timetables for the 1974 Basic Steel contract negotiations, assures workers a 3 per cent wage increase each year in 1974, 1975 and 1976. It also guarantees a $150 bonus for each worker.

Both the wage figure and the bonus are minimums that could be improved during the 1974 contract negotiations. They will begin in February, 1974.

The average hourly wage for basic steel industry workers currently is just over $5.

Abel, one source said, told the closed conference that the Big Ten steel producers lost $80 million as a result of steel inventory buildups during the 1971 contract talks.

By eliminating the strike threat, the source said, the companies believe they can share profits by paying each worker a bonus and still be ahead.

Both the union and the industry have been seeking ways to eliminate what Abel calls the boom-bust cycle in the steel industry.

The union leader claims that over 100,000 job opportunities have been eliminated in basic steel mills in recent years as a result of foreign steel coming into this country.

In 1971, when the last steel contract was negotiated, steel imports reached a record 18.3 million tons. Despite voluntary agreements with some of the major foreign producers, the import tonnage remained at 17.7 million tons last year.

The pioneer proposal does provide for local union officers to strike an individual plant over local issues at contract time. The strike, though, could be called only after a secret vote and with Abel's approval.

In reality, there has not been an industry-wide steel strike since 1959, when the mills were closed for 116 days. But each year that the steel agreement expires, customers begin worrying about a strike and order extra steel. That requires producers to use obsolete equipment and to pay considerable overtime.

Also, after the 1971 settlement was reached without a strike, customers began using their stockpiles and more than 100,000 steel workers were laid off, some for as long as seven and eight months.

At the same time, many customers find it difficult to get emergency orders filled during the rush period and turn to foreign producers to avert shortages.

For Abel, the no-strike proposal is a second big industrial relations innovation. He set precedents among industrial unions in 1971 by agreeing with the companies to help increase productivity.

That program met with considerable rank-and file resistance for a time. But recent reports indicate that at least local union officers are now working with plant officials of the company to cut costs and improve output.

ARTHUR SPITZER, BEVERLY HILLS, CALIF.—PHILANTHROPIST

Mr. TUNNEY. Mr. President, a fellow Californian and philanthropist, whom I have known for many years, Mr. Arthur Spitzer of Beverely Hills and Rancho Santa Fe, Calif., has made a substantial donation to the University of Colorado.

The board of regents of the University of Colorado has approved the establishment of the Edward Teller Center for the Advancement of Science, Tehnology, and Politics, it was announced by Dr. Frederick P. Thieme, the university's president. The center honors Dr. Teller, noted nuclear physicist, who is currently university professor of physics at the University of California.

Dr. Teller has been an outspoken critic of the antitechnology trend in the United States.

He said recently:

This is clearly illustrated by our present energy crisis, in which insufficient use is being made of scientific research to develop new and improved energy sources.

It is my fervent hope that this new Center at the University of Colorado will help reverse the anti-technology trend and therefore help maintain our country's technological leadership.

Mr. Spitzer said his donation was motivated—

By what I regard as an urgent need to encourage students and teachers to pursue careers in science and technology.

When I met Professor Edward Teller, whose scientific contribution to America and the free world was so enormous, I was very impressed with his philosophy and political realism, which I felt has never been fully explored or recognized.

I hope that the Edward Teller Institute will advance science and will help shape a strong and progressive America. It will be an important contributor to this country's future and the world at large.

The advisory board consists of:

Dr. J. R. Maxfield, noted radiologist expert of Dallas, Tex.

Walter Cunningham, former astronaut.

Prof. Edward Rozek, professor of political science of the University of Colorado.

Mr. Arthur Spitzer.

Dr. Robert V. West, Jr., Ph. D., in geology of San Antonio, Tex.

Gen. John Alison of Northrop of Los Angeles.

Additional public figures and distinguished scholars will be invited to join the advisory board of this center.

Mr. President, Mr. Spitzer's philanthropic efforts and goals are a credit to the American way of life and the betterment of the American people.

THREE POW'S BLAME PROTESTERS, MEDIA FOR PROLONGING WAR

Mr. SCOTT of Pennsylvania. Mr. President, I would like to bring to the attention of the Senate an article published in the March 22 issue of the Philadelphia Inquirer and ask unanimous consent that it be printed in the RECORD.

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

THREE POW'S BLAME PROTESTERS, MEDIA FOR PROLONGING WAR

(By Thomas B. Niece, Jr.)

Three former prisoners of war at Valley Forge Army Hospital said on Wednesday that the antiwar movement in America prolonged the Vietnam war and delayed their release from Vietcong prisons.

"The war could have ended three or four years ago if it hadn't been for the antiwar movement and the news media," said Sgt. Carroll Flora Jr., of Brunswick, Md.

Flora, 31, a POW for nearly six years, said he blamed the media for giving too much coverage to antiwar protests.

"Most of the news we got in prison was about the antiwar protests," added CWO Joseph Rose 3d, of Morgantown, W. Va.

When asked if they were affected by news of anti-Vietnam protests, Flora said, "I just looked at the caliber of the people in the movement—hippies, beatniks and bums—people who don't want to work."

The third POW, CWO Roger Miller, 30, of Sharon, Conn., agreed protests prolonged the war, but added, "I think a lot of those people were sincere and if they were doing it out of sincerity, fine."

The three men made their remarks at a news conference prior to leaving the hospital for a convalescent leave. Rose, 26, who married his childhood sweetheart last week, said he planned to go on a honeymoon.

He and his wife Donna, 26, also of Morgantown, were driving off in an Army sedan. Rose said he was due back at the hospital for another checkup on April 30.

Asked if he ever lost faith while in prison, Rose replied, "We were all convinced we were coming back. We always knew we would come home."

Rose said he was pleased by the welcome the men received when they returned to the United States. "It definitely made us feel welcome," he said.

The three former prisoners said they planned to stay in the Army.

When asked if they would go back to Vietnam if ordered, Rose answered, "Yes, I would volunteer." The other two men nodded in agreement.

GIANTS BEYOND FLAG AND COUNTRY

Mr. CHURCH. Mr. President, as chairman of the Multinational Corporation Subcommittee, I welcome the spurt of publications which are now appearing on the complex question of multinational corporations.

Scholars have been making forays into this question only recently. Journalists have also picked up the torch, and Congress, too, has joined in the effort.

Senator RIBICOFF has chaired hearings in his Subcommittee on International Trade of the Finance Committee on the domestic economic effect of the multinational corporation. The Foreign Relations Subcommittee is, at the moment, holding a set of hearings on the ITT involvement in Chile.

These hearings will be followed by others delving into specific economic and political issues raised by the operation of multinational corporations in an increasingly interdependent world.

In this regard, I wish to bring to the attention of my colleagues an article on multinational corporations which appeared in the March 19 magazine section of the New York Times. The author, Harvey D. Shapiro, sums up several of the questions which our subcommittee intends to study in depth.

Mr. President, I ask unanimous consent that this article be inserted here in the RECORD.

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

THE MULTINATIONALS: GIANTS BEYOND FLAG AND COUNTRY

(By Harvey D. Shapiro)

The meeting at the Palace of Versailles last March had all the trappings of a diplomatic congress. For three days the 90-odd delegates from nine nations held closed-door meetings to discuss international monetary problems, tariffs and foreign-investment restrictions, and they concluded with a joint communiqué setting forth their views. The delegates did not represent any governments, however. The participants included David Rockefeller, chairman of Chase Manhattan Bank, J. Kenneth Jamieson, chairman of Exxon Corporation, and Giovanni Agnelli of Fiat, as well as the top executives from such giant firms as I.B.M., Caterpillar Tractor and Imperial Chemical Industries. Altogether, the 50 European and 40 American executives represented multinational corporations with assets well over $300-billion.

Both the setting and the substance of this meeting may be a commentary on the growing importance of multinational corporations and the questions they raise about the existing system of nation-states. A multinational corporation is one which not only sells in more than one country but also obtains its raw materials and capital, and produces its goods, in several countries. Most important, it is, in some sense, managed from a global point of view.

According to recent estimates, the gross world product is valued at $3-trillion, of which some $450-billion, or 15 per cent, is produced by multinational corporations. This sector is growing at the rate of 10 per cent a year, faster than the economies of many nations, and Prof. Howard V. Perlmutter of the Wharton School has estimated that by 1985 some 300 giant multinational firms will produce more than half of the world's goods and services.

About 200 giant U.S.-based corporations are regarded as multinational, while some 3,600 additional American firms already have at least one foreign subsidiary. American-based firms account for nearly half of total multinational output, but many multinational corporations are based in Europe and Japan, including giants like Unilever and British Petroleum, and 500 or so smaller foreign firms have plants in the U.S.

This month the Senate Finance Subcommittee on International Trade, headed by Senator Abraham Ribicoff, is holding hearings to assess the impact of multinational corporations on the troubled American economy. Multinational firms have been accused of deepening the nation's trade deficit and participating in the currency speculations which helped produce two devaluations of the dollar. According to Burton Teague, a senior research associate at the business-sponsored Conference Board, "Many businessmen look at multinationals as a means of distributing the fruits of technology and managerial expertise throughout the globe, but American labor views them as exporting jobs, while some less developed countries see them as a new generation of exploiters." Political leaders aren't sure what to make of them, but this much seems certain: For the first time since the clash between the emerging nations and the medieval church was settled in favor of the nation-state, a powerful and unique new international entity has emerged in the world that is raising important political, social and legal questions.

Almost everybody knows Hershey bars come from Hershey, Pa., but where do Nestlé's chocolate bars come from? Well, these days they're made in Pereira, Colombia; Tempelhof, West Germany; Cacapava, Brazil, and Fulton, N.Y., as well as dozens of other places around the world. Though many U.S. shoppers think of Nestlé's as another little American chocolate maker, the Nestle Company of White Plains, N.Y., is actually a subsidiary of Nestlé Alimentana, S.A. The name does not evoke an image of massive, many-tentacled power like that of I.B.M. or ITT. Nonetheless, the corporation is the 29th largest in the world in terms of sales, and ranks with Unilever as the largest of the food processors.

The firm had total income of $4.2-billion last year, of which 53 per cent came from Europe, 33 per cent from the Americas, 11 per cent from Asia and 3 per cent from Africa. At headquarters in Vevey, Switzerland, on Lake Geneva, a cosmopolitan group of Nestlé executives orchestrates the activities of the firm's hundreds of subsidiaries, which operate 300 factories, maintain 677 sales offices and employ 110,000 people in 60 countries.

Nestlé Alimentana, a direct descendent of the baby-food business launched by Henri Nestlé in 1866, is now a holding company sitting atop a mind-boggling array of subsidiary companies which it has formed or acquired. It controls two other holding companies, Unilac, Inc., of Panama and Nestlé Holdings Ltd., of Nassau, and beneath this superstructure operates dozens of companies using the Nestlé name and selling Nestlé products such as Nescafé and Nesquik cocoa all over the world. It also controls, or is allied with, dozens of other firms which don't fly the Nestlé flag, like Libby, McNeil & Libby, the giant American canner, Bachmann Bakeries of the Netherlands and the United Milk Company of Thailand. These firms sell their products under hundreds of brand names, including such popular labels as Crosse & Blackwell soups and Deer Park Mountain Spring Water.

The actual production of the firm's coffees, chocolates, baby foods, dairy products and frozen foods is highly decentralized. Cocoa, coffee beans and other raw materials are bought in local markets by individual subsidiaries, and "we vary each product according to local tastes," say Gerard J. Gogniat, chairman of Nestlé's in White Plains. Nestlé's companies make their soups thick and creamy in West Germany and thin, like bouillon, in Latin America.

While the products may be adapted locally, the recipes for marketing and operations are written in Vevey. Headquarters receives regular projections on sales and profits from the subsidiaries, along with plans on how they will achieve their goals, and the parent company takes an active part in developing marketing strategies, brand names and even packages to insure success in each market. Some 25 million foreigners visited Spain last year, and while many may have been mystified by the local food. Nestlé Alimentana made sure they could find their old friend Nescafé in a familiar package.

When new products, marketing techniques or technologies prove successful in one country, they are transmitted via the parent organization to other subsidiaries. And if a Nestlé affiliate should falter, the trouble shooters at Nestlé Products Technical Assistance Co. Ltd. (Nestec) will parachute onto the scene to straighten things out. Headquarters also keeps an eye on coffee and cocoa markets, where Nestlé is among the world's largest customers, and it scans global political and social developments. Are there threats in Chile? New Markets opening in China? A shift to consumer goods in Eastern Europe? A bad cocoa crop in Ghana? A new taste for wine in the U.S.? From listening posts all over the world, reports flow into Vevey. Ultimately, headquarters also coordinates the massive flow of funds among the subsidiaries, lending money to some, drawing down profits from others, always keeping abreast of impending changes in currency exchange rates, and, some say, manipulating the overall flow of funds to minimize the firm's worldwide tax burden and maximize profits.

Nestlé's top executives come from several countries, but they all seem to regard nation-states more like sales territories than sacred ties of blood and history. For example, Nestlé's U.S. chairman, Gerard Gogniat, who is also a director of Libby's, is a native of Switzerland who joined Nestlé Alimentana in 1946. He moved 12 times over the next 20 years, rising through various executive positions with Nestlé affiliates in Canada, Latin America, Stamford, Conn., Vevey and Paris before coming to White Plains in 1966. This summer, the 47-year-old executive, who speaks softly—in five languages—will return to Vevey to become one of the parent company's seven top-level "general managers."

When Gogniat leaves White Plains, Nestlé president David E. Guerrant, an American, will become chief executive of the corporation while remaining chairman of Libby's. His successor as chief executive officer at Libby's was Douglas B. Wells, an American who joined Nestlé's in White Plains in 1949 and served tours of duty with Nestlé affiliates in New Zealand and South Africa before Vevey installed him as president of Libby's last July. To insure a steady crop of good Nestlé men, last fall the parent company converted an old hotel in Rive-Reine to house its International Training Center, at which Nestlé executives from around the world come to prepare for senior management roles. After a little postgraduate training there, one suspects, they go forth to sell chocolates to the world with passports stamped "Swiss" or "French" or "American," but with an outlook marked simply "Nestlé."

The rise of multinational corporations like Nestlé Alimentana is rooted in the logic of economics. Growth is the *sine qua non* of capitalism: As firms saturate their local markets, they broaden their horizons and seek new markets. Instead of expanding existing plants to supply these new markets, it is often more economical to open new factories near them and to buy raw materials in the area. When a new market is in another country, political concerns may require this choice. There are often political dangers for a product labeled "imported," as the Japanese are finding out, but tariffs and quotas on imported goods don't apply to the same goods if they are produced domestically by foreign-owned corporations. So, as the Japanese economist Chiaki Nishiyama notes, "The higher trade barriers become, the more attractive it will be for foreign capital to go into that country for investment." And once a corporation invests in another country, like a person who buys a house in a community, the firm begins an involvement that broadens its interests and its outlook. In contrast to a firm which simply ships in some goods to be sold, a company which makes a direct investment in plant and equipment in another nation becomes an employer and taxpayer, citizen and political participant. It brings in not only goods, but technology and a way of life.

The extractive industries had no choice but to invest wherever natural resources were to be found; so firms like Anaconda, Exxon, British Petroleum and United Fruit were becoming multinational in the 19th

century. Rising tariffs after World War I led many manufacturing companies abroad for the first time, but this movement was slowed by the Depression and World War II. The development of truly multinational corporations began on a broad front in the late nineteen-forties. The movement was led by American corporations which saw lucrative new markets in countries rebuilding their war-torn economies, as well as opportunities to produce cheaply abroad for sale at home. U.S. overseas direct investment increased from $11.8-billion in 1950 to $32-billion in 1960 and $86-billion in 1971. Two-thirds of this postwar growth was in Western Europe, and most of that was concentrated in such fast-growing, nonextractive industries as chemicals, electronics, autos and computers. The number of foreign subsidiaries of U.S. firms increased from 2,300 in 1950 to more than 8,000 in 1970, while total foreign assets controlled reached $125-billion.

In his 1967 book "The American Challenge," J. J. Servan-Schreiber warned of an impending takeover of the European economy by American-based multinationals.* However, Servan-Schreiber sketched only part of the picture. The rise of the Common Market since 1958 has reduced European trade and investment barriers and permitted American-sized economies of scale, while government-encouraged mergers have created a number of trans-European firms that can generate surplus capital. As a result, an impressive number of European firms have been quietly expanding foreign operations recently.

In contrast to the early European investments in raw materials in colonial areas, the recent European foreign investment has been in the U.S., primarily in technologically sophisticated industries such as chemicals and synthetic fibers, as well as consumer goods. These days, the manufacturers of such "all-American" products as 20-Mule Team Borax, Bic pens, Librium, Ovaltine and even Good Humor ice cream are owned by European companies. Two devaluations of the dollar, which have made investments in the U.S. relatively less expensive, serve to accelerate the trend.

Not only are European firms pulled here by the world's largest and richest market and by the sophisticated R. and D. community, they are also being forced to become multinational by competition from American-based multinational companies. Joseph Rubin of the international accounting firm of Alexander Grant, Tansley, Witt, explains: "In order to remain competitive, European firms in multinational industries have had to obtain a foothold in the world's largest market in order to dilute their over-all costs over a greater sales base and lower their per-unit costs."

Japanese companies are also belatedly becoming multinational. Despite its success as an exporter, Japan has only $4.5-billion in overseas direct investments, mainly in raw materials in nearby, less-developed countries. Now that the Japanese Government has eased its stiff controls on the export of capital, however, foreign investment is likely to rise to $10-billion by 1977. Some of this will flow to the U.S., but a significant amount is being directed toward Europe, where Japan's mushrooming export sales totaled $1.6-billion last year and where the kind of protectionist rumblings that have endangered her American markets are beginning to be heard.

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*"The American Challenge" was foreshadowed by Fred McKenzie's "The American Invaders," which warned: "The most serious aspect of the American industrial invasion lies in the fact that these newcomers have acquired control of every new industry created during the past 15 years." McKenzie's book was a best seller when it was published in London in 1902.

Dr. Peter Gabriel, the new dean of Boston University's College of Business Administration, predicts: "The L.D.C.'s [less developed countries] and the Eastern bloc [the Soviet Union, China and Eastern Europe] represent the biggest single growth area for multinational corporations in the remainder of this century." Gabriel, a former partner in McKinsey & Co., an international consulting firm, argues, "The needs of the Third World and the Eastern bloc countries for the resources and capabilities the multinationals possess are almost infinite, but the multinational involvement will be very different from that in the West."

Rising nationalism in the former colonial areas has fostered a suspicion of any new exploitation. Billions of dollars of investments have been expropriated in such countries as Algeria, Argentina, Indonesia and, most recently, Chile. The oil-producing nations have been demanding not only a larger share of profits, but of ownership as well. And in 1970, the Andean Common Market countries stipulated that foreign companies had to turn over ownership of their operations to local control within 15 to 20 years.

"The era of the multinational corporation as a traditional direct investor in the L.D.C.'s is coming to an end," Gabriel says. Instead, firms which once sought 100 per cent ownership of foreign subsidiaries are becoming more flexible. For example, du Pont and American Cyanamid have accepted minority interests in Mexican ventures. Gabriel sees the management contract, in which firms "invest" their skills instead of their money, as an even more likely model for the future. T.W.A. has managed Ethiopian Airlines since World War II, for example, while Goodyear has agreed to operate two state-owned tire companies in Indonesia for a fee based on sales and profits.

Multinationals don't have any opportunities to acquire ownership interests in Eastern bloc countries, except for Rumania and Yugoslavia, but Dr. Gabriel argues these countries will increasingly seek management contracts with multinational firms to obtain the technology, managerial skills and capital they need to compete in the growing East-West trade. These days, a variety of firms have management contracts with the Soviet Union, among them Fiat, which built the Togliatti auto factory in Russia for a reported $50-million, as well as International Harvester and Renault, which have similar arrangements in Eastern Europe.

Some Eastern bloc countries are even developing their own state-owned multinational enterprises. The Soviet Union has a group of eight banks in Western Europe. In a joint venture with Belgian interests called Society Scaldia-Volga, the Russians have opened a small plant near Brussels where Volgas and Moskvitches are assembled largely for the Belgian market. Meanwhile, in October several oil-rich sheikdoms began talking about "downstream" investments in refineries or even gas stations; perhaps Europeans will soon be filling up with Faisal Supreme or Saudi Ethyl.

Whether as owners or managers, as senior or junior partners, multinational enterprises seem destined to continue expanding their role. Only such giants, or major governments, can now afford to develop new technologies and new products. Few institutions in the world, public or private, for example, could have mustered the $5-billion I.B.M. spent to develop its 360 series of computers. Moreover, as multinational firms operate in more and more markets, Joseph Rubin points out, firms in one country must either acquire, or be acquired by, competitors in other nations, just as local and regional industries in the U.S. gradually were consolidated into a nationwide economy earlier in this century.

Earlier this year Carl A. Gerstacker, chairman of Dow Chemical, told the White House Conference on the Industrial World Ahead, "We appear to be moving in the direction of what will not really be multinational or international companies as we know them today, but what we might call 'anational' companies—companies without any nationality, belonging to all nationalities." European firms are leading the way in this. S.K.F., a Swedish ballbearing manufacturer changed its "official language" on all memos and even conversations in its headquarters from Swedish to English, the *lingua franca* of multinational business. Royal Dutch-Shell and Unilever operate companies which, in each case, are controlled by a pair of holding companies, one based in England and the other in the Netherlands; their executives and employes are even more polyglot than their shareholders. Most American-based multinationals still tend to do 70 per cent of their business at home, but a few American firms are also submerging their nationalities. More and more firms are staffing overseas subsidiaries with local citizens, and foreigners have become executives and directors of such corporations as I.B.M., H. J. Heinz and Xerox; in addition, shares of G.E., du Pont, Ford, Kodak and Goodyear are sold on stock exchanges in Paris, Amsterdam, Brussels, and Frankfurt or Düsseldorf.

Paralleling the rise of more "anational" firms, the world's major banks have divided themselves into multinational consortia. The largest, Orion Bank Ltd., was founded in October, 1979, by Chase Manhattan, Royal Bank of Canada, Britain's National Westminster Bank, Westdeutsche Landesbank Girozentrale, Credito Italiano and Mitsubishi Bank. Orion is represented in more than 100 countries and headquartered in London, but it has no real "nationality."

Instantaneous global communications, the computer and the rise of professionally trained managers have made control of these far-flung enterprises feasible, though managerial styles vary from tightly controlled empires to loose confederations. When the Cummins Engine Company of Columbus, Ind., launched Kirloskar-Cummins Ltd. as a joint venture in India a decade ago, Cummins vice president George Thurston recalls, "All the machinery we brought in was based on the concept of a man standing at a machine while doing his work. But we learned the Indian is much more content if he can squat, so we had to re-engineer the machinery and lower the controls so a guy could work squatting." Like many multinationals, Cummins has adopted Nestlé's approach of defining goals but leaving local managers some discretion in how to achieve them. However, the multinational headquarters almost always reserves for itself the tasks of long-range planning, research and development, and finance.

Because they introduce advanced technology and management on a large scale, the corporations have been telescoping the process of development in many countries. In the Third World, Nestlé is teaching new agricultural methods to its suppliers and new child-rearing and health-care practices to mothers to whom it hopes to sell baby food and dairy products. Ultimately, multinational companies "may be a more effective device than foreign trade in improving the standard of living in the L.D.C.'s," says Charles P. Kindleberger, professor of economics at M.I.T. He explains, "You didn't get an equalized standard of living and wage scale in the U.S. until capital moved out through the country, and national companies helped do this, though the populists hated these companies, especially the chain stores." Although multinational firms may move to an area because of its low wages, the firm's payroll may increase local income dramatically. When Cummins opened its Poona, India, plant, George Thurston recalls, "We used to have three buses to pick

up the workers. Now our biggest problem is parking space for their cars and bicycles. People have reached that economic level."

A free flow of goods, investments and technology may heighten worldwide productivity and economic efficiency in the long run, but such free movements could also lead to instability and painful dislocations. Higher living standards, moreover, require new styles of living. For instance, when Sears helped introduce mass merchandising in Mexico, its retail stores provided more varied goods and created new jobs and industries to supply the stores. But these stores, with their impersonal cash-and-carry operations, also replaced the social life that surrounded local markets. Thus, multinational corporations hasten and exacerbate the social changes that accompany development, and sometimes sow tensions which lead to their own expropriation.

While Third World nations would like to acquire the managerial expertise, capital markets and research facilities that come along with multinational headquarters, they are more likely—with their uneducated labor force, low wages and uncluttered land—to attract chemical plants, oil refineries and sprawling, messy, labor-intensive industries. This is particularly so, says Dr. John Hackett, executive vice president at Cummins Engine Company, because "countries like Brazil aren't nearly as concerned about ecology as the U.S. and Japan." Thus, as pollution legislation grows more stringent in the developed countries, multinational corporations are likely to tempt the less-developed nations with incomes approaching New York or Chicago—at the cost of looking and smelling like northern New Jersey or South Chicago.

Trade unions in the industrialized nations are, of course, concerned that the movement of plants to other countries will mean loss of jobs. However, American labor's claim that multinationals "export jobs" from the U.S. is challenged by Prof. Robert B. Stobaugh in a study financed by the U.S. Department of Commerce. Stobaugh and his associates at the Harvard Business School examined nine major overseas investment and concluded they created more jobs for U.S. workers than they eliminated; if these investments hadn't been made, the study asserted, America would have lost 600,000 jobs, since the firms would have been unable to compete successfully. However, the study noted that these investments tended to "displace" production workers, while increasing managerial, research and service jobs.

Union leaders also worry that multinational companies can undermine collective bargaining by threatening to move rather than meet union demands. Henry Ford II, for example, told Prime Minister Edward Heath in 1971 that if striking workers at Ford's Dagenham, England, plant weren't tamed, the company might abandon the factory.

"International bargaining doesn't exist anyplace and I don't see how it can," says Gus Tyler, assistant president of the International Ladies Garment Workers. Garment workers making $3 an hour in the U.S. and 16 cents an hour on Taiwan have little common ground for negotiating with an employer, Tyler says, so to help stanch the flow of jobs abroad American labor is relying for the present on legislation. The A.F.L.-C.I.O. supports the Burke-Hartke bill, which seeks to tighten controls on foreign investment and restrict imports. "In the long run," Tyler admits, "we have to hope wage levels elsewhere will come up."

Perhaps they will, for in an economy dominated by multinational companies, all roads are supposed to lead to equilibrium. In theory, industry would gradually be moved from high-rent, cluttered areas to cheap, vacant land, thus evening out global land use, and global wages, interest and prices would all tend to become more equal. However, the uniformity resulting from thus tying together various national economies is a double-edged sword. Multinationals are making the world's business procedures, measures and standards more uniform, as goods are being made and used in widely varied settings. But they are also fostering a growing sameness in the world's major cities. "It's sad, but work habits are going to become the same everywhere," says Giorgio Della Seta, a vice president of the Pirelli Tire Corporation, who bemoans the decline of the long Italian lunch break. All the typewriters and radios and toys and underwear in the world sometimes seem to be made in the same Hong Kong factory. An effective marketing program demands that all British Petroleum stations look pretty much alike. McDonald's golden arches will soon be everywhere. And a Hilton is a Hilton is a Hilton.

This growing sameness applies to people as well. Professor Kindleberger sees multinations as creating a new cadre of international managers who will be committed to the aggrandizement of their firms and to their own salaries and stock options, but to little else. Like the mobile American executives who shuttle among the bedroom suburbs outside U.S. industrial centers, these international managers will be efficient and useful to be sure, but bland and interchangeable as well. They will be the merchants in the Global Village they're helping to create. They will, that is, unless they are checked by political forces.

The sovereignty of the state requires that it be responsible for all that occurs within its borders. But the multinational corporation requires a free flow of capital, goods, and labor as if there were no borders. Which is to govern: the law of the land or the law of supply and demand? Prof. Raymond Vernon, the director of Harvard's Center for International Affairs, argues this "asymmetry" between multinational corporations and nations can be tolerated only up to a point; the threat, as he sees it, is reflected in the title of his recent book about multinationals, "Sovereignty at Bay."

Business spokesmen often deny there is any conflict. Burton Teague of the Conference Board says, "I'm not convinced by any means that the multinational corporations are exercising political power. They make their decisions on the basis of hard, cold business facts." True enough. The treasurers of many multinational firms acted like textbook examples of profit-maximizing managers when they began speculating in currencies in 1971. By all accounts, their movement out of dollars helped set off the worldwide monetary crisis that became a political issue in several countries and led to the first devaluation of the dollar and the revaluation of the yen. They also are said to have joined in the speculation that led to the second devaluation, though it is impossible to say which of the various types of currency speculators was most responsible for our recent troubles. Whatever their monetary role, it is clear that multinational corporations have economic power, and economic power is political power.

Multinational companies might have caused fewer problems in a 19th-century night-watchman state concerned only with maintaining order, but modern governments have assumed the obligation of managing the economy and promoting the general welfare. "How can a national government operate a domestic financial and economic policy when it can't control the decisions of all the factors within the economy?" George Ball, a senior partner at Lehman Brothers and a former Under Secretary of State, asks. In a democratic society, the government manipulates the environment in which economic decisions are made. But multinational companies inhabit a different environment. A central bank may raise interest rates to slow inflation, but a multinational corporation may borrow funds in a low-interest country. The Canadian Government may attempt to change its unemployment rate, but the nearly 50 per cent of Canada's manufacturing and mining companies controlled by U.S. firms may determine their hiring policies in response to American rather than Canadian economic policies. The U.S. seeks to maintain its military superiority on the basis of its sophisticated weaponry, yet companies like G.E. that build those weapons want to export their military technology through their subsidiaries in other nations.

One alternative is for a nation to lock the door on movements of capital and goods. By taking such a step, however, a country risks falling behind in economic and technological progress in the rest of the world. Despite General de Gaulle's opposition to the American challenge, the French Government found it had to permit G.E. to take over troubled Machines Bull, the principal French computer company. (Honeywell recently acquired it from G.E.) Although the auto industry is often a matter of national pride, France permitted Chrysler to acquire a 77 per cent interest in Simca. After U. S. investment was restricted by France in 1963, U.S. companies set up shop in other Common Market countries, ultimately forcing the Pompidou government to relax the restrictions in order to share in the jobs and income gained by its neighbors.

Whatever their benefits, though, multinational corporations cannot simply be left to their own devices. What's good for General Motors is not always good for the U.S., and even when it is, it may not also be good for the people of Norway, Brazil or other countries. Under chairman Harold Geneen, ITT has become a model of efficiency and "good management," but it has been accused of manipulating governments for its own purposes from Santiago to San Diego. The important decisions about the world's resources cannot be left solely to the profit-maximizing managers of multinational corporations because their calculations leave out the social costs of their actions. They won't pay for cleaning up their pollution or supporting their discarded workers unless someone makes them. The 19th-century experience with laissez faire economics demonstrated that there must be a social and legal framework to insure that corporations ultimately serve the public interest.

But multinational corporations have shaken off the traditional sources of countervailing power. They've outgrown trade unions, consumer groups, local and state governments. Currently, multinational corporations are responsible to both their home country and their host countries, and the jurisdictions are sometimes overlapping but often absent. The host governments' fear of losing the benefits of multinational operations leaves the companies with sufficient bargaining power to forestall regulation in many areas.

The traditional, good liberal, commonsense solution is clear: Global corporations should be responsible to a global regulatory authority. Despite the United Nations' impotence, many still call for a multinational solution. George Ball, for example, proposes a treaty creating a supernational regulatory authority to charter multinational corporations and specify their rights and obligations, while also standardizing host government regulations and taxes. Such a treaty would begin with the developed nations—"The less-developed countries are too concerned with their nationalism right now," Ball says—and, like the International Monetary Fund or the General Agreement on Tariffs and Trade, it would gain signatories over time.

However, even if the dislocations caused by multinational companies were to be regulated by international agreement and cushioned by some form of financial assistance, many nations might still be reluctant to shift part of their economic fate out of their own hands. The less-developed countries may lead rather than follow the industrialized nations in dealing with multinationals, for the

Third World is demonstrating that it can obtain many of the benefits multinational firms offer while retaining national control of its economy. Dr. Gabriel of Boston University foresees a growth in "bilateral relationships" in which corporations and governments will bargain over new and existing investments one by one. "Such a situation would resemble nothing so much as true capitalists in a free market, each seeking his own self-interest," he says. The result would be an untidy and uneven process, as corporations sought outlets for their capital and products and nations looked for corporations to fulfill their plans for national development. When those national aspirations didn't accord with the multinationals' plans—if India wants a steel industry or Norway wants fishermen—then the nation might create *ad hoc* or permanent subsidies and penalties to change the economic landscape and persuade the multinational corporation to do its bidding.

Economic rationality demands that a nation be what it is best equipped to be, but politics holds the promise of being what a nation wants to be. There need not be a conflict, of course, but the nations of managers and researchers and financiers are more likely to accept their lot than those who seem destined to be the world's factory workers and hewers of wood and haulers of water. They may not maximize global economic efficiency that way, but as Professor Kindleberger says: "The political solution to the question of multinational corporations depends on what it is that people want to maximize."

CORPS OF ENGINEERS HARBOR INSPECTORS

Mr. JAVITS. Mr. President, as a result of the request of one of my constituents, whom I wish to commend for his dedication and suggestion, I share with my colleagues the result of his suggestion which will benefit all civilian Corps of Engineers harbor inspectors.

Mr. Edward Canfora, an inspector with the U.S. Army Corps of Engineers, Harbor Supervision and Compliance Section, New York City, made the suggestion to me that corps harbor inspectors be afforded the same status as certain other Federal employees who are protected against acts of intimidation and violence under the provisions of sections 111 and 1114 of title 18 of the United States Code, while performing their duties.

The major duties of Corps of Engineers Harbor Inspectors are to inspect activities and circumstances in navigable waters or which may affect navigable waters, and to insure compliance with the provisions of Federal laws governing navigable waters. He inspects the disposal of refuse and the status of wrecks and abandoned vessels as well as the construction of piers, bulkheads, pilings, breakwaters, and other structures. He is further charged with the duty of identifying violations of Federal navigation laws, report such violations and direct the persons violating such laws to desist in their unlawful activities. These inspectors are threatened and even assaulted as they perform their duties.

As a result of Mr. Canfora's request, I contacted the Office of the Chief of Engineers, and, with their permission, I ask unanimous consent that the complete text of the response be printed in the RECORD.

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

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., Mar. 23, 1973.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your letter of March 6, 1973 in which you inclosed a request to you from Mr. Edward Canfora that Corps harbor inspectors be afforded the same status as certain other Federal employees who are protected against acts of intimidation and violence under the provisions of Sections 111 and 1114 of Title 18 of the United States Code.

I believe that all Corps employees who perform investigative and law enforcement functions and are exposed to possible acts of violence should be afforded the protection which Mr. Canfora requests. These Corps employees should include all of those who are charged with the responsibility of enforcing Corps recreation regulations under the authority of Section 234 of the Flood Control Act of 1970 (Public Law 91–611) as well as all of the Corps employees who are charged with investigation and enforcement concerning the various Corps regulatory responsibilities over navigable waters.

I have directed my staff to gather the necessary background material and prepare a comprehensive legislative proposal to accomplish this purpose for consideration by the Executive and the Congress during the 93d Congress.

I have inclosed an explanation of the major duties of Corps harbor inspectors as you requested. I do not, however, suggest their inclusion within the protective provisions of Title 18 as a separate segment of Corps employees engaged in enforcement activities since harbor inspectors will be included in the aforementioned comprehensive legislative proposal together with all other Corps employees who are similarly situated as to their exposure to possible acts of violence.

Sincerely yours,

F. J. CLARKE,
Lieutenant General, USA Chief of Engineers.

THE INFLATION BLUES

Mr. ALLEN. Mr. President, inflation is a scourge. It must be controlled by whatever means are necessary. The average citizen is not content to sit idly by and twiddle his thumbs while economists debate and Congress flounders.

We have seen evidence of buyers resistance. But those who can bring pressure to bear by this device are among the fortunate. Consider the aged. Consider the social security beneficiary who lives on a fixed income and has long since been compelled to scrimp and scrounge merely to keep a roof over his head, clothes on his back, and food on his table.

Of all those who are innocent victims of inflation, and there are few who escape its effects, no group of citizens is hurt more than the aged. They have no intention of fighting inflation in a rocking chair. They are speaking out and preparing for battle. It would be wise to lend an attentive ear.

Mr. President, my good friend, Rubin Morris Hanan, president of the Alabama League of Aging Citizens, sent me a copy of a letter to President Nixon and enclosed a copy of verse which is making the rounds in his organization. The verse is entitled "The Inflation Blues." Mr. President, I ask unanimous consent that the letter and verse be printed in the RECORD.

Mr. President, "The Inflation Blues" is not a candidate for anybody's anthology of great verse, nor was it intended to be. Yet, the sentiments expressed are universal and socially significant. Who among us will read these lines and fail to hear the plaintive cry which characterized similar verse originating in the bleak depression days of the 1930's. The causes of deprivations of those days are different from those of today but the results are the same and the needs are the same for our senior citizens.

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

ALABAMA LEAGUE OF
AGING CITIZENS, INC.,
Montgomery, Ala., March 8, 1973.

President RICHARD M. NIXON,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: If you will permit me to say, in behalf of our Senior Citizens, and as state chairman for Senior Citizens Committee for Nixon in your last campaign, that unprecedented inflation has swept our own nation. The situation is awful and is growing progressively worse.

Man's ancient desire to live longer is at last being realized. Life expectancy in America has risen to 72 years.

We find our Senior Citizens, recently reduced in spirit by the smouldering fire of inflation and neglect, is once again rising in renewed pride and splendor. They are again endeavoring to assume their rightful place in society, if given an opportunity, but they must survive with dignity to assume such a responsibility.

This can be possible only through price control to safeguard the meager Social Security Pension, with no other income.

Also enclosed is a copy of "The Inflation Blues" which vividly expresses the problems and tribulations that confront our Senior Citizens today.

Respectfully yours,

RUBIN MORRIS HANAN,
President, Alabama's League of Aging Citizens, Inc.

THE INFLATION BLUES

I've got the blues that I can't lose,
And I do mean inflation.
I'm out of luck when just a buck
Buys nothing in our nation.
Now when do we eat, not greens or white meat,
At seventy-five cents by the pound—
Not black-eyed peas, for a helping of these
Costs more than I've got, I have found.

Social Security I get, but you can bet,
With utilities and rent,
Though hard I try I just can't get by
On what has to be spent.
Chorus:
Oh, dollar, my poor dollar, inflation's got me beat—
Never seems to be anything left so I can eat.
So step right up, Mr. President, and we will ever praise
What you can do to help us through in our old-age days.

Verses:
I never go to see a show
Unless it is for free,
Got no TV or Radio,
So it's solitaire for me.
Once I was able to put on the table
Maybe sirloin steak or roast duck,
But now you can see it's oatmeal for me—
But what can you do for a buck?
Because of inflation our sad situation
Is one only you can mend.

To get us all through we're appealing to you
As the One on whom we depend.
So for our sake we hope you will make
A dollar worth one hundred cents,
That peace we may find in body and mind,
And not at our expense!

THE MEAT BOYCOTT AND THE FARM FAMILY

Mr. METCALF. Mr. President, as the week of the meat boycott begins, I believe attention should be called to a most relevant letter from a Montana constituent addressed to President Nixon. However, it should be read by all who are concerned about food prices.

This poignant lament for the passing of the family farm points up a loss to our country way of life that has contributed to every phase of American life including cheaper food prices. So remember when the boycott hits Oppenheimer and the tax-loss farmers, they will just take it out of their income taxes. The family farmers, who for the first time have seen a chance to make a long deferred payment on the mortgage, may have to give up finally and leave their fields to the corporations.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed at this point in the RECORD.

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

MARCH 26, 1973.

To President Nixon: (and to all the secretaries that screen the tons of mail: please pass this one on to the President, please don't reduce this, please have patience with my lack of eloquence, and read on):

I see a problem coming. Some of the symptoms of the problem are the cost of beef, the cost of oranges, the cost of other food products. Not only is this problem very apparent to the lower class, but also to the middle class and now the middle-upper as well. That is a lot of people, a majority even.

You are more aware of the problem than I am, I hope.

The cause I see on a very humble scale here in Montana, yet I am positive it occurs throughout the entire nation on that same humble scale. But when the ruler is read in sixteenths of an inch, it measures out in miles.

The small farmer is becoming extinct. J. D. Salinger's "salt of the earth" is pouring into the cities and becoming salt no more. It is happening in this generation, it is happening now.

The breed of men who can take an old machine, within the budget of the farm that is, who will grease it, add a bolt, a piece of haywire, a little welding, perhaps grind the valves, put in rings, inserts and coax that machine into harvesting just one more crop, one more economically produced crop, are about gone; that same breed of men who will wake up three or four times in a night, night after night, to change irrigating water or deliver a calf or sheep into the world; the same type of men who will build, plumb and wire his own house, barn, chicken coop, pigpen, lambing shed, fix his own fence, tend his own land. They are all departing.

Their departure is a sign of a famine to come.

What is their replacement?

The large corporate farmer or rancher buys a lot of land, lives in the city, and hires it done. But it doesn't get done. Here is why:

The foreman sees the old machine going, perhaps even the other hired men. Who cares? Why should they? It isn't their machine. "Let Mr. Bossman buy a new one. He has the money. Why should we mess with the old, make more work for ourselves. What is there to gain? The salaries are set. What he doesn't know won't hurt him." The mechanic who works on a sales commission will tell him it is beyond repair anyway. The boss buys a new one.

The result is sky-rocketing food costs. So many dollars spent to produce a certain quantity of food.

The same thing goes for beef. Why get up at midnight, check the cows or change the water. Let the cow in birth die. Let the ditches wash out, the grain snow under or rattle loose overripe in the wind, the hay dry out so there is nothing left but straws.

The boss is so busy in the city playing profit and loss. Well, who cares anyway. Besides, the Johnny Carson show is in color and its thirty below outside and the house is warm.

When it is time to harvest the hay and the sickle bar rattles from loose teeth in the mower, let the boss see it, hear it. He will think it's broken, he knows no better. The teeth can be tightened, but instead he will think it is time to trade off the five hundred dollar mower for a five thousand dollar swather. The boss likes the idea anyway. A swather is a status symbol among his neighbors, makes him feel big as he brags at the bar. Now the hundred ton of hay has $5,000 divided into its cost not to mention labor. Hay and cows sell for more and more each year, cows need hay to make the winter.

The small old-time farmer made the mower go, still does. He budgets.

Along comes, pardon the expression, Dude. He doesn't know the difference between a combine and a thrashing machine; between a backwards calf and a forwards one. The cow dies, the calf dies, trying to turn the backward calf out of the womb. He asks the veterinarian why. The vet shakes his head, shrugs his shoulders and says: "Better call me next time when you are calving. Backwards calf." Vet bill added to loss of cows and calves. Added to cost of beef.

The old breed, which my father and myself and many others are, would have been up at 3 a.m., would have by ourselves gone in against the pressure of the womb up to our shoulders inside the cow, got a hold of the calf's front legs, turned the calf around and pulled it out all in rhythm with the contractions of the cow. By 4 a.m. we would be mothering up the calf, holding his wobbly head under the udder and with a teat in its mouth, be moving the calf's jaws teaching it to suck, while the cow mooed on in approval; and not like the dudes the next morning hooking a chain around the dead cow's leg and dragging it off somewhere with their new tractor to rot and fill the air with waste.

Consequently, the dude heads on a collision course with bankruptcy. If it (the farm isn't just a tax dodge to him) doesn't pay off, he has two choices: sell the whole chunk of land at a higher price than he paid for it to land speculators or another dude. Or subdivide. He likes living on the land and playing the part even though he plays the part poorly. So he decides to subdivide. Maybe he starts with a section or two of land. His figuring goes: "Well, I'll sell forty acres in increments of ten acre lots at a thousand an acre." He puts it on the market and to his amazement it sells. Then he again has money. "Oh boy!" Time to buy a new car, new combine, swather, tractor and even hire a man to run them, and in not too long of a time, he is once again on that same collision course with bankruptcy. Better subdivide again; it will be easier this time because the road is now decent and people have moved in. A community has started, call it the Sunrise Community. Put up a big sign that says "come and join us, acreage for sale." They do and they do and they do.

On a small scale this seems all very fine. But, back your way up and look at it. Get your people to subtract all the ten acre, five acre tracts alone (not even the forty acre ones) sold this year alone, and subtract it from the amount of total useable land. It will give you a headache.

Perhaps one could argue that the land is still useable although it is subdivided. What use is made of ten acre tracts. It is a place to have the kids run around in. We don't eat kids. It is a place to build a house. We don't eat houses. It is a place to have a horse or two or three; have to buy hay then, but that doesn't matter. Just raises the cost of beef is all; raising the cost of hay, subtracting the fields to grow it in. We don't eat horses yet, although a few people are considering it. In Korea and Viet Nam, they eat dogs, horses, cats and rats. Where are we going to?

My wife, four year old son and myself took a vacation this last winter. We drove from Livingston, Montana to Albuquerque, New Mexico to Los Angeles. As we drove along, we played a game. One of us would pick horses to count, another sheep, and the first one to ten counting in groups won. Near any large metropolitan area from fifteen thousand up, you could see horses, horses, and more horses. To find cows you had to drive a long ways. Denver, Colorado is an example. We drove over sixty miles south and beyond Denver proper to count one cow. I remember well as I had cows. Sheep were even less frequent and horses almost always won no matter where we went.

Direct result of multiple subdivision. In California, orange groves I had seen on an earlier visit are now housing projects, industrial sites or buried by freeways.

It is time to reconnoiter.

I have stated a problem.

I have stated a cause.

I wish I could give something more than an abstract solution. Maybe freeze the sale of land. Let the subdivision occur only in places where it is already surveyed down to ten acre plots. There are a lot of lots on ten acres.

Somehow get the old farmers to hold on. Make it financially possible for the farmers' sons to carry on. *We* are the only ones who can produce economical food. If the teachers of agriculture were so good they would still be farming, not teaching. Don't have us, the farmers' sons, forced into the city because we cannot afford the cost of a farm. We are not happy at other guilds, other jobs. Some are; let them go.

What good is a color T.V. . . ., two cars and tons upon tons of gadgetry if there is a food shortage?

The land goes under, rich fertile river bottom land, for utility dams. What good is electricity without food? The utilities hold a strong lobby. They gain more strength by threatening shortage. The land goes under in many ways and it makes me sad and makes me afraid.

Perhaps if people were made aware of the growing shortage of useable land they would hold off, but perhaps it would only make a rush on the bank, the bank of land which provides our food.

In Russia I read that they are finding out that the big communal farms don't work. The fertile Ukraine, bread basket of the world, is not fertile when a man cannot own his own land. They are buying our wheat now. I hear they are giving the land back to the farms. Their farmers will produce under democracy. In ten years or less we will be buying their wheat.

The big corporate farms in our country will always be an uneconomical way to grow food as they were in Russia. The big corporate farm is the place where the subdividing should be taking place but not on a ten acre basis, but rather of a size and proportion a farm family might live on. If it is a tax loss they shouldn't mind just giving it to

you, but they won't. Tax loss . . . tax dodge . . . I just don't know.

Farming on a small scale, small budget is a highly learned and skilled trade. It incorporates the knowledge of carpentry, plumbing, electrical work, budgeting, mechanical knowhow and veterinary skills. It takes a sense of timing one can only acquire by the doing. When to plant, when to irrigate, mow, plow, and harvest, when the calf and lamb gelt is due.

You are a wise man, have wise men at your counsel.

Farmers, farmers' sons are wise men also. We have a gift, a talent, a knowledge. I am not alone in this knowledge. Many, many young strong men know what I know. We were born into and trained for eighteen years at least. We go to the cities, farmers' sons, and are as fools here. With hands as strong as a wrench, we wither away in the bars and businesses.

What an incredible waste of natural resource; knowledge slipped away that will be gone forever, unless . . .

I am completely helpless to change any of this. I hope and pray you are not.

If I can be of any help, I am at your disposal.

Respectfully yours,

EARL MARTIN.

THE FIRST UNDERSTANDING OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, during the protracted and intensive efforts to ratify the Genocide Convention, careful attention has been paid to certain sections which have been criticized by opponents of the convention. The results of this careful attention have been four understandings recommended by the Committee on Foreign Relations which could clear up any alleged ambiguities in the language of the convention.

The first understanding deals with the definition of genocide in article II of the convention as any of certain acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such. * * *" While the Committee on Foreign Relations explicitly stated that it "had no particular problem with the meaning of these words," it recommended an understanding which stipulated that the acts of article II were performed "in such a manner as to effect a substantial part of the group concerned."

This first understanding emphasizes the importance of the word "intent" in article II. The committee noted that "basic to any charge of genocide must be the intent to destroy an entire group because of the fact that it is a certain * * * group, in such a manner as to affect a substantial part of the group." There is no genocide unless intent to destroy the group as a group is proven. Thus, such actions as school busing, birth control clinics, lynchings, police actions with respect to the Black Panthers, and the incidents at My Lai, do not constitute genocide under the terms of the convention, contrary to what opponents of the convention would have us believe.

The convention requires an intent to destroy a group as such, and if that intent is not present, the killing of isolated individuals cannot be construed as falling within the purview of the Genocide Convention.

Mr. President, we should ratify the convention without delay, in order to reaffirm this Nation's commitment to the principles of international law and justice.

EFFECT OF BUDGET REDUCTIONS ON SOCIAL WORK EDUCATION AT THE UNIVERSITY OF MISSOURI

Mr. EAGLETON. Mr. President, the administration has announced its intention to phase out during fiscal 1974 those training programs for social workers and vocational rehabilitation and aging specialists administered by the Social and Rehabilitation Service in the Department of Health, Education, and Welfare.

The President's budget requests funds only for continuation grants to those currently receiving assistance. No new awards are to be made.

Severe reductions are also being proposed in training programs administered by the National Institute of Mental Health.

These budget reductions are part of a general policy decision on the part of the administration to eliminate support for specialized training in a number of professional disciplines on the theory that adequate support will be available through general student aid programs.

Mr. President, I ask unanimous consent that there be printed at the conclusion of my remarks a letter I have received from Dr. J. F. X. Paiva which describes the effect that the elimination of Federal support would have on the program of the School of Social Work at the University of Missouri-Columbia.

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

UNIVERSITY OF MISSOURI-COLUMBIA,
Columbia, Mo., March 13, 1973.

Hon. THOMAS EAGLETON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR EAGLETON: As someone who is deeply interested in and committed to the meeting of human needs within the State of Missouri and the nation, you must be quite distressed over the unanticipated cuts in federal funds directed to these purposes. Programs of service delivery and training of professionals and paraprofessionals in many disciplines concerned with human resources may be greatly reduced and in some instances eliminated. While no one will disagree with the need to have a continuing research and evaluation component related to program funding to insure the best possible use of resources, the arbitrary discontinuance or reduction of programs on a purely fiscal basis seems illogical.

The School of Social Work at the University of Missouri-Columbia is the only public institution in this state which educates professional social workers at the Master's level. Graduates from the program have traditionally assumed leadership roles in many of the state's public and private organizations and institutions concerned with social welfare. Our undergraduate majors in social work are increasingly filling positions of direct service delivery. The rise of interest in social work as a career as demonstrated by choice of a major among college undergraduates has increased 100% in the past two years at this institution. Manpower studies indicate an ever-increasing need for such personnel at all educational levels.

A large number of our students have only been able to receive their education through the provision of federal funds in the form of training grants which support traineeships and faculty. We have very recently been informed that these grants will all be terminated either on June 30, 1973 or at the completion of the project period—in most instances by June 30, 1974. Funds for the training grants come from either Social and Rehabilitation Services or the National Institute of Mental Health. The effects of the withdrawal of these funds on the education of professional social work personnel, manpower supply, state public and private social welfare institutions and the residents of the State of Missouri is almost impossible to estimate.

In order to provide you with some facts about the anticipated effects of the funding cuts on the program of the School of Social Work at the University of Missouri-Columbia, two enclosures have been made: 1) a copy of a letter to the Region VII Office of HEW concerning the immediate impact of the projected budget cut of the SRS-Training Grant for the period of 7/1/73 to 6/30/74 and 2) a fact sheet developed to outline the progressive loss of traineeships and faculty support from both SRS and NIMH if current plans are realized.

It is hoped that these materials will be of maximum use to you in your efforts to restore and improve funding for the human services programs. If we can be of help in providing any additional information, please contact us immediately. We would appreciate you keeping in touch with us on the situation as it is appropriate.

Very truly yours,

J. F. X. PAIVA, Ph. D.,
Director.

UNIVERSITY OF MISSOURI—COLUMBIA,
Columbia, Mo., February 8, 1973.

Mr. RALPH ROGERS,
Regional Manpower Development & Training Specialist, Department of Health, Education and Welfare, Federal Building, Region VII, Kansas City, Mo.

DEAR MR. ROGERS: This is in response to our telephone conversation of February 5, 1973, at which time you advised us of the decision to provide no new stipends and to commensurately reduce faculty support under Section 426 of our Social and Rehabilitation Services Social Work Training Grant. We feel that it is of urgent importance to apprise you of the anticipated effects of such an action on the program of the School of Social Work at the University of Missouri-Columbia.

The School of Social Work at the University of Missouri-Columbia has for a period of years taken the leadership role in social work education in the State for meeting the manpower needs for the development of human resources and for the development of professional educational programs in both public and private educational institutions.

In the new grant proposal which we developed last year, we indicated the fact that the School has developed a new curriculum which is to be implemented in the fall of 1973. The thrust of this effort is to educate students to have a beginning professional competence at the bachelor's level, and for assumption of leadership roles in social welfare at the master's level. Part of the data upon which this plan was developed came from the Department of Health, Education and Welfare and its projection of manpower needs. In accord with the priorities established concerning the need for bachelor level personnel shared with us by your staff last February, we took considerable effort to strengthen that aspect of our program. This can easily be seen by our reallocations of stipend money received to provide for additional undergraduate faculty and student support.

In an effort to meet the mission of the University in providing educational leadership to the State, a great deal of consultation has been given by the School of Social Work to a number of State and private

schools in developing their social work programs. A series of negotiations have taken place in an effort to develop a consortium arrangement between the University School of Social Work and other geographically related schools which would capitalize on the strengths of each and conserve resources of all at the same time. Of particular importance has been the work with Lincoln University which has a large group of minority students who currently have no social work program and are highly desirous of entering this career which could be possible through a consortium plan.

If the reduction of resources which you indicated to me take place it will mean: (1) a loss of vitally needed student support and an immediate effect on the manpower supply of both bachelors and masters degree professionally educated social work personnel; (2) a loss of faculty support which will hinder the implementation of a new curriculum geared toward a generalist practitioner skilled in developing local community resources by and for its citizens and helping established institutions become more responsive to changing needs; (3) reduce the capacity of the University to provide educational leadership to a number of educational institutions developing social work programs of their own.

We hope some way can be found to modify the anticipated action to reduce these social work training funds. If you find that more specific data would be of assistance to you in conveying the impact of this plan on our educational program please contact us immediately.

Very truly yours,

MARILYN E. MADDUX,
Project Director.
J. F. X. PAIVA, Ph. D.,
Director, School of Social Work.

FACT SHEET

1. Current and Projected Federal Support—(Funded through H.E.W.)

Student traineeships

1972–73	38
1973–74	18
1974–75	6
1975–76	0

Faculty positions

1972–73	4.7
1973–74	3.0
1974–75	1.0
1975–76	0

Clerical positions

1972–73	2.0
1973–74	2.0
1974–75	0.5
1975–76	0

In the past decade, 80% of graduate students in social work have required some form of financial support for the two years required to complete the course of study. In 1972–73 only 55% were able to obtain assistance and many well qualified and promising candidates were forced to withdraw for lack of funds. If the projected reductions are carried out, the percentage of a normal sized class who can expect assistance next year will drop to 22% and no monies will be available the following school term. Most drastically effected will be minority group applicants and married male students since they are least likely to have private resources to finance their education.

2. Current Allocation of Traineeships

SRS (Rehabilitation, Child Welfare, Aging)	16
NIMH—Aging (Geriatric services, nursing facilities)	4
NIMH—Corrections (Probation/parole, juvenile courts, correctional institutions)	6
NIMH Psy/Medical (Hospital social work community mental health, mental hospitals	12
Total	38

In Missouri all of the foregoing are priority need areas for professionally trained manpower. The proposed reduction in federal support poses the alternatives of either a curtailment of professional services or a large infusion of scarce state revenues to maintain what is already an austerity program.

DISABLED AMERICAN VETERANS

Mr. HARTKE. Mr. President, in March of 1972 the Disabled American Veterans had the opportunity to appear for the first time before the Senate Veterans' Affairs Committee. To the DAV this was a very significant event because it marked the culmination of a long effort on the part of Disabled American Veterans to have created in the Senate a committee especially for veterans' programs. For a number of years Disabled American Veterans has sponsored legislation calling for a Senate resolution for the purpose of the creation of the committee of which I have the honor to serve as chairman. I think that it might be interesting for us to pause for a moment to review some of the most recent accomplishments of this fine organization of disabled men and women.

Mr. President, I am sure you are aware of the fact that Disabled American Veterans is an organization comprised of nearly 400,000 disabled veterans who suffered disability due to disease or injury incurred during military service. For more than 52 years DAV has been concerned with the welfare of our Nation's disabled men and women who have incurred their disability in the defense of this Nation. In this Chamber there are members of the Disabled American Veterans who by virtue of their military service are eligible for membership in this select group of ex-servicemen and women. Mr. President, I am sure that you are also aware of the fine service program of the DAV. In each regional office of the Veterans' Administration you will find a staff of national service officers fully trained and knowledgeable as to all benefits that are available to all veterans. Let me emphasize that the DAV service program is available to veterans whether or not they are eligible for membership in the DAV. Indeed a great deal of the efforts of national service officers are related to providing a service to veterans who are not eligible for membership in the DAV.

In order to meet the demands of the returning servicemen, both disabled and nondisabled, DAV has recruited young Vietnam veterans to serve the organization in the fulfillment of its mission "to provide a service second to none" and available throughout the Nation in each regional office. Disabled American Veterans has a staff of 221 national service officers of which, Mr. President, 129 are Vietnam veterans. This organization realizes the need and necessity of having service officers who understand the current and the today problems of the disabled veteran. Most of these Vietnam disabled veterans who are beginning their careers as national service officers have gone through the campaigns of Vietnam. These young ex-servicemen know the Vietnam veteran and understand his problems, This is why DAV has built a staff of national service officers for the future and this is why more than 50 percent of the national service officers of this organization are Vietnam veterans. All 129 of these Vietnam veterans have experienced training under career national service officers that go all the way back to World War II. Each trainee must go through a period of 18 months of study before he can become an accredited representative of this organization.

Before I outline for you the increased responsibilities the Disabled American Veterans has assumed during the past several years, I would just like to point out for you their record for the year ending June 30, 1972. Disabled American Veterans assisted our Nation's disabled veterans in recovering monetary awards amounting to $297,822,857.17. This is a national figure. DAV national service officers during this same time made 135,686 rating board appearances; 203,463 disabled veterans and their dependents were personally interviewed by this staff. Throughout the Nation these national service officers reviewed a total of 289,216 case files. Mr. Chairman, the effectiveness of a trained attorney-in-fact taking in hand a disabled veteran's case file is in many cases one of the most important events that assists the disabled Vietnam veteran on his return to civilian life. For it is through the efforts of these national service officers that the avenues of rehabilitation are first made available in many instances through the technical abilities of these trained men and women in the DAV.

Now, Mr. President, I would like to review for you very briefly the expansion of programs that Disabled American Veterans has more recently offered in addition to all the services that I have outlined for my colleagues today. Beginning in 1969 Disabled American Veterans made available a scholarship program for the children of service-connected disabled veterans whose parents could not afford them a college education. The beginning of the program was September, 1969 and as of now 80 young men and women throughout this Nation have been awarded a DAV Scholarship. As of September, 1972, 71 are still in the program. Beginning with the fall term of this year a new group of students will enter into the program. I should emphasize, Mr. President, that these service-connected veterans do not have to be members of the DAV in order for their children to participate in this program.

A few years ago, Disabled American Veterans became aware of the tragedy and hardships that were being inflicted upon this membership as a result of natural disasters, such as hurricanes, tornadoes, earthquakes, and the like. As a result of these disasters DAV established a disaster program to determine whether or not such a program could be meaningful and effective in time of natural disasters that might be visited upon its membership. Recently, Disabled American Veterans has come to the conclusion that this disaster program should be made available to all service-connected disabled veterans whether or not they are members of the DAV.

Effective January 1, this year, 1973, Disabled American Veterans has inaugurated a new program which no veteran's organization on a national level has ever attempted. It is a program to help disabled veterans during periods of emergency when they most need some kind of financial assistance to see them through these troubled times. As you know, Mr. President, sometimes the machinery of the Veterans' Administration requires lengthy periods of time in order to keep up with disabled veterans' compensations and in particular to pay the veteran the total rating to which he is entitled by virtue of hospitalization and service-connected disability. In many instances disabilities of disabled veterans increase radically and requires adjustments by the Veterans' Administration rating agencies all of which likewise takes time. Meanwhile, the family has to eat, the rent has to be paid, the utilities have to be paid, and this is where DAV's relief program becomes an important source of emergency financial aid. I might point out, this is another duty that has been added to the responsibilities of DAV's national service officers because they are responsible for administering this fund throughout the Nation.

Several years ago Disabled American Veterans became interested in problems involving children who suffered congenital disabilities or who suffered from disabilities incurred by disease or injury. The leaders of the Disabled American Veterans believed that much of the experience they had acquired by virtue of their service-connected disability might be passed on to these young people to help them adjust. Thus it was that DAV became involved in a partnership with Boy Scouts of America so that these young children could have the opportunity to experience scouting within the limits of their disablement.

As a result of this effort large numbers of handicapped scouting units sponsored by DAV chapters have become available to our Nation's thousands of disabled children who can benefit from the experience of scouting in spite of their handicap.

Mr. President, Disabled American Veterans continues to receive the support of the American public. Through their national solicitation program for funds Disabled American Veterans has been able to carry on all the programs of which I have spoken today, but there is a second source of strength which Disabled American Veterans need in addition, if they are going to continue to be a successful organization for the benefit and welfare of the disabled veteran and that is membership. While it is true that Disabled American Veterans has grown tremendously in the past several years, it is likewise true that this organization can benefit from a greater membership of those who are eligible to belong to this distinguished group.

As I said earlier, the present membership of this organization is nearly 400,000 strong but it should be much greater. Certainly the programs of the DAV deserve the serious consideration of all disabled veterans in this Nation. Certainly the greater membership the Disabled American Veterans can achieve the more eloquent they can be in sponsoring the cause of the disabled veterans of this country. Most of my colleagues in the Senate Veterans' Affairs Committee are acquainted with the fine efforts of Charles Huber, the organization's national director of legislation. I would suggest, Mr. President, that Chet Huber is one of the outstanding legislative representatives of veterans' organizations that have been working closely with my staff of the Senate Veterans' Affairs Committee, but no matter how capable and no matter how eloquent Chet Huber and his staff can be in furthering the cause of disabled veterans, a healthy membership of the DAV must be behind him if he is going to continue to achieve the kind of success that is so necessary toward the furtherance of the cause of the disabled veteran.

VOTER REGISTRATION ACT

Mr. McGEE. Mr. President, with the Senate's consideration of S. 352 approaching, I want to call the attention of my colleagues to some very pertinent testimony favoring voter registration by mail presented to the Committee on Post Office and Civil Service during hearings March 16. I refer to the statement of Mr. David N. Dinkins, who is president of the Board of Elections of the city of New York.

Interestingly, Mr. Dinkins observed that "mail registration tightens security on registration rather than relaxing it." This, he said, results from the fact that the permanent staff of the Board of Elections in New York City is more competent to check registrations than are volunteers or part-time helpers whose total knowledge of the registering citizen is most often derived from no more than a 2-minute personal exposure.

Even more basic, however, is Mr. Dinkins' statement, in behalf of the board he heads, that—

> It is our contention that participation in the electoral process is an absolute right—not a privilege bestowed by government.
>
> Basic to the guarantee of that right is the adoption and implementation of the philosophy that the ability to cast a ballot in an easy and convenient fashion is a public, governmental obligation. The individual citizen should not have that burden—it is a public obligation, not a private obligation.

With that philosophy, which is widely shared in our society and in this Chamber as well, it follows that, as Mr. Dinkins told the committee—

> It must be recognized that registration should not be used as a means of restricting the number of persons that vote.

Too often, registration procedures do work to restrict participation in our electoral processes. S. 352 would establish a system whereby registration would be made easier, thus opening access to the polling place for many millions of Americans.

Mr. President, I ask unanimous consent that the statement of Mr. David N. Dinkins to which I have referred in my remarks be printed in the RECORD.

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

TESTIMONY OF DAVID N. DINKINS ON VOTER REGISTRATION BILL S. 352

Mr. Chairman, Senators, I deem it a privilege to have the opportunity to testify before this Committee before which have come many with unquestioned expertise in the field of Voter-Registration and the election process generally. May I state at the outset, that I do not profess to be such an expert but that there are some things I believe to be fundamental and about which there can be no compromise.

I, my fellow Commissioners (our Board consists of two Republicans—William F. Larkin and J. J. Duberstein, and two Democrats—Gumersindo Martinez and myself), the administrators and other members of our staff are grateful for this forum. Although there may be limited differences as to specifics there is a consensus among all the Commissioners that a system of mail registration such as is provided in S. 352 is highly desirable, in fact, desperately needed.

It is our contention that participation in the electoral process is an absolute right—not a privilege bestowed by government.

Basic to the guarantee of that right is the adoption and implementation of the philosophy that the ability to cast a ballot in an easy and convenient fashion is a public, governmental obligation. The individual citizen should not have that burden—it is a public obligation, not a private obligation.

Our law requires that in order to vote one must first register to vote. To this end, it must be recognized that registration should not be used as a means of restricting the number of persons that vote. That was once the apparent purpose of registration and although it is no longer so intended, such restriction is often the effect of our system of registration.

In the 1968 Presidential Election, only 59.1% of the New York State voting population actually went to the polls. This number was even less than the national figure of 60.1%. In the 1972 election, with approximately 139 million Americans potentially eligible to vote, less than 76,200,000 actually voted, or 76% of the approximately one hundred million who are registered nationally. Note that this 76% of those who are registered represents only 54.5% of the total potentially eligible voting population. New York's statistics for the 1972 presidential election are as low as the national average.

Non-registration is an acknowledged national scandal in a country possessing a great national heritage as a participatory democracy. As has been noted here before, recent elections in Europe have turned out 72% of the qualified electorate in Britain (considered low there); 75% in Ireland; 76% in Canada; 80% in France; 87% in Sweden and Denmark. We in the United States, and particularly we in the Empire State, suffer greatly by comparison.

The difficulties involved in registering to vote would appear to explain the discrepancies between voter turnout in the United States and Europe.

While many believe that so-called voter apathy is mainly responsible for lack of greater voter participation, I do not agree. I associate myself with the remarks made by Senator McGee as he opened hearings on a series of bills focusing on voter registration in October of 1971 when he said in part:

"It also seems somewhat hypocritical to me for these who hold the privilege of political office or influence to call, on the one hand, for feasible participation by all citizens in the affairs of state while, on the other hand, retaining barriers which restrict and in some cases prevent voting.

"A Gallup poll taken in December, 1969, concluded that it was not a lack of interest but rather the residency and other registration qualifications that proved to be the greatest barrier to wider voter participation in our nation."

In New York City, fire-house and mobile registration efforts, and the use of volunteer inspectors or registrars in the communities of our city, conceived and implemented by the late great Maurice J. O'Rourke, and the volunteer or community registration continued even now by the Board of Elections headed until last July by Commissioner Larkin, and now by me, have produced great increases in the number of registered voters. Last year, we registered 453,000 in this fashion. But this is not a satisfactory system. Our State constitution and State laws require bi-partisan registrars which greatly limts our ability to register people with volunteer registrars because only about one-tenth as many of the members of the Republican Party in the City volunteer as do members of the Democratic Party. Consequently there is great difficulty in providing bi-partisan teams of registrars. We can do much better. It is possible to reach most of the potentially eligible voters by a system of mail registration.

We have proposed to the New York State Legislature a system of mail registration on a very simple card form that would be easily available, at each office of the Board of Elections, at public buildings such as the offices of Social Service Department, and Post Office; at private commercial places such as banks, utilities and telephone company offices. This form could as well be included in public or governmental mailings, and private mailings, including mailings of income tax returns, welfare checks, telephone and utility bills.

It would be mailed to any office of the Board of Elections for processing by teams of employees who meet the bi-partisan requirement of our State Constitution. Enrollment, that is, designation by the registrant of a party, could be handled on the same form.

Such a system would be no more susceptible to fraud than the system we now employ.

I include the full text of a statement concerning mail registration contained in a "Preliminary Report and Recommendations for Legislation for Consideration by the 1973 Legislation Session of the Joint Legislative Committee to Make a Study of the Election Law and Related Statutes" dated December 15, 1972. While I may not agree completely with each element of the premise there stated, I certainly concur generally with the conclusion that mail registration is workable and desirable in the State of New York. The point I wish to make by including this statement is that such a plan is deemed to be feasible for the entire State including rural upstate communities that are largely Republican as well as urban centers that are largely Democrats. The Joint Legislative Committee Chairman, and the both houses of our State Legislature as well as the Governor are members of the Republican Party.

STATE OF NEW YORK—JOINT LEGISLATIVE COMMITTEE ON ELECTION LAW

PROPOSAL FOR A SYSTEM OF UNIFORM MAIL REGISTRATION AND ENROLLMENT

The present system of voter registration in the state of New York has proved to be a failure and voters are inconvenienced and frequently denied the right to vote.

The existing system of permanent personal registration requires a citizen to physically appear before a board of election inspectors, either on the days of local registration, or at the offices of the board of elections on approximately 250 other days of the year.

To relieve the inconvenience caused by this system the concept of "mobile" or "sidewalk" registration has been developed in recent years as an expansion of the permanent personal registration system. These registration programs have generally been implemented by utilizing untrained and unqualified personnel. All reports seem to indicate the programs do not work effectively creating additional confusion and error.

Voter registration has been made a political football. Rather than being a means of bringing the citizen into the electoral process, registration drives are used by insurgent groups and others to create spurious issues based on claims that select categories of citizens are being denied their right to vote. Traditionally, voter registration drives appear to benefit the Democratic party and the insurgent groups within it.

This Committee feels the goal is to remove the registration process from their political arena. Only in this way can our citizens obtain a free access to the electoral process without fear or outside pressure to act.

A statewide system of mail registration to be adopted in place of the existing system. Such a system would accomplish the following:

1. Facilitates the registration of voters in upstate areas, where the poor and elderly have difficulty travelling the long distances required to vote.

2. Eliminates registration as a political issue. Registration would be restored to its proper focus within the content of a citizens right and duty to participate in the electoral process.

3. Permits additional time to check and verify the validity of registrations filed.

4. Lingual problems are eliminated.

5. Substantial cost savings can be accomplished.

Mail registration provides a simple system within the understanding of all people. A widely distributed application form could be provided. The application would be designed to elicit only information personally known to applicant and needed by the board of elections to verify the qualifying facts such as residence and age.

The identity of applicant and his signature would be verified by responsible individuals in the community who are readily identifiable. This group could include town and city clerks, county committeemen, union representatives, employers, notary publics, bank officers, and such public employees (welfare case workers) as deemed appropriate. The applicant would prove his identity through means such as personal knowledge of the verifying officer, a driver's license and/or information available to the verifying officer such as employer's records and checking account signature cards. The verifying officer would also be requested to confirm such other information contained in the application of which he has knowledge or previously recorded information in his files. Thus, an employer could confirm the individual's address, duration of residency, social security number and physical description.

Applications, when completed, would be mailed to the board of elections by applicant. Upon receipt, applications would be examined and processed by a qualified and trained bipartisan board of central registration in the same manner as presently provided for new and absentee registrations. In those cases deemed appropriate, the board would order voter check procedures as presently required for new and absentee registrations. This includes the verification of an applicant's residence by an appropriate peace officer or board employee.

Registrations under the system would be "permanent" as at present.

Except for changing the actual process of registration, all other aspects of the present registration system would be retained, basically unchanged. Registration and enrollment lists would be maintained and processed in the same manner. The mail check and cancellation for failure to vote for two consecutive elections would still apply.

Lists of new registrants are presently required to be furnished each Republican and Democratic county chairman. This part of the present system would be modified to require the participation of the political parties in the verification process. The political party would be required to challenge or accept the qualifications of any applicants within a fixed period of time of the submission of the name to it. This would also eliminate voter challenges at the polling place, except for circumstances arising after the date of registration. A new role for the party organization and county committeemen is also created.

Under this system of mail registration no local registration days will be needed. Thus the days of local registration can be eliminated or reduced. This alone could result in tax savings in excess of five million dollars annually.

This proposal for uniform system of mail registration can also be modified to apply to all other elections in the state which require registration.

Since 1964 we have used every conceivable method within our law, and many which stretched the law to its limits, to register our citizens. We have used fire-house registration, mobile registration, sidewalk registration, and registration conducted by concerned community and ethnic groups. In this we have utilized both paid and volunteer registrars. The extent of these undertakings have been expanded each year with increasingly encouraging results until last year when we were able to register some 453,000 new voters. However, I must confess that this is probably the maximum we can hope for under the present system in any year without changes in the law. For instance, we were able to conduct our volunteer registration effort on Sundays, we could greatly increase our yield. (There is legislation now pending in our State Legislature that would remove the prohibition in our present law against registration on Sundays. Further, the Board of Elections itself has brought suit in the United States District Court seeking to have the subject statute declared unconstitutional.) But after the voter attrition due to death etc. was deducted from the total registered in 1972 (some 800,000 when the number registered at local registration is included) that number is reduced to about 500,000 come January, 1973. We can therefore anticipate, no matter what methods we use under the present law, that we will have a constant non-registered 35 to 40% of our otherwise qualified population in New York City.

The inadequacy of results of this method is equalled or surpassed by the defects and shortcomings which attend its operation. In order to conduct a registration drive which will reach into every neighborhood and reach every group in a city of over eight million, there must be a work force of tens of thousands over whose actions and conduct the 328 members of the staff of the Board of Elections could not possibly maintain intimate control. The result inevitably is that a number of these temporary part-time and often voluntary registrars do not accurately transcribe the information they receive from the registrant or they do not timely transmit the completed forms to the Board of Elections. These errors are reflected on Election Day in legitimately registered citizens perhaps being deprived of a vote because of the absence of their records of registration at the polling place. The potential for error cannot be overlooked under such a loosely supervised process and it is a constant subject of attention.

Mail registration provides the following elements whose remedial qualities are self-evident.

If the citizen fills out his own registration form and certifies by his signature to the correctness of the information it shows, the danger of error in transcription is eliminated. Since delivery is to the Board of Elections directly by mail from the registrant, the registrant is personally accountable for the accuracy of the form.

The permanent staff of the Board of Elections are much more competent to check the

veracity of the facts and the authenticity of the signature on a mailed registration form from other publicly available governmental and business records than is a volunteer or paid registrar or inspector whose total knowledge of the registering citizen is most often derived from no more than a two-minute personal exposure. Thus, mail registration tightens security on registration rather than relaxing it.

If the registering citizen mails the completed form directly to the Board of Elections, there will be no danger of careless or intentionally misforwarding or non-forwarding to their proper destination. The Board of Elections promptly receiving the registration cards, there is assurance that they will be processed and in the proper polling place as authority for the citizen to cast his vote on Election Day.

The direct mail of registration forms by the registrant means that registration only becomes a fact when the Board of Elections actually receives the completed duly signed form. This permits the very widest dissimination of blank registration forms without any fear of compromise or fraud. Governmental utility and many business mailings can contain forms with invitations to the recipient to receive them. They can be made available at all government, banks and public utility offices. In this way the *saturation effect* which is the one element missing in present registration systems, can be obtained. Also the privacy afforded by mail registration in filling out the forms obviates the timidity which often prevents the poor and less educated from appearing to publicly relate their personal information to their more advantaged fellow citizens.

There is no danger of inadvertent or fraudulent voting twice by the registrant executing two registration forms under mail registration. As long as the citizen fills both forms out correctly, they will find their way into the same record binder destined for the one polling place, so that the Board of Elections can simply destroy the duplication to prevent multiple voting. As now, if a registrant dishonestly registers under a different name or address, the security checks would disclose that and only then would corrective or penal action be made necessary.

One additional advantage ensues from "mail registration". Under present system the motivation which often impels volunteer registrars to take part in a registration drive is to qualify to vote as many citizens as they can who they know will vote for a certain candidate. This results not in saturation solicitation for registration, which is the goal, but selective canvassing with limited results. With this selective canvassing there is likewise identification of the candidate with the registration effort and sometimes downright canvassing which detracts from the non-partisan spirit which should embue the effort to enfranchise everyone who is entitled and desires to vote. Mail registration on the broadest possible scale would eliminate the partisanship and selectivity which deprecates the spirit and effectiveness of the existing registration drives for more voters.

One final point to be made is not controlling but is worthy of weighted consideration. That is the question of expense. Last year our Local Registration cost the City of New York approximately $2,115,000 and realized 251,393 registrations during the four days it was conducted. That means for every such registration it cost the City approximately $80.00. (And in a non-presidential year when the public interest is far less but our overhead is the same, the cost per registrant is greater.) Fortunately, as I mentioned earlier, in addition some 453,000 were registered by volunteer effort, obviously at a far lesser rate.

Some have estimated that with the use of mail registration the cost per registrant would be twenty-five to fifty cents, including cost of printing, postage and processing. We are aware, of course, that unless the entire registration system were by mail we would probably be obliged to maintain two record systems and two ballot systems. We could not have elections on our present voter machines without seperate machines for federal and state elections or in the alternative, a new type machine designed to accommodate each. Practically however, New York State would in all probability adopt the federal mail registration system and of course S. 352 provides for some subsidization. Accordingly, I am not troubled by this problem. It does not defy resolution.

We find the subject bill, S. 352, to be generally satisfactory but we make these observations:

Section 404 should take into consideration that in some political subdivisions of states, the election officials are an even number with equal representation of the two major parties. A deadlock would provide obvious problems. In such an event, there should be some alternative.

Section 406, while providing in subsection (E) that there is no time limit upon the general availability of registration forms in post offices, etc., directs the mailing at the time of the general election only. Of course, for many of us the primary election is the determining election. Perhaps there should be such a mailing in January, if only one distribution, with forms readily available throughout the year. Better, of course, would be a mail distribution in January and again near the time of the general election. Also, whenever the mailing of forms to postal addresses is to be, there should be some limit or cut-off date for receipt by the Board of Elections of the registration form in order to allow sufficient time for processing.

May I take this opportunity to commend the League of Women Voters of the State of New York for its fine work in all areas of the election process. There should be no need for an organization such as the League, in the sense that there should be no need for the National Association for the Advancement of Colored People (NAACP), Congress of Racial Equality (CORE), or the Anti-Defamation League. There should be within the Board of Elections a well-staffed public information bureau that would continually advise the public in an objective fashion, and encourage voter registration and voter participation.

The National Municipal League observes that "The way information is distributed to voters bears a subtle relationship to the equal opportunity afforded each voter. The experienced well-educated citizen may have many sources of information on candidates and issues involved in an election. The multitude of candidates, the voting mechanism, the form of ballot present little problem to him. He knows of the behavior that is expected of him at the polls as to identification, pulling of the levers, rules against loitering, etc. The presence of party workers or even police may not disturb him. These conditions may bewilder the inexperienced voter sufficiently to confuse him when he goes to the polls, or even deter him from getting there. The kinds of information dissiminated to voters and methods of distribution are therefor an important part of efforts to insure uniform voting opportunity." I concur unequivocally and agree that the minimum information made available by the Board of Elections in simple written form should include—

Who is eligible to vote;

When voting will take place and where;

Procedure for casting ballots;

Understandable explanation of ballot issues;

Names of candidates up for election and offices they seek;

Services available to voters, including challenging procedures;

Explanation of the function of the poll workers the voter is likely to encounter.

If we are really serious about the election process, and the desire to have maximum participation in it, such information must be made readily available by the Board of Elections.

The passage of S. 352 into law should, in New York City at least, have the very beneficial effect of making available funds for such purposes in addition to its main thrust of greatly increasing the size of the electorate.

THE URBAN PARKLAND HERITAGE ACT

Mr. WILLIAMS. Mr. President, at the beginning of this session I introduced S. 12, the Urban Parkland Heritage Act, which would substantially increase the Federal Government's commitment to funding parks and recreational facilities. I have recently received copies of resolutions passed by the San Diego County Board of Supervisors and the Citizen's Advisory Board of the Pennsylvania Department of Environmental Resources in support of S. 12.

Mr. Roger Honberger, San Diego County's Washington representative, indicated in his letter to me that an exhaustive study of the regional park system of San Diego showed that it will be necessary to acquire 35,000 acres in the county to meet the demands of more than 15 million expected visitors in the year 1980. Under the current law and certainly under the current administration's policies, the rapidly increasing open space needs of our major centers of population are likely to go unmet. S. 12 would provide $5 billion over the next 5 years for the acquisition, development, and management of open space lands.

I ask unanimous consent that the letters and resolutions from the Citizen's Advisory Council of the Pennsylvania Department of Environmental Protection and from the San Diego County Board of Supervisors be printed in the RECORD.

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

COUNTY OF SAN DIEGO,
Washington, D.C., March 12, 1973.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: On February 13, 1973, the San Diego County Board of Supervisors passed a resolution in support of S. 12, the Urban Parkland Heritage Act of 1973, which you introduced on January 4, 1973. A copy of this resolution is enclosed for your reference.

I have also enclosed a copy of the Regional Parks Implementation Study for the County of San Diego which was approved by the Board of Supervisors on April 19, 1972. The Study indicates that over 35,000 acres of land must be acquired in the County of San Diego to meet the demands of more than 15 million expected visitors to San Diego regional parks in the year 1980. The Urban Parkland Heritage Act would encourage general purpose local governments to implement environmentally sound urban development plans through Federally assisted acquisition and maintenance of recreational, conservation, and scenic areas.

As the sponsor of this legislation and a

member of the Committee on Banking, Housing and Urban Affairs, I know you will be urging prompt and favorable consideration of this important legislation. If I can be of any assistance to you or your staff, please let me know.

Sincerely,

ROGER F. HONBERGER,
Deputy Administrative Officer.

RESOLUTION RE ENDORSEMENT OF AN URBAN PARKLAND HERITAGE CORPORATION TO PROVIDE FUNDS FOR THE ACQUISITION, DEVELOPMENT, OPERATION AND MAINTENANCE OF OPEN-SPACE LAND

On motion of Supervisor Craven, seconded by Supervisor Brown, the following resolution is adopted by the Board of Supervisors of the County of San Diego.

Whereas, the Urban Parkland Heritage Act of 1973 has been introduced into the Congress of the United States; and

Whereas, the text of the proposed act embodies San Diego County planning goals and objectives; and

Whereas, enactment of the Act would benefit the present and future citizens of San Diego County by:

(1) assisting local governments in developing a balanced urban environment,

(2) preventing the spread of urban blight and deterioration,

(3) encouraging more economic, environmentally sound urban development,

(4) assisting in preservation of historically or architecturally significant areas and properties,

(5) helping provide necessary recreational, conservation and scenic areas.

Now therefore be it resolved that the Board of Supervisors hereby

1. Endorses the Urban Parkland Heritage Act of 1973,

2. Directs its Legislative Representative to transmit certified copies of this resolution to the Honorable Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, to the Honorable Harrison A. Williams, United States Senator from New Jersey, and to the Honorable Daniel Rostenkowski, United States Representative from Illinois.

Passed and adopted by the Board of Supervisors of the County of San Diego, State of California, this 13th day of February, 1973, by the following vote:

Ayes: Supervisors Walsh, Brown, Conde, Bear and Craven.

Noes: Supervisors None.

Absent: Supervisors None.

DEPARTMENT OF
ENVIRONMENTAL RESOURCES,
Harrisburg, Pa., March 13, 1973.

Hon. HARRISON WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: Enclosed is a resolution unanimously passed at the February 20, 1973 meeting of the Citizens' Advisory Council of the Pennsylvania Department of Environmental Resources. The resolution deals with the Urban Parkland Heritage bill you sponsored in the Senate.

The Citizens' Advisory Council is concerned that present funding arrangements will not adequately finance the construction of park facilities in and around major urban areas, and we feel that passage of the Urban Parkland Heritage will go a long way toward eliminating this possibility. We support you in your efforts, and have mailed letters to the Pennsylvania Congressional Delegation encouraging them to vote for the passage of the bill.

Thank you.

Sincerely,

THOMAS G. MCCLOSKEY,
Executive Director,
Citizens' Advisory Council.

Whereas, Pennsylvania's growing metropolitan regions need the physical and spiritual breathing space of new parks;

Whereas, competing social needs (housing, police, schools) vie for shrinking tax dollars in Pennsylvania's urban areas, many of which face fiscal deficits;

Whereas, the Commonwealth of Pennsylvania has and is, under Secretary Goddard's direction, attempting to expand park opportunities—particularly abutting urban areas;

Whereas, the "Urban Parkland Heritage Act of 1973" introduced in this session of Congress would provide not only acquisition costs but park maintenance and planning and operating funds (grants and loans) up to $5 billion over the next five years, with special concern for low income and poverty areas;

Whereas, categorical federal open space acquisition funding has been replaced by revenue sharing;

Now, this 20th day of February, 1973, be it hereby resolved, that the CAC of one DER, Commonwealth of Pennsylvania, supports the passage of this legislation with copies of this resolution to be sent to all members of the Pennsylvania Congressional delegation and to Senator Harrison Williams and Congressman Dan Rostenkowski sponsors of similar bills in the Senate and the House.

NO-FAULT VERSUS NO-FAULT

Mr. HART. Mr. President, every once in awhile—as President Harry Truman demonstrated so well—a father can no longer fight the temptation to speak out for a child he thinks is being terribly maligned.

Senator MAGNUSON succumbed recently in answering criticisms of S. 354—the national no-fault auto insurance bill. Today I too have caved in.

The issue upsetting me today centers on figures being used by a combination of nine insurance companies to argue that their bill—tagged the "Camelback bill"—would be a worthy substitute for S. 354.

Let me refresh your memory. Last December, top executives of nine insurance companies—Allstate, Firemen's Fund, Hartford Insurance Company of North America, Kemper, Liberty Mutual, Nationwide, State Farm, and Travelers—met at the Camelback Inn in Phoenix, Ariz.

The details of this meeting were spelled out in a very comprehensive and excellent story by Laurence Stern in the Washington Post of March 18, 1973. I ask unanimous consent that the story and a press release from Senator MAGNUSON rebutting the various attacks on the bill be inserted at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HART. Mr. President, at the Camelback meeting, the companies agreed to push for a modified no-fault "joint industry" bill in the legislatures of some 20 States.

The Camelback bill would allow accident victims a maximum of $5,000 in medical, wage loss and other economic benefits from their own company—regardless of fault. Law suits would be permitted when medical bills exceeded $1,000 or there was permanent impairment, disfigurement, or death.

In hearings before the Commerce Committee last month, the companies justified their plan with statistics from one of the Department of Transportation's auto compensation studies.

These figures are the issue today.

Representatives of Allstate, State Farm, and Kemper told the Commerce Committee the DOT study showed:

The number of injured persons with economic loss in excess of $5,000 was 1.5 percent of all injured persons. The number of injured persons with economic loss in excess of $25,000 was one-tenth of 1 percent.

Against those figures, indeed, the industry bill would seem to handle the bulk of the cases with dispatch. But the figures did not ring true. In the past few years, my staff and I have thumbed through the DOT study so much that we have memorized much of it. Yet we could not jibe the industry's testimony with what we knew to be in the report.

Enter the Public Affairs Newsletter—published by Kemper Insurance Co. In the issue of February 20, 1973, the newsletter explained that these figures came from a "study of 23,635 cases in which economic loss was determined with great accuracy."

The study is obviously one done by Kemper—with 15 other companies—for DOT and published in volumes 1 and 2 "Automobile Personal Injury Claims" in 1970.

The newsletter went on to explain:

It is these data which confirm that no-fault plans falling within these parameters are indeed effective no-fault legislation.

It is a pretty thought. But—as I read the study cited—this is not what it shows.

The study shows economic loss until the date of settlement. In other words, that is the loss for victims until 18 to 24 months from the accident.

It omits the most significant loss for those seriously injured: loss of future earnings.

In another volume of the DOT study—"Economic Consequences of Auto Accident Injuries"—we find that for the seriously injured and killed, lost future earnings made up 63 percent of their losses.

In the industry-conducted study, we learn that although only 1.5 percent of those seriously injured or killed in the study had losses over $5,000 at settlement, this group suffered more than 30 percent of the total loss but got back only 17 percent of the total payment dollars. This inadequate compensation would continue under the Camelback plan.

As for those who had more than $25,000 of loss at settlement time at the end of the line—under the tort system—they got back only $1 for each $6 of their loss.

Under the Camelback plan these people—not their insurance company or even that of the driver who may have caused the accident—would bear the terrible financial burden of their loss.

The Camelback plan would solve this by offering us the chance to buy additional coverage to handle these losses. May I remind the Senate that we started down this long road to auto insurance reform because consumers today cannot afford auto insurance coverage.

If we keep most of the inefficiencies of the present system and merely add another premium on top of what we have, we surely will have worsened—not corrected—the problem we set out to solve.

Which means the choices for the seriously injured will too often remain what they are today: Eat the losses themselves—meaning a lower standard of living—or fall back on welfare or social security to at least ease it, with the taxpayer picking up that tab.

Mr. President, one out of every four cars in this Nation is involved in an accident each year. The accident is the threshold to the chance of being in that 1.5 percent whose losses exceed $5.000 at settlement time. Several hundred thousand persons each year cross that threshold. Right now they find themselves caught up in a system that is inhumane, inefficient, and unjust.

Much as I would like to think that agreement on what to do about this could be found by rallying around the Camelback plan so we could quit talking and do something, I cannot.

The figures do not support that conclusion.

EXHIBIT 1

GIANTS MEET PRIVATELY IN DECEMBER—INSURERS PLAN NO-FAULT FIGHT

(By Laurence Stern)

It could have been the setting for a satirical skit on the work ethic in American business—Arizona's Camelback Inn with its ranch-style opulence, its rambling expanse of golf green and thwack of tennis balls in play.

In this leisurely landscape gathered last December the top executives of nine of the nation's leading auto insurance companies, among them such giants as State Farm, Allstate and Nationwide.

The occasion was the private launching of an industrywide campaign to defeat passage of federal no-fault insurance legislation in this session of Congress.

In attendance were board chairmen, presidents and senior vice presidents of the nine companies. Because of its prestigious roster of insurance men the group was described by some industry insiders, "Cloud Nine."

It is the elite of the American auto insurance industry, an inner council that convenes from time to time on issues of transcending importance—matters too sensitive to take up in normal trade association channels.

The concern this time was the imminent revival of the federal no-fault bill sponsored by Senators Warren G. Magnuson (D-Wash.) and Philip A. Hart (D-Mich.) which had been narrowly defeated in the Senate last year. Companion legislation has been introduced in the House by Rep. John E. Moss (D-Calif.)

Public pressure for no-fault has been on the rise because of growing awareness of the costly and capricious nature of the prevailing liability system. Under no-fault there was the promise of quick and automatic settlement with policyholders, irrespective of who caused the accident, and of lower premiums as well as elimination of costly legal fees.

The insurance industry itself was deeply split on the adoption of federal no-fault standards. Nationwide supported Magnuson-Hart last year but switched to the Camelback plan this year. One trade group, the American Insurance Association, has also lined up tentatively behind Camelback.

The "big nine" companies at the Camelback meeting are highly contented with the status quo. Collectively, they take in more than a third of the $16.5 billion in premiums. Profits were up substantially in 1972 and loss pay-outs were down.

The Camelback group, unlike many of their competitors, do their underwriting through their own forces of salaried agents. This enables them to pick the cream of the risk market, people with good driving records who would look presentable in court. The companies were piling up large profits from investment of their cash "floats"—the reserves piled up between premium pay-ins and loss pay-outs.

But the companies were apprehensive that federal no-fault standards would open up auto insurance to invasion from other underwriting fields, mainly the big life, health and accident insurers, including Blue Cross, who see new financial allure in auto insurance under no-fault standards.

And so in the eyes of the Camelback conferees there was enough in the Senate bill to threaten a revolution in the auto insurance business.

After two days of top-secret deliberations, the "Cloud Nine" group emerged with what they decided should become the industry's battle plan for scuttling Magnuson-Hart. It was hailed as the "Treaty of Camelback" and communicated to the industry's three major trade associations.

The minutes of the meeting, which have been described with some asperity as the Camelback Papers, found their way into the unfriendly hands of Sen. Magnuson and Rep. Moss, chairmen respectively of the Senate and House Commerce Committees. They were promptly referred to the Justice Department to screen for possible antitrust violation.

The grand strategy adopted at Camelback was to bypass Congress by pushing for a modified no-fault "joint industry" bill that would be lobbied in the legislatures of ten target states, although the list has now been expanded to 20 states.

The difference between the Magnuson-Hart and the industry bills are major. The Camelback measure would allow policyholders a maximum of $5,000 in medical and economic benefits. Under Magnuson-Hart there would be no limit on "reasonable" medical expenses.

The Senate bill also provides reimbursement for wage loss up to a limit of $50,000 at a monthly rate of $1,000.

The industry proposal would permit lawsuits when medical bills exceed $1,000. The Senate bill eliminates lawsuits altogether, except in cases of catastrophic injury, such as loss of a limb or permanent disfigurement.

The first testing ground for the Camelback compact was the Virginia General Assembly. It turned into a miserable fiasco, embarassing to all.

The insurance lobby introduced the industry's bill as a substitute for the model no-fault proposal sponsored by Governor Linwood Holton. Then the trial lawyers' lobby dismembered the insurance mens' bill and rewrote it to conform to the interests of the lawyers, who are among the most vehement opponents of no-fault.

"The lawyers gutted the no-fault provisions of our bill and opened it up to the skies on legal liability," acknowledged one insurance official. "They turned our child into something we could no longer love and so we had to turn around and kill it."

The spectacle of insurance reform dying in the hand-to-hand combat between competing lobbies did not offer a reassuring prospect for dealing effectively with the issue at state level.

The $1,000 no-fault threshold in the Camelback plan would cover 76 per cent of the lawsuits now being filed under the present tort system. But nearly 60 per cent of legal fees growing out of liability practice are generated by cases with medical losses of more than $1,000, according to the DOT study.

Furthermore, the government study showed that in serious injury cases under the liability system victims recovered a far lower proportion of their economic losses than in minor cases.

Few issues now before Congress touch the pocketbok interests of so large and diverse a constituency. The prospect of injury or liability in auto accidents afflicts almost every American household.

And few social problems have been so intensively studied by the executive and legislative branches in recent years as the present tort liability system of protecting accident victims.

These studies have come to the common conclusion that the fault system of auto insurance is a massive and costly mess. In the words of former Secretary of Transportation John A. Volpe, it ". . . ill serves the accident victim, the insuring public and society. It is inefficient, overly costly, incomplete and slow. It allocates benefits poorly, discourages rehabilitation and overburdens the courts and legal system."

Volpe spoke these words nearly two years ago after completion of a $2 million study of auto insurance performed by the Department of Transportation. The DOT inquiry was further reinforced by another exhaustive investigation conducted by the Senate Antitrust and Monopoly Subcommittee under the chairmanship of Hart.

Hart's inquiry produced 11,000 pages of hearing transcript that became a damning indictment of auto insurance practices. It formed the basis for the Magnuson-Hart bill that is pending again in the Senate.

Last month a coalition of diverse interest groups formed The National Committee for Effective No-Fault and hired a full-time Washington lobbyist to campaign for passage of Magnuson-Hart. The alliance includes national consumer organizations, auto rental fleet companies such as Hertz and Avis, the AFL–CIO, the Teamsters and the truckers.

Proponents of no-fault learned their political lesson in Congress last year when Magnuson-Hart died in a closely divided Senate vote, a casualty in part of the effective lobbying of the American Trial Lawyers Association (ATLA).

ATLA, with a national membership of 27,000 and considerable clout in state legislatures and on Capitol Hill, is back in the fray this year to deploy alongside the insurance lobby against Magnuson-Hart.

The lawyers, too, have engaged a full-time lobbyist, Washington attorney Thomas Bendorf, an amiable-mannered veteran in the art of legislative advocacy who describes himself as an "Aristotelian and Thomist." He speaks reverently of preserving the poor man's right to sue." ATLA reported paying Bendorf $100,000 last year to finance his lobbying operations against no-fault.

Speaking of the Magnuson-Hart bill, Bendorf asserts: "It is not no-fault. It is no responsibility. That's why the fleet operators and truckers are for it. What started out as insurance reform has become transformed into judicial reform."

It takes no great subtlety to discern the interests of the trial lawyers in preserving the present tort liability system. Auto liability produces about $1.5 billion in legal fees annually, according to a Senate Antitrust Subcommittee staff study.

Insurance agents and adjusters also have reason to oppose high no-fault standards. Some $2 billion in commissions are extracted from the premiums of policy holders. A strict no-fault law would cut down substantially on the need for large sales forces of agents and claims processors. It would, obviously, also cut down on administrative overhead.

Despite the fiasco in Virginia, six states have recently enacted modified no-fault systems. Of these, Florida and Massachusetts already have a base of operating experience.

In the case of Massachusetts which had the nation's highest rates, there was a 42 per cent reduction in bodily injury premiums in 1971, first year of operation, and an addi-

tional 27 per cent in 1972. There was an increase in property damage that resulted, too, from the changeover in systems.

Since the Massachusetts compulsory insurance law covered bodily injury only, there was a heavy volume of bodily injury claims. Massachusetts won notoriety in the industry as "The Whiplash State."

The new no-fault system has tended to make claims reporting more honest in Massachusetts. But it is also true that property damage rates have been soaring all over the country.

In the first year of Florida's no-fault program motorists got a 15 per cent reduction in bodily injury and property damage premiums. Another reduction of 11 per cent is expected this year, according to the American Insurance Association. The Florida reduction will come to an aggregate of $100 million this year.

Puerto Rico, which has a state-operated auto insurance program with high no-fault standards, now returns about 90 cents in benefits out of every premium dollar collected. Under tort liability about 45 cents goes back to policyholders in the form of benefits. The rest is claimed by legal costs, commissions and administrative overhead. Massachusetts and Florida no-fault plans return about 55 cents of each premium dollar in benefits. Magnuson-Hart would return about 65 to 70 cents.

Michigan last year adopted the most stringent of the state no-fault laws but it has not been in operation long enough to measure its benefits to policyholders. Michigan's law follows closely the uniform no-fault act of the Conference of Commissioners on Uniform State Laws, which also was the model for the Magnuson-Hart bill.

Nor are the results in yet on modified no-fault adopted by Connecticut, New Jersey and New York.

The prospects are dim for further state action this year in no-fault legislation. Most of the legislatures have already finished their work. The fate that the Camelback joint industry plan suffered in Virginia and Mississippi could well be a harbinger of things to come.

The effect of all this could well be to increase the pressures for action at federal level on the administration and Congress.

One high-ranking trade association executive in "Washington bitterly blamed dismal record of performance at the state level on the trial lawyers

"The lawyer lobby has provided the kiss of death to no-fault in the states," he charged. "First they contend that there is no need for federal legislation since the states can do the job. They then turn around and kill everything at the state level. All they're doing is stoking the furnaces for federal legislation."

The trial lawyers' man in Washington, counsellor Bendorf, insists, nonetheless, that his organization will continue to oppose "any program that withdraws the right to go to court." The trial lawyers are supported in their stand by the American Bar Association, an institution of considerable authority with most legislative bodies.

And so the insurance industry and the legal profession are well represented in the corridors of state capitals and Congress. But the insistent question is who speaks for the policyholders, such as the one who addressed a letter to Hart on June 14, 1971.

"We who have to drive," he wrote, "who cannot do without cars, are burdened with outrageous insurance bills, plus capricious cancellations of our insurance for no cause, plus the prospect of having to pay huge lawyer's fees if we are involved in any accident to get them from the others involved.

'This business of suing, of having to prove 'blame', of crowding already overcrowded court calendars, digging up witnesses, losing time from work, paying out enormous lawyers' fees, has simply reached the point of intolerable burdensomeness."

RELEASE FROM SENATOR WARREN G. MAGNUSON, MARCH 14, 1973

Senator Warren G. Magnuson (D-Wash.), sponsor of the National No-Fault Motor Vehicle Insurance Act, today leveled a blast at insurance companies and others for their "distorted, inaccurate, and misleading representations" concerning the Federal legislation.

Magnuson cited as one example a February 20, 1973 "Public Affairs Newsletter" published by Kemper Insurance Company and widely circulated on Capitol Hill in which the following "major weaknesses" of the Magnuson-Hart No-Fault bill were noted:

"Under the name of "rehabilitation", S. 354 requires payments for expenses incurred while improving one's appearance. This could include hair styling and cosmetics even in the most questionable of injuries . . .

"Another S. 354 provision requires payments enabling the injured victim to return to full enjoyment of life. If a person sustained a hand injury, guitar lessons could qualify for coverage under the language. Other examples are endless—limited only by the imagination of the injured."

Reacting to these and similar allegations, Senator Magnuson said: "I can no longer remain silent as opponents of S. 354 make such distorted, inaccurate, and misleading representations concerning the Federal no-fault legislation. It seems that the opponents will go to any length to discredit this important bill. We welcome constructive comment from any quarter. But we have received very little of that to date."

Senator Magnuson further explained that "the assertions that S. 354 requires payment for hair styling and cosmetics or guitar lessons are completely unreasonable." He explained that the bill requires payment for "allowable expense" defined to mean *"reasonable* charges for reasonably needed products, services, and accommodations . . . including those for medical care, emergency medical and transportation services, rehabilitation, rehabilitative occupational training, and other reasonable *direct* remedial treatment and care. . ." Magnuson continued: "How do you get hair styling and cosmetics or guitar lessons out of that language?"

"There is a certain irony in the statements of the Kemper Insurance Company", Magnuson explained. "When testifying before the Senate Commerce Committee on February 7, 1973, Mr. Lansman of Kemper submitted amendments to the Uniform Motor Vehicle Reparations Act from which the definition of "allowable expense" in S. 354 was derived. He stated that his amendments 'change UMVARA in a way which conforms with what we think is in the interest of the consumer'. His version of UMVARA defines 'allowable expense' in the same way as S. 354 (except he doesn't use the word 'direct') but limits the total amount recoverable to $50,000. *If our bill does what he says it does, then so does his bill.*"

Concluding his remarks, Senator Magnuson expressed the hope that members of the House and Senate will not be mislead by the "misinformation" that will be disseminated in the coming weeks and months by those who have few valid arguments to offer against the Federal no-fault proposal but who "out of self-interest, believe that good no-fault reform at the Federal level must be defeated at any cost."

POSTAL RATES FOR SECOND-CLASS PUBLICATIONS

Mr. NELSON. Mr. President, on January 31, 1973, I reintroduced legislation (S. 630), cosponsored by 20 Senators, which would reaffirm the historical principal of congressional support for the wide dissemination of a diversity of thought and opinion through publications circulated throughout the country by mail.

This morning, Chairman GALE MCGEE and the Senate Post Office and Civil Service Committee began hearings on S. 630 and other legislative proposals relating to postal rates for second-class publications. As the opening congressional witness at the hearings, I expressed my particular concern to the committee over scheduled dramatic increases in postal rates which may be such a financial burden upon the smaller, less profitable journals of news and opinion in this country that some of the most independent publications in this Nation may be effectively silenced and the free flow of ideas and information stifled.

Included with my statements before the committee this morning were a number of letters and editorials which articulate with particular eloquence the issues presented to Congress by increased second-class mail rates.

Mr. President, I ask unanimous consent that my statement this morning, April 2, 1973, before the Senate Post Office and Civil Service Committee, and a selection of the letters and editorials on the subject of the impact of second-class rail rates on newspapers and magazines, be included at this point in the RECORD.

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

STATEMENT OF SENATOR GAYLORD NELSON ON S. 630 AND OTHER LEGISLATIVE PROPOSALS RELATING TO POSTAL RATES FOR SECOND-CLASS PUBLICATIONS, BEFORE THE SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE

Mr. Chairman, I appreciate the opportunity to appear this morning before the Senate Post Office and Civil Service Committee to discuss the various issues and legislative proposals relating to postal rates for second-class publications.

The second step of the permanent postal rate increases for second-class mail announced last year by the Board of Governors of the U.S. Postal Service will become effective on July 6, 1973. This second step will represent another significant increase in postal rates for newspapers, magazines and important journals of information and opinion in this country since the Postal Reorganization Act of 1970.

In February 1971, the newly formed independent U.S. Postal Service requested rate increases for second-class mail that would have averaged 143 percent over a 5-year period. When this proposal was instituted on a temporary basis in May of 1971, I became concerned that this dramatic increase would be such a financial burden that it would effectively silence some of the most independent journals and publications in this nation, and stifle the free flow of ideas and information throughout the country.

For 178 years, Congress provided direct legislative support for the wide dissemination of printed publications through the mail, and

set lower postal rates for this matter. In creating an independent U.S. Postal Service, I do not think that Congress intended to reverse this historic policy, nor put aside its concern for the basic educational and informational services, which this self-governing nation requires, and which the U.S. mail uniquely provides.

On June 28, 1972, I introduced legislation (S. 3758) in the 92nd Congress to reemphasize the 178 years of direct congressional support for the dissemination of news, opinion, scientific, cultural, and educational matter through the mails.

On June 29, 1972, the Board of Governors of the U.S. Postal Service announced that so-called "permanent" postal rates would be placed in effect. Two days after last year's Independence Day celebration, second-class postal rates were "permanently" increased an average of 127 percent over a 5-year period.

With the second step of these "permanent" increases facing second-class publications this summer, we must be particularly concerned about the impact of these increased rates upon the smaller, more specialized and less profitable newspapers and magazines which fuel the national competition of ideas with new thoughts, divergent opinions, and singular points of view. It is these voices—the little press, the controversial, the opinion press—which serve the specialized interests of some Americans and the basic interest of all America. Their voices may not be heard or acknowledged in the corporate boardroom of the U.S. Postal Service, where the singular preoccupation appears to be efficiency and size, but I do hope that the case of the small but vital independent voice of journalism will be heard and appreciated in Congress.

The proposition that a healthy free country depends upon the wide distribution of diverse information and opinions by newspapers and periodicals circulated through the mail is just as valid in 1973 as it was in 1792 when Congress first put this principle into law. Accordingly, I reintroduced legislation on January 31, 1973 which would reaffirm the historical principle of congressional support for the wide dissemination of a diversity of thought and opinion through printed publications circulated by mail. This bill, S. 630, is co-sponsored by twenty-one Senators and is one of the measures before the Committee for hearings today.

First of all, S. 630 would amend the policy section of the Postal Reorganization Act of 1970 to make it expressly clear that the Postal Service has an "obligation" to provide postal services at rates which will encourage and assist the wide publishing and circulation of information and differing points of view on all issues of interest to the country.

Second, this bill would set the second-class postal rates at the level of June 1, 1972 for the first 250,000 issues of newspapers and magazines sent through the mails. These rates include the approximately 33 and ⅓ percent increase in rates that were put into effect on a temporary basis on May 1971. This provision would be of particular support to the smaller, almost non-profit independent journals of opinion that already exist. It would also encourage the entry of new publications of this type, and provide continuing outlets for divergent views and fresh ideas.

Any future increases in second-class rates for issues over the 250,000 ceiling would be phased in during a 10-year period under S. 630. This 10-year period would apply only to increases on editorial content; any increases for advertising material would be implemented during 5 years, as is presently the law for both categories.

Finally, and perhaps most important for many small publications, S. 630 would expressly write into law longstanding congressional policy against per-piece surcharges on individual issues of second-class publications. Under the present rate structure, these per-piece surcharges are particularly damaging to the smaller journals.

While the impact of charges based strictly on weight may sometimes be offset by publications turning to a reduced format or lighter weight paper, a set charge for each copy wipes out this advantage and discriminates against the smaller publication which has done everything it possibly could to reduce mailing costs. These per-piece surcharges may increase postal costs hundreds of percent for some publications, particularly endangering those newspapers and journals sent in the mail which are virtually nonprofit and unable to shift the burden of the increases to either subscribers or non-existent advertisers.

There is no doubt that the interests of the larger profit making publications are seriously affected by increased second-class postal rates and deserve some attention in any legislation which is to be considered by the Congress. It cannot be emphasized too strongly, however, that it is the threat to the very existence of the small independent voices that is posed by the excessive rates which bases the case for any legislative relief, and not the guarantee of profits for larger publications. This is the main premise of S. 630. Any legislative proposals dealing with second-class postal rates must recognize that the public interest in the wide circulation of diverse sources of opinion and information comes before the private interest in the financial success of any one publication.

The case for congressional action to insure that a wide and diverse spectrum of published voices is heard in this nation is imperative; it is also historic and based in the philosophy of democratic self-government.

Vigorous public discussion of politics, business, science, education, literature and other matters of national importance has always been an important indicator of a healthy, pluralistic democratic society. When all viewpoints are heard, when all information is being freely exchanged, and when all ideas are openly examined and challenged—then self-government is at work.

The search for a wide range of information, and unfettered inquiry and discussion, have been the methods of seeking moral and political truth since the time of the Greeks and the Socratic dialogs. As explained by Aristotle:

"The ability to raise searching difficulties on both sides of a subject will make us detect more easily the truth and error about the several points that arise."

In a democratic society such as the United States, the necessity for an active pursuit of information and opinion is perhaps best explained by Walter Lippmann in a passage from "The Indispensable Opposition" published in The Atlantic Monthly in 1939:

"The unexamined life, said Socrates, is unfit to be lived by man. This is the virtue of liberty, and the ground on which we may best justify our belief in it, that it tolerates error in order to serve the truth. When men are brought face to face with their opponents, forced to listen and learn and mend their ideas, they cease to be children and savages and begin to live like civilized men. Then only is freedom a reality, when men may voice their opinions because they must examine their opinions."

From the earliest days of this country, our national leaders have recognized that the essential service of keeping the American people informed about a diverse range of ideas and opinions is best performed by the widest possible distribution of newspapers, periodicals, and journals of opinion.

For 178 years, Congress provided very specific and precise encouragement and assistance for the national distribution and wide dissemination of newspapers and magazines. Historically, the Congress of the United States has provided these publications with the benefits of favorable rates in the use of the U.S. mail. Since 1792, the low postal rates which have been set by Congress for distribution of printed publications through the mails have been recognized as a form of national subsidy justified by the educational function and contribution to the self-governing aspects of citizenship.

The Act of February 20, 1792, 1 Stat. 232, gave newspapers a preferential charge of "one cent, for any distance not more than one hundred miles, and one cent and a half for any greater distance" while single letters were to be charged from six cents to twenty-five cents depending upon the mileage. Two years later, this preferred treatment was extended to magazines and pamphlets in the Act of May 8, 1794, 1 Stat. 354, 362.

Subsequent actions of Congress expanded the preferential postal rates given to newspapers and magazines, and in the Classification Act of 1879, newspapers and magazines were placed in the second-class. In describing the Classification Act of 1879 on the House floor, Congressman—and later Senator—Hernando DeSoto Money of Mississippi explained that the legislation merely carried out the historic policy of Congress:

"We know the reason for which papers are allowed to go to a low rate of postage, amounting almost to the franking privilege, is because they are the most efficient educators of our people. It is because they go into general circulation and are intended for the dissemination of useful knowledge such as will promote the prosperity and the best interest of the people all over the country."

This basis for the reduced rates set by Congress for the mailing of newspapers and periodical magazines was reiterated in Postmaster General Charles E. Smith's annual report for 1901:

"Our free institutions rest on popular intelligence, and it has from the beginning been our fixed and enlightened policy to foster and promote the general diffusion of public information. Congress has wisely framed the postal laws with this just and liberal conception. It has uniformly sought to encourage intercommunication and the exchange of intelligence."

Forty-five years later, Justice Douglas emphasized the basis of a policy of reduced rates in *Hannen v. Esquire, Inc.*, 327 U.S. 146 (1946):

"The policy of Congress has been clear. It has been to encourage the distribution of periodicals which disseminated 'information of a public character' or which were devoted to 'literature, the sciences, arts, or some special industry,' because it was thought that some publications as a class contributed to the public good."

At an early time in our nation's history, the vast changes that would occur in this country, and particularly, the developments in the methods of mass communications which have revolutionized modern society, could surely have not been foreseen. The validity of policies which are concerned with assuring sources of popular and diverse information and opinion in this country, however, are even more compelling at a time when the electronic media can report to a nationwide audience of millions the news of an event which occurred only a fraction of a second previously.

There is no doubt that the electronic media can speed a news message to a vast national audience with an immediacy which cannot be equaled in print. However, by using the public airwaves, the electronic media are dependent upon Government licenses for their very existence. As current controversy pointedly demonstrates, governmental pressures for "balance"—or some such judgment—is a constant overriding threat. And with the need to appeal to great numbers of people to pay for the expensive costs of production, it is no wonder that the electronic

broadcast industry is not well equipped to present a multiplicity of opinions and divergent ideas.

The only place where controversy, dissent, criticism, and minority points of view can be effectively expressed and widely disseminated is in the printed media, particularly in the independent journals of opinion. Here, fresh ideas often see their first public exposure. It is here that traditional thoughts and established norms are challenged with uncommon vigor. In our smaller magazines and newspapers, a broad span of issues may be argued in greater depth and with a partisan passion. Complex matters can be discussed and developed over a greater period of time and transmitted to varied audiences.

While the mass media serve to efficiently communicate the common experience to the majority of the nation, it is the little press that performs the crucial function of providing public access to new and untested ideas, to minority thoughts which might otherwise remain hidden, and to the whole range of human experience and expression, which provides the impetus for the continual search for truth in a free society.

When Congress passed the Postal Reorganization Act of 1970 (P.L. 91-375), it did not turn its back on 178 years of historic policy or put aside its concern for the educational services which the U.S. mail uniquely provides.

In Senate Report No. 91-912, which accompanied the Senate version of the reorganization bill on June 3, 1970, the Senate Post Office and Civil Service Committee reported the bill "with the reminder to present and future postal managers that the system will work only if the public interest is kept as the paramount criterion in every decision made."

Sec. 101(a) of P.L. 91-375 also states that "The Postal Service shall have as its basic function the obligation to bind the Nation together through the personal, educational, literary and business correspondence of the people."

In my opinion, the U.S. Postal Service has misread the intent of Congress in enacting the Postal Reorganization Act of 1970, and has instead substituted a single-minded concern for postal revenue for the larger public interest of providing a basic and fundamental service to the American people. I do not think that the educational value of a wide circulation of diverse printed publications throughout this country can be accurately measured using only a green eyeshade, arm garters, a sharp pencil and an accounting pad.

If present postal rate policy of the United States Postal Service is permitted to continue, the only publications which will be able to survive will be the high price, special audience, special interest magazines and newspapers which communicate a narrow message to the restricted audience that can afford to be subscribers. This action can only stifle the wide circulation of popular information and opinion.

In limiting new entry into the publication field, in limiting the range of coverage of news and events, in limiting the extent of circulation, in pricing the dissemination of information and opinion out of range of many people in this nation, and aiding the creation of an educational and information elite, the U.S. Postal Service does not perform a service to the nation.

If the Postal Service were a private enterprise operation, it would be expected that present pricing policies and the present quality of service would result a stock run on Wall Street, or the appearance of some very vigorous competition. But the Postal Service is a government monopoly controlling the rights of circulation between publications and their individual consumers throughout the country. Thus the checks and balances of a free market are unavailable to curb abuses in price or erosions in service.

When the Board of Governors made their announcement on "permanent" postal rate increases last June 29, the Chairman of the Board stated that "the Governors recognize that the increased rates will work a temporary hardship on some users. To small second-class publishers, the inability to absorb increased postal rates and service would hardly seem to be a "temporary hardship."

This shortsighted attitude towards the threat to small publications in drastically increased postal rates was repeated in the remarks of the Postmaster General of the United States in a New York Times article on August 2, 1972. Mr. Klassen opened his article by stating:

"(W)e read a great deal today about unnamed magazines and newspapers facing what is asserted to be a catastrophic situation allegedly caused by recently authorized postal rate increases."

Mr. Klassen then went on to focus attention on only one large publisher—Time, Inc.—and assumed in his example that all publications would be increased by a 127-percent average over 5 years, and that each and every publication had the same ability to pass on the postal increases to either advertisers or subscribers.

Several months later, the inability of Time, Inc. to absorb all postal increases was big news in the New York newspapers. National headlines, editorials, and columns last December paid their last respects to Life magazine as this last great mass-circulation publication in the nation folded. Life's officers cited postal rate increases of 170 percent over the next 5 years as one of the terminal conditions which could not be overcome, and sent this important communicator of American life to join the likes of Collier's, the Saturday Evening Post, and Look.

Looking beyond the experience of large mass-circulation magazines with significant advertising support, however, the heaviest burden of second-class postal increases will fall on the small, non-profit publications. But there were no headlines last year when The Providence Sister, official magazine of the Sacred Heart Province of the Sisters of Charity of Providence, Issaquah, Washington, notified the Catholic Press Association that "This is to advise that Providence Sister magazine has been discontinued due to the excessive cost of publishing and mailing."

I doubt that it will attract much attention either, when some rural newspaper or some small magazine of diverse intellectual or artistic expression can publish no longer. It will not only be the individual subscribers, who no longer can receive the benefits of a special point of view, who will be the lesser for the loss; the entire nation is weakened when one voice is silenced and its singular contribution to the lively public discussion of politics, literature, science, education, and other items of national importance is ended.

Mr. Chairman, over the past months, I have received many communications and letters on the subject of increased second-class postal rates. Many of these letters and editorials have been very eloquent in articulating the issues which are involved, and in describing the direct impact which these rate increases have on individual publications and their ability to serve their readership. I would ask the permission of the Committee to include a selection of these editorials and attributed letters into the hearing record at the end of my prepared statement.

As a final comment, Mr. Chairman, I wanted to associate myself with some remarks which you made in the Congressional Record on January 16, 1973 in introducing legislation relating to the Postal Service. In commenting upon the effect of increased second-class postal rates, you stated:

"I believe that the American public generally has a vested interest in the survival of newspapers and magazines. Regardless of the economical, political, or social policies which they espouse, they contribute to the Nation's thought process. I am personally convinced that the Congress should not permit magazines to go under because the cost of distributing them through the postal system is higher than their readers are willing to pay."

In translating this expression into legislation, I think that the Congress would be reaffirming its intent that the United States Postal Service is to be "a basic and fundamental service provided by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people."

[From the New York Times, Feb. 9, 1973]

POSTAL OVERCHARGE

Senator Gaylord Nelson of Wisconsin has reintroduced a bill that could save scores of small-circulation periodicals from going the sad way of Look and Life. Those giants were not doomed solely by the staggering rise in second-class mailing rates, but that was a grim and important factor. Even more vulnerable to extinction through higher postal charges are those prestigious but financially precarious journals that feed and reflect the whole gamut of American public opinion.

The Nelson bill would reduce the rate for the first 250,000 copies of each issue of a publication to the level existing on June 1, 1972—the date a new schedule was imposed that would raise second-class postage an average of 127 per cent in the ensuing five years.

The Postal Service's present course is a threat to the freedom of the press by overcharge, a threat as ominous as more overt forms of harassment—and less discriminating. The uncommercial periodicals that would be most gravely affected range from the religious weekly and the journal of opinion—right and left alike—to the scientific monthly, the farm journal and the literary quarterly.

Without this spectrum of the printed word the American people would be handicapped in sustaining a sound democracy. Yet it was precisely to assure a sound democracy that the country's early leaders fostered an informed public, in good part through the wide and inexpensive distribution of journals and periodicals of all kinds. The Postal Service seems to have misread not only the philosophy of the Republic's founders but, as Senator Nelson points out, even the plain objective of the 1970 Postal Reorganization Act, which was an improved mail service, not "a single-minded concern for postal revenue."

[From the Wisconsin State Journal, Feb. 16, 1973]

SMALL PERIODICALS AT STAKE—STOP POSTAL RATE HIKE

Sen. Gaylord Nelson is to be commended for his efforts to stop the increase of second class mailing rates and save scores of small-circulation magazines which would be forced out of business by the added cost.

With higher rates many small publications, covering everything from religion to politics to science, would go the way of such giants as Life and Look.

A bill authored by Nelson would reduce the rate for the first 250,000 copies of each issue of a publication to the level which was in effect June 1, 1972. On that date new rates were imposed which, over the next five years, would increase an average of 127 per cent.

The divergence of opinion put forth in these small speciality magazines plays an important role in sustaining our free society.

The Postal Service, by putting revenue raising ahead of service, is doing a disservice to the entire nation by, in effect, stilling the voices of these small journals.

The founding fathers of this country recognized the need for a well informed public. The First Amendment to the Constitution guarantees press freedom from censorship. The increased postal rates merely impose censorship from another direction.

[From the Stevens Point Daily Journal, Feb. 19, 1973]

SECOND CLASS POSTAL RATES

It was spelled out clearly in the 1970 Postal Reorganization Act that the main objective was an improved mail service and not "a single-minded concern for postal revenue." A fair-minded person would have to admit mail service in 1973 is worse and more expensive than it was in 1970, whatever the reasons.

The U.S. Postal Service last June announced that the rate for second class postage would be increased by 127 per cent over a five year period. This is the class that covers newspapers and magazines. As one direct result of the huge rate increases, two mass circulation magazines—Look and Life—have folded, and a number of smaller journals face a bleak future.

Postal rates, of course, are not the only source of difficulty for the publications, but they are a heavy contributing cause. And if postal rates are a key factor in the cost of disseminating news matter and opinions and comments on events and conditions of importance to the people, then heavy-handed application of rate increases can be an effective method of silencing those publications. That has the same effect as direct censorship.

Sen. Gaylord Nelson, D-Wisconsin, recognizing this danger, has introduced legislation to save scores of small-circulation magazines that would be forced out of business by the scheduled rate increases. His bill, S-630, is intended "to encourage and support the dissemination of news, opinion, scientific, cultural and educational matter through the mails." Under the measure, the rate for the first 250,000 copies of each issue of a publication would be reduced to the level that was in effect on June 1, 1972, the date the new schedule was effective. Any future increase in second class rates would be phased in over a 10-year period.

The Nelson bill deserves full support, for it is needed insurance that the public can continue to be informed. The concept that all classes of mail should "pay their way"—no matter how high the cost or how serious the consequences—is a relatively new one for the nation's postal system. It is in direct conflict with the purposes which brought about the founding of the Post Office, which were to encourage the exchange of information among the citizens of the republic.

One can only imagine what Thomas Paine, himself a prolific pamphleteer, would have to say about the current state of the public's mail delivery system.

[From ADA World, October 1972]

POSTAGE RATES TO KILL SMALL PAPERS

ADA World readers are urged to protest proposed increases in second-class mail rates threatening to stifle the free flow of ideas and information in the U.S.

The U.S. Postal Service has proposed a 142-percent increase in mail rates for newspapers and magazines over the next five years, and it is widely conceded in the industry that such increases will put many publications out of business.

Protests have come from both commercial and non-commercial publications and from conservative as well as liberal publishers. Many small magazines which routinely carry important "think pieces" would cease publication, and nation-wide organizations—like ADA—which depend on a second-class permit to reach a far-flung membership would find survival difficult.

There is no hope of congressional action this year to hold second class rates at old levels and end the first-step increase—a 0.2 cents a copy surcharge—applied in July, but it is important to act now to prevent further drastic increases, according to Kenneth Fiester, executive director of the International Labor Press Association which is leading labor efforts to resist the increases.

Readers are asked to write their senators and representatives urging them to support a bill introduced by Sen. Gaylord Nelson (D-Wis.) and co-sponsored by Sens. Metcalf, Hughes, Eagleton, Humphrey, Chiles, Mondale, Church, Cranston, Kennedy, Case, McIntyre and Hatfield. A companion measure has been introduced in the House.

The Nelson bill would:

Forbid imposition of a per piece surcharge on second class mail.

Roll back pound rates on the first 250,000 copies of second class publications to the temporary rates in effect last June.

Specifically instruct the Postal Service to set rates to "encourage and support the widest possible dissemination of news, opinion, scientific, cultural and educational matter."

Although Congress cannot be expected to reassert direct control over rates, Fiester said the hope is for a ban on the surcharge (a device several times offered by past postmasters general and uniformly rejected by past congresses); a clear legislative admonition to the Postal Service on the primary importance of the public interest; and a ceiling on second class increases.

Fiester said:

"We believe second class publications should be willing to have their rates raised roughly in proportion to the increase in unit costs of the Postal Service as a whole. This would do away with the ancient argument that resisting rate increases is an act of war against postal employees.

"There are more troublesome snags. One is the indisputable fact that postal rates within the means of most non-profit second class mailers—and a lot of commercial second class, too—will require government subsidy on a continuing basis, to the end of time . . .

"But this runs into the loudly-trumpeted proposition that the Postal Reorganization Act of 1970 was intended to make the Postal Service "self-supporting" within a measurable time—perhaps a decade. Congressmen who believed this proposition—or, even worse, said so out loud—are now asked to change their minds. This doesn't come easily. . . .

"The toughest obstacle of all, it seems to us, is that most members of Congress were heartily sick of the rate-making and wage-setting decisions forced upon them by the old system. They truly want these decisions to be made by the quasi-independent Postal Service created by the 1970 act. We can get the relief we so desperately need only by convincing a Congressional majority that the new apparatus is violently abusing the public interest . . ."

[From the New World, July 28, 1972]

NEW POSTAL RATES A THREAT

(Catholic weekly newspaper of the Chicago Archdiocese)

For a long time the Catholic press has been protesting the postal rate increase faced by newspapers and magazines under the new U.S. Postal Service. Therefore it is good news to find that some of the metropolitan daily papers have awakened to the problem.

As Tom Wicker of the New York Times points out about the proposed increases, in an article published in Chicago Today: "It's impact on the flow of ideas and opinion in America is likely to be catastrophic, for it is precisely upon smaller, usually less profitable publications that it will impose the heaviest burden."

Mr. Wicker notes that "it has been Congressional policy since 1972 to provide certain preferential postal rates, not to enrich publishers but because, as Justice Douglas once put it, it was considered that "periodicals which disseminated "information of a public character" or which were devoted to "literature, the sciences, arts, or some special industry" . . . contributed to the public good.

"That is not quite the same thing as subsidizing corporate farmers . . . or subsidizing oilmen with the depletion allowance," Mr. Wicker continues: "the Senate Post Office and Civil Service Committee, reporting on the legislation establishing the Postal Service in 1970, made it quite clear that 'the Postal Service is in fact and shall be operated as a service to the American people, and not as a business enterprise.' "

We join Mr. Wicker in urging that the Congress roll back the second-class rate increases. These can cause the death of many smaller, urgently needed publications—particularly among diocesan newspapers.

Sen. Gaylord Nelson (D., Wis.) has introduced a bill to prevent the planned increases in postal rates for magazines and newspapers. It would freeze the rate at the current level for those with circulations of 250,000 or less. Those with larger circulations would have extra charges per copy above 250,000 but the rate increase would be initiated over five to 10 years.

Senator Nelson sharply criticized the Postal Services for seeking an average 127% increase in second-class rates, which he said could drive many small publications out of business.

The threat of the increases already has put some smaller publications out of business; many more will follow if the Postal Service's program is not changed.

[From the Topeka (Kans.) State Journal, July 29, 1972]

FREE FLOW OF OPINION IN JEOPARDY

Postal rate increases which threaten to stifle the free flow of information and opinion, through a ruinous effect on magazines, newspapers and other publications, are the target of a legislative remedy championed by Sen. Gaylord Nelson, D-Wis., and a group of colleagues in the U.S. Senate.

Nelson has introduced a bill to head off a whopping hike of 127 per cent for second-class mail, as proposed by the postal service in its zealousness to find new revenues.

It would, instead, freeze already-increased rates for mailing of such matter—up to 250,000 copies of each—at the level existing on June 1 of this year.

The senator expresses deep worry, not simply for the business perils involved, but that the American public will be the loser in a more restricted exchange of ideas and comment, which has been the bulwark of their freedoms.

Nelson, and others aware of the threat, have drawn attention to the historic precedents going back to the earliest days of the new republic seeking to assure the widest latitude for sharing views in shaping public affairs and exchange of knowledge.

"For 178 years," says Nelson, "Congress endorsed the concept of low postal rates for printed publications circulated through the mail. In passing the Postal Reorganization Act of 1970, I do not think Congress turned its back on this historic policy nor put aside its concern for the basic educational and informational services which this self-governing nation requires and which the U.S. mail uniquely provides.

"The proposition that a healthy democracy depends upon the wide distribution of diverse information by publications sent in the

mail is just as valid in 1972 as it was in 1792 when Congress first put this principle into law."

His bill would call upon Congress to reaffirm this obligation by specific language in the act under which the postal service operates, "to provide postal service at rates which will encourage and support the widest possible dissemination of news, opinion, scientific, cultural and educational matter."

Significantly affected by higher postoffice charges are the myriad periodicals and weekly and small daily newspapers whose circulation depends largely upon mail delivery. They are a highly important segment of the overall media, depended upon by millions of people for enlightenment and discussion of local and national affairs.

All citizens may well share the concern of Sen. Nelson and his colleagues for a situation which could erode the very foundations of an enlightened democracy.

THE REPUBLICAN NEWSPAPER
OF CALIFORNIA,
March 30, 1973.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: We were delighted to read in the San Diego Union about your measure to freeze at the present level the postage rates for the first 250,000 issues of newspapers and magazines.

Can you please tell us the status of the measure at this point?

The proposal rate hikes are a matter of great concern to us. We feel, as you do, that they would present a serious threat to the existence of small presses.

If we can be of any service to you in this matter, please be sure to let us know.

Sincerely,

JOAN B. GREEN,
Contributing Editor.

POLITICS & SOCIETY,
Los Altos, Calif., March 28, 1973.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Your efforts on behalf of little journals are much appreciated by *Politics and Society*. Increases in postage rates have made it increasingly difficult for us, and other journals like us, to survive. What in your opinion, would be the most appropriate way for us to assist your efforts in getting the Senate to pass S. 630? Should we direct correspondence at the Senate Post Office and Civil Service Committee, or might testimony by journal editors be more useful?

Sincerely,

IRA KATZNELSON.

LA CROSSE TRIBUNE,
La Crosse, Wis., March 29, 1973.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: We know there are many newspapers that will supply you with great rhetorical expression about the need to provide wide distribution of diverse information, and other historical background. This is great for our side, but we think it is more impressive to tell you that the rate increase proposed for July will raise our second-class postage bill 33 per cent—from $45,000 to $60,000 a year.

Traditionally we have raised our subscription rates by only those amounts to keep pace with the postage increases and of course have met resistance from our rural readers. To offset the loss of several thousand mail subscribers resulting from price increases, we have established a network of motor route delivery operated by independent contractors to give *same day-seven day* (including postal holidays) right to the farm homes.

In spite of the emergency measures we have adopted—they can only be called delaying actions—our mail circulation will continue to shrink because we will be forced to again raise our mail subscription rates—a continuation of a vicious circle created by exorbitant postage rates.

Our mail subscribers will not be able to express their opinion on these important matters involving postal rates and the manner in which it effects them. You will be providing a great service to rural America if you can somehow describe their position emphatically and truthfully.

Sincerely yours,

ED KEEFE,
Circulation Manager.

STAUFFER PUBLICATIONS, INC.,
Topeka, Kans., March 29, 1973.

Hon. GAYLORD NELSON,
U.S. Senator, Washington, D.C.

DEAR SENATOR NELSON: What must we do to get across to Congress that the whole tenor of American life is being changed by the high rate of second class postage?

Our company besides publishing small dailies also puts out Capper's Weekly (465,000 copies) each week. These rates threaten to force us to discontinue Capper's Weekly which has been published for more than ninety years, and, until 1954, was owned by Senator Arthur Capper.

This magazine goes to every state and to many foreign countries and is read by rural and small town people.

Our fifteen small daily newspapers that we also publish are likewise fighting for their existence.

I hope Congress will see the light and change the direction in which we are headed hell bent.

Sincerely yours,

OSCAR S. STAUFFER.

TRANSACTION INC.,
New Brunswick, N.J., March 29, 1973.

Hon. GAYLORD NELSON,
U.S. Senator, Washington, D.C.

DEAR SENATOR NELSON: Thank you for your letter of March 21 and the informtaion therein contained on your activities with respect to the permanent postal rate increases; and beyond that, some means for congressional legislative support—either for relief of such mail increases, or beyond that, direct subvention.

My friend and colleague at *The New Republic*, Bob Myers, probably has put the matter right in clearly delineating a difference between those magazines in the area of public service which survive from subscription income, and those magazines dedicated to advertising premises and who primarily serve the commodity and business constituencies.

We very desperately need relief, and failing that, some form of subvention; but above all, there must be a clear and distinct separation between modest and very often profitless operations that have been the beacon light of the American liberal imagination since the founding of the nation and those magazines that have no such larger purposes.

It is important here to note that even "special interest magazines" may be of the former or latter variety. The magazine of *Tennis or Yachting* is not necessarily the same as *The Progressive*—or for that matter, society. I am not entirely sure this distinction has been driven home sufficiently; and as a result, the very tenor and nature of the discussion has largely been handled by the magazine association on one hand, and the postal authorities on the other, crunching, but hopefuly not crushing the public service publications such as our own.

Because of this, I am genuinely appreciative of the support you and your colleagues have given to the principle of congressional support for the dissemination of the diversity of thought. Our own Committee for the Diversity of the Press had given testimony earlier on this subject; and I am certain that I express our common sentiment when I say that I hope you are successful in this activity.

Yours, very truly,

IRVING LOUIS HOROWITZ,
Editor-in-Chief.

RIPON COLLEGE,
Ripon, Wis., March 27, 1973.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Continually rising costs and the tightening of college enrollments across the nation have placed a severe financial strain on private colleges and universities.

Historically we have enjoyed the privilege of mailing student recruiting, alumni and fund-raising literature at economical 2d Class rates. Any significant increase in these rates will deal a severe blow to our efforts to maintain effective communication with prospective students, alumni and donors to this private educational institution.

Sincerely,

KENNETH E. LAY,
Director of Public Relations.

THE AMERICAN LEGION,
Washington, D.C., March 15, 1973.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: The new rate increases arbitrarily imposed on non-profit second-class mailers by the Postal Rate Commission are so excessive and unreasonable that many publications will not survive unless relief is granted by the Congress. The American Legion Magazine, the American Legion Auxiliary National News and many of the state publications of both organizations cannot long continue to publish under the existing phased rate schedule.

The American Legion Magazine was established in 1919, at the time the organization was chartered by the Congress. It is mailed to all Legionnaires and to schools, libraries and veterans hospitals throughout the country. The magazine provides information on matters of concern to veterans and their dependents, and contains articles on patriotism, youth programs and the history and culture of our country. The editorial content averages 75% and the advertising content is 25% or less in each issue. The average press run is 2,700,000 issues per month.

Five years ago the cost of mailing the Legion magazine was approximately $140,000 a year. Last year the cost was $313,000. Under the present schedule of rate increases, by 1980 the cost of mailing the magazine will skyrocket to nearly $1,000,000 a year, an increase of 235%.

The principal inequity is the new charge of up to 1.5 cents per piece because this additional cost does not adjust for publications with a low percentage of advertising income. Until the new schedule of rates became effective, a per piece charge had never been imposed upon authorized nonprofit mailers. This charge is in addition to the per pound rate increase schedule now in effect.

For over half a century prior to enactment of Public Law 91-375 (Postal Reorganization Act), the Congress provided preferential mail rates for publications of veterans organizations, churches and other non-profit groups who disseminated information of benefit to their members and to the public. The language of the Postal Reorganization Act clearly indicates that the Congress had no intention of abandoning the traditional treatment accorded these organizations.

The projected schedule of increases of the Postal Rate Commission will practically eliminate the gap between the profit publications and the non-profit mailers. The Commission has callously ignored those provisions of the Postal Reorganization Act and 55 years of Congressional policy concerning the rate treatment of non-profit organizations. The rates discriminate against a class of publications which are least able to absorb the increases and whose history has been one of disseminating news and useful information in the public interest rather than becoming income oriented through the sale of large amounts of advertising. Subscription costs of our magazine and other Legion publications cannot readily be passed on to our members because these costs are part of the dues structures of the organization.

The Congress should reassert its historic policy which recognizes the enormous contribution that second-class non-profit publications make to the culture of our country. A reassertion of this policy must be accompanied by legislation reestablishing fair and equitable postal rates for authorized non-profit mailers.

The American Legion and the American Legion Auxiliary have always published in strict compliance with the law and the intent of the Congress. We should not be forced to discontinue or curtail our efforts to keep our members informed on matters of vital concern to them. Legislation has been introduced in this session to provide some relief. I respectfully urge you to support it and help our publications to survive.

Sincerely yours,

JOE L. MATTHEWS,
National Commander.

THE COOPERATIVE LEAGUE OF THE USA.,
March 1, 1973.

Hon. GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: As the Legislative Director of the Cooperative League of the U.S.A. I have been asked to forward to you the enclosed letter from the officers of the Cooperative Editorial Association expressing support for your bill, S. 630.

They are united in this matter because the proposals of the present Post Office management will put many of them out of business if not changed.

You have their permission to put the letter in the Record or any other way that will be helpful.

Sincerely,

SHELBY E. SOUTHARD,
National Commander.

JOURNAL OF THE EXPERIMENTAL ANALYSIS OF BEHAVIOR,
Rochester, N.Y., February 22, 1973.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: I want to thank you for introducing your bill concerning the exemption of small journals from the proposed postal service rate rise. We have only 4,000 subscribers and are, as are many other scientific journals, a rather marginal operation, with only two full time employees. Last year we were $7,000 in the red. Since our bill for postage was $4,200 you can see that any large percent increases in that would be likely to do us in completely.

Again, thank you for your help. I hope you succeed.

Sincerely yours,

VICTOR G. LATIES,
Professor.

AMERICAN BANKER,
New York, N.Y., February 22, 1973.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: As you know I have followed with keen interest your aggressive work on behalf of the publishing industry in the problems it faces with rapidly rising costs and poorer and poorer performance from our postal service.

It is nice to know that there is a distinguished member of the Senate who has an appreciation for the problems we face. Your Bill which would reduce the rate for the first 250,000 copies of each publication to the level of June 1, 1972, would be a great boon to the smaller publishers.

Please keep up the good fight, and if there is any way I can be of service to you, please let me know.

Respectfully yours,

———————.

ENVIRONMENTAL ACTION,
Washington, D.C., February 20, 1973.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: I wish to state my strong support for your recent bill, S. 630, to reduce postage rates for magazines with limited circulation.

As you are well aware, there are numerous financial pressures on magazines these days. With the proliferation of smaller specialized magazines, there is also pressure to keep prices down, as the market can only bear so much. For non-profit organizations like ours, it is especially difficult to make ends meet. Obviously, ever-spiralling postage expenses severely cut into our program.

What is particularly galling about the postage increase is the unbelievably poor service we receive at the hands of the Postal Service. It is not uncommon—in fact, it is the usual case—for a copy of our magazine to take between one and three weeks to reach many of our subscribers. I know of no reader who gets *Environmental Action* in less than five days after it is mailed.

We support your continued action in this direction. Please let us know if we can be of assistance.

Sincerely,

PETER HARNIK,
Editor.

FLIGHT ENGINEERS' INTERNATIONAL ASSOCIATION,
Washington, D.C., February 12, 1973.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Thank you for the Congressional Record January 31, 1973 and for your continuing fight to allow small publications such as our FEIA NEWS to remain in existence through implementation of reasonable postage rates.

Sincerely,

ERROL L. JOHNSTAD,
President.

COOPERATIVE EDITORIAL ASSOCIATION,
Chicago, Ill., February 20, 1973.

Hon. GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: This is to record the strong support of our Association for S. 630, the bill to encourage dissemination of news and opinions through the mails, through keeping the June 1, 1972, limit on second-class postal rate increases. We appreciate your action and those of other Senators in backing these measures.

Our Association is made up of editorial workers on publications owned by or written for cooperatives of all types. These are membership publications that reach families totalling more than 20 million members of cooperatives. Needless to say, the application of fair and reasonable second-class postal rates is the lifeblood of these membership organs, which are not operated to make a profit but to provide essential information to owners of these associations. Prohibitive rates as proposed by the U.S. Postal Service would make publishing these (usually small) publications extremely difficult if not impossible. We would appreciate your continued efforts on behalf of this legislation and will urge our members to follow through, in gaining additional support for it.

Sincerely,

PHILIP J. DODGE,
Executive Secretary.

THE AUTHORS LEAGUE OF AMERICA, INC.,
New York, N.Y., February 9, 1973.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: The Authors League wishes to thank you for introducing your bill to prevent the projected massive increase in second class mailing rates. The Authors League has testified in the House before Mr. Udall's Subcommittee in favor of such legislation. We have asked Senator McGee for an opportunity to testify during the forthcoming hearings on the operations of the Postal Service and we will support your bill.

Sincerely yours,

MILLS TEN EYCK, Jr.,
Executive Secretary.

THE LUTHERAN,
Philadelphia, Pa., January 5, 1973.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: The recent demise of LIFE magazine adds urgency to your proposed legislation to freeze second-class mailing rates and to prevent disastrous increases in the per-piece surcharge. As you re-introduce the measure in this session of Congress, I hope prompt action can be taken by the Committee on Post Office and Civil Service to schedule hearings and produce some action.

With thanks for your continued interest in this matter,

Sincerely yours,

ALBERT P. STAUDERMAN,
Editor.

NEWPORT COVENANT CHURCH,
Bellevue, Wash., December 7, 1972.

Senator GAYLORD NELSON,
New Senate Office Building,
Washington, D.C.

DEAR SIR: I write to encourage you in the bill which you have introduced which would freeze all second class rates at the level of June 1, 1972 for the first 250,000 issues of magazines and newspapers sent through the mails, and would drop the 1½ cents per piece surcharge on all second-class publications. Your bill is commendable and highly in order and in keeping with the spirit of our American democracy. Thanks for your proposal. I sincerely hope it passes.

Sincerely yours,

DELMAR L. ANDERSON, *Pastor.*

THE ADVOCATE,
East Orange, N.J., October 9, 1972.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: I am very much interested in your Senate Bill 3758 to prohibit the imposition of a per-piece surcharge which has been proposed by the Postal Service, and wish to add my support to your efforts.

If and when such an increase as now proposed goes into effect, the results would be catastrophic. Such a rate increase would be unsurvivable for many non-profit publications.

One reason Congress instituted second-class rates was to promote the widespread distribution of printed matter, the theory being that an informed citizenry was one of the best possible safeguards of democracy. That holds true today. However second-class mail would be threatened if existing plans of the Postal Rate Commission are implemented. We look to Congress for survival.

Please keep me informed as to the progress of your Bill and I would appreciate a copy of S-3758.

Wishing your Bill quick passage and with warm personal regards, I remain

Cordially,

ALLEN C. BRADLEY,
Circulation Manager.

THE MISSIONARY TIDINGS,
Winona Lake, Ind., October 19, 1972.

Senator GAYLORD NELSON,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR: As a former Wisconsinite—and soon to return there—I am proud of your integrity in political office. And as editor of a small church magazine, I am very concerned that Bill S. 3758, which you sponsored, be passed.

I am enclosing a carbon copy of my letter to Senator Gale W. McGee which explains our position. I sent similar letters to Repreresentatives Thaddeus J. Dulski and Morris Udall and to the senators from Indiana. I hope you and the various state representatives are flooded with mail from the many who see no justification for this drastic increase.

Sincerely,

ALICE FENSOME.

THE HENRY F. HENRICHS PUBLICATIONS, INC.,
Litchfield, Ill., September 26, 1972.

Senator GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: I have just read with interest the item in the September issue of "The American Legion Magazine" corncerning your position on second class postal rates. I appreciate your letter to the Editor of "The American Legion Magazine" with reference to your bill S. 3758, which we hope will gain much support and can be put into law.

As publishers we realize how great the blow has been by the increase in second class rates and how difficult it is to continue to pay higher rates for second class mail service, which has certainly not been improved.

We commend you for your attitude in this matter and your action in preparing legislation that we hope will be successful.

Sincerely,

GARTH HENDRICHS.

GOOD NEWS,
Wilmore, Ky., September 12, 1972.

Senator GAYLORD NELSON,
Chairman, House Employment Manpower and Poverty Committee, New Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: I am writing to protest the recent increase in postage rates for religious publications. The radical increase in cost will make it very difficult for non-profit publications such as ours. Since we do not exist to make profit, as do the commercial publications, it seems grossly unfair that we should be forced to pay this unreasonable postage increase.

Those who use the mails for selling merchandise—particularly the direct mail promotion people—are the ones who should pay the postage increase. We certainly do not object to paying a fair share of the cost, but when the postage rates reach a level at which many non-profit publications would be forced to suspend, then the postage rate becomes a punitive measure.

In the interest of fairness, I want to ask you to use your influence to change this discriminatory legislation.

Sincerely,

CHARLES W. KEYSOR,
Editor.

GOSPEL PUBLISHING HOUSE,
Springfield, Mo., September 11, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR NELSON: I am writing to express appreciation to you for Nelson Bill (S. 3758). We believe this bill will greatly affect publishers of magazines and newspapers and we trust it will receive favorable consideration by those whose responsibility it is to either accept or reject passage.

Thanks again for your part in proposing this important legislation.

Cordially,

WILLIAM G. EASTLAKE,
National Director, Division of Publication.

WORLD EVANGELISM, INC.,
San Diego, Calif., September 8, 1972.

Senator GAYLORD NELSON,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: As the publisher of Deeper Life magazine I wish to thank you for your bill (S. 3758) which would freeze postage rates at the June 1 level for the first 250,000 sent through the mails.

This would mean so much to so many if this bill is passed.

Yours very truly,

MORRIS CERULLO.

CHILD EVANGELISM,
Grand Rapids, Mich., September 8, 1972.

Hon. GAYLORD NELSON,
Chairman, House Employment Manpower and Poverty Committee, New Senate Office Building, Washington, D.C.

MY DEAR SENATOR: As an editor of a non-profit Christian magazine for workers with children, namely, Child Evangelism, I take this opportunity to commend you on your encouraging bill (S. 3758) which would freeze postal rates at the June 1, 1972 level for the first 250,000 copies of magazines and newspapers sent through the mail.

Your bill would also eliminate the cent-and-a-half surcharge that the Postal Rate Commission had recommended.

Your bill will mean the difference between the demise or continuation of magazines which have been wholesome as well as a strength to Judeo Christian culture of USA.

This letter is not only to commend you but to support you in this effort. In addition you will find carbon copies of letters which we are today addressing to Senator Gale W. McGee, Chairman, Senate Post Office and Civil Service Commission, also Representative Thaddeus J. Dulski, Chairman, House Post Office and Civil Service Commission, and Representative Morris Udall, Chairman, House Subcommittee on Postal Service.

In supporting your bill, we think it would correct certain aspects of the postal reorganization Act of 1970 which overlooked the importance of free expression and the widest possible dissemination of wholesome information and ideas, planned and hoped for by our founding fathers and supported by them in the need for low cost postal rates for magazines and newspapers.

Cordially yours,

Rev. P. W. BENNEHOFF,
Managing Editor.

ROCHESTER, MINN., *August 28, 1972.*

Hon. SENATOR NELSON,
Senate of U.S., Washington, D.C.

DEAR SENATOR: It has come to my attention that the Postal Department is attempting to raise the price of mailing periodicals such as Church affiliated newspapers and that you have sponsored a bill No. 3758 in the Senate to put curbs on this idea.

Thanks to you, and I hope the thinking of others that this attempt will be stopped. . . I realize there is need for more revenue in the P.O. service but perhaps this step they propose will be hurting the "grass root publications," I feel we have a great need for.

Altho I am from another state I watch with interest legislation by our national leaders and I admire your stand on the issue of which I write.

Sincerely,

WALT BRUZEK.

FAR WEST SKI ASSOCIATION,
San Francisco, Calif., August 25, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: On behalf of the association, we wish to express our support of your S. 3758 which seeks relief for certain second-class postage users.

The association, a division of the United States Ski Association, publishes twenty times yearly its own tabloid newspaper. The rates proposed by the Postal Service would be a severe blow to the financial health of the association, which is a non-profit corporation under the laws of the State of California.

Would you please inform us as to other members of the Senate whom we should contact, and what other actions you recommend?

Sincerely,

JOHN WATSON,
President.

WOMAN'S NATIONAL AUXILIARY CONVENTION,
Nashville, Tenn., August 24, 1972.

Senator GAYLORD NELSON,
Chairman, House Employment Manpower and Poverty Committee, New Senate Office Building, Washington, D.C.

DEAR SIR: As editor of the Co-Laborer magazine I want to thank you for and commend you for the bill S. 3758 that you have recently introduced.

The Co-Laborer is a 2nd class religious non-profit publication with a circulation of 13,000. Our women shall be praying for you as you and your staff work on the passage of this bill.

Sincerely,

CLEO PURSELL,
Executive Secretary-Treasurer.

THE SUNDAY GUARDIAN,
Newark, N.J., August 14, 1972.

Senator GAYLORD NELSON,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: Thank you for introducing bill S. 3758 in the U.S. Senate. As one who has given his life to this publication and has never accepted a paid advertisement we sincerely hope your bill will keep the rates down.

Respectfully yours,

ROBERT S. WOMER.

AUGUST 7, 1972.

Senator GAYLORD NELSON,
Chairman, House Employment, Manpower and Poverty Committee, New Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: The introduction of your bill (S. 3758) is a bright development for all of us in the field of church publications, and I wish to commend you for this fine work.

Let us hope and pray for the passage of your bill which will correct certain aspects of the Postal Reorganization Act of 1970.

Thank you for what you are doing with reference to this important matter.

Sincerely yours,

O. W. POLEN,
Editor in Chief.

OAKLAND, CALIF.,
August 4, 1972.

Senator GAYLORD NELSON,
Washington, D.C.

Respectfully solicit your support of Nelson S. 3758 bill for press freedom of the huge postal increase on second class mail will force many viable publications to cease publication. Our auditor has forecasted an increase from 15,000 per year to more than 45,000 at the end of the 10 year period. We simply cannot stay in business if this increase becomes a reality.

FRANCIS A. MAUROVICH,
Editor.

THE MORNING STAR,
Lafayette, La., August 4, 1972.

Hon. GAYLORD NELSON,
Committee on Labor and Public Welfare, New Senate Office Building, Washington, D.C.

MY DEAR SENATOR NELSON: As Editor of our Diocesan newspaper, I wish to commend you for the much-needed relief in postal rates provided in the legislation which you are proposing in the Senate today.

We have been fortunate in locating the printing of our paper nearby. For years it had been printed out of state. Our mailing costs, however, even at the present time are a great financial burden. We truly need the succor your bill provides.

Many thanks.

Sincerely yours,
(Rev. Msgr.) RICHARD VON PHUL MOUTON,
Editor.

LABOR,
Washington, D.C., August 3, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR GAYLORD: This is a belated note to express our deep appreciation for the bill you have introduced, with 12 co-sponsors, to freeze postal rates for small publications and to provide a rollback.

We carried a story about your bill in the July 15 issue of LABOR, which you may have seen, but in case you haven't I'm enclosing a tearsheet containing the story.

We were particularly pleased that you underscored the disastrous impact of the postal rate surcharge on the "smallest, lightest weight" publications, particularly those in the non-profit category. The latter face 750 per cent in aggregate increases over a 10-year period under the rates established by the Postal Service. Such non-profit publications have already been hit by a 100 per cent raise in postal rates this year as a first installment.

I am enclosing several additional tearsheets from LABOR with marked stories which describe the seriousness of the rate increases for non-profit periodicals. You may want to have this information for future use.

You are a great Senator and I want to salute you.

Sincerely,
RUBEN LEVIN,
Editor and Manager.

NATIONAL CHRISTMAS TREE GROWERS' ASSOCIATION, INC.,
Milwaukee, Wis., August 3, 1972.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: We appreciate and support your leadership in the matter of preserving the concept of low postal rates for printed publications. We will pass the word.

Sincerely,
ALEXANDER T. DAVIDSON,
Secretary.

CAPUCHIN,
August 2, 1972.

DEAR SENATOR NELSON: Enclosed is a copy of a letter that I wrote to Senator Gale McGee regarding your bill S. 3758. Being a Wisconsinite by birth and claim, I have always been a fan of yours and even more so in the bills you have sponsored and supported.

Presently I am a Michigan resident and am also writing to my two Senators here to support you in this bill.

I feel the religious press does valuable work and service for our country—in defusing the emotionalization of the biases that tend to cripple us as a country and in helping us become a more rational people. The loss of our publication would be small, but it would only be a symptom of what is yet to come.

I support you wholeheartedly, and if there is anything I can do to gain support for this bill, don't hesitate to ask.

Sincerely,
FR. ALLEN GRUENKE,
Editor, Sandal Prints.

THE BAPTIST MESSAGE,
Alexandria, La., August 2, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR NELSON: Let me take this opportunity to thank you for the legislation which you have introduced relative to the postal rate increases for church publications.

The new postal rates will do serious, serious, damage to religious journals if allowed to escalate as scheduled.

Sincerely,
JAMES F. COLE.

THE NEW YORKER,
New York, N.Y., August 2, 1972.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: William Shawn has shown me your letter concerning your interest in the proposed 127 per cent increase in the second-class postal rate.

Indeed, an increase of anything like that amount would simply paralyze our business—and as you so clearly discern, our business is the national press of this country.

I would like to thank you for your concern and your interest in writing us.

Yours sincerely,
DAVID D. MICHAELS.

CITIZENS FOR EDUCATIONAL FREEDOM,
Washington, D.C., August 1, 1972.

Senator GAYLORD NELSON,
Committee on Labor and Public Welfare, New Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: As vice-president of Citizens for Educational Freedom and as editor of its quarterly publication, a sample of which is attached, may I commend you for your effort to freeze rates on second class publications with circulation of 250,000 or less.

Our organization is one which has been working since 1959 to assure freedom of education in this nation but, as with all citizen groups with more desire than money, we would find it next to impossible to meet higher mail rates to our 50,000 subscribers.

Today I am writing to Senator Gale W. McGee asking that he give favorable consideration to your bill, a necessary piece of legislation if we are to "encourage and support dissemination of news, opinion, cultural and educational matter" through the mails.

Again, may I extend to you my appreciation.

Sincerely yours,
EMILE COMAR,
Vice-President.

MAGNIFICAT,
Buffalo, N.Y., August 1, 1972.

Senator GAYLORD NELSON,
Committee on Labor and Public Welfare, New Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: The enclosed copies are for your information.

Your appreciation of the plight of second-class mail users and the relief you are trying to secure for them through legislation by your introduction in the Senate of bill S. 3758 has won the heartfelt thanks of every religious publication.

We believe the letters that we sent to our Senators and key Congressmen will help achieve passage of your bill through the Senate in its present form.

Very truly yours,
JOSEPH F. DI MAIO,
Comptroller.

CHRISTIANITY TODAY,
Washington, D.C., August 1, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR MR. NELSON: Thank you for your July 8 letter. I approve of the legislation which you have introduced into the Congress concerning the second class postal rates for magazines, etc.

You have my enthusiastic support and endorsement of this move. Thank you for your interest and concern.

With every good wish, I am
Sincerely yours,
HAROLD LINDSELL.

WISCONSIN SOCIETY OF PROFESSIONAL ENGINEERS,
Madison, Wis., August 1, 1972.

GAYLORD NELSON,
U.S. Senator, U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Thank you for your letter advising us of your feelings relative to the increase in postal rates for publications. We share your concern that this increase will stifle the free flow of ideas and will threaten the continuation of many publications including the Wisconsin Professional Engineer.

I am not opposed to reasonable and equitable second class rate increases but a 127% increase appears totally unjustifiable.

As we seek lasting solutions to the many great problems and needs of our people, any curtailment of scien-tech information can only be disastrous.

You are to be commended for your initiative and positive action in introducing S 3758. Thank you.

Sincerely,
GLENN E. BURG,
Editor.

COURIER-JOURNAL,
July 31, 1972.

Senator GAYLORD NELSON,
Committee on Labor and Public Welfare, New Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: Enclosed is a copy of a letter that I am sending today to Senators McGee, Fong, Javits and Buckley. I am also sending similar letters to Congressmen Dulski, Conable, Horton, Derwinski, and Rev. Morris K. Udall.

May I offer our support for the introduction of your bill to the Senate which will allow newspapers like ours to continue publishing.

If I can be of help in anyway, please feel free to call on me at anytime.

Sincerely,
ANTHONY J. COSTELLO,
General Manager.

THE WASHINGTON POST CO.,
Washington, D.C., July 31, 1972.

Hon. GAYLORD NELSON,
U.S. Senator, Old Senate Office Building, Washington, D.C.

DEAR SENATOR NELSON: Thank you for sending me your statement on postal rates made in the Senate June 28. We are deeply appreciative of your understanding of this issue and of the magazine publishers great concern about it. Oz Elliott has told me of his meeting with you. I am very hopeful that something can be done to alleviate the threat to many publications as well as Newsweek.

Sincerely,

KATHARINE GRAHAM.

CHEYENNE NEWSPAPERS, INC.,
Cheyenne, Wyo., July 31, 1972.

Hon. GAYLORD NELSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR: Thank you so much for your letter of July 20 and the enclosed statement made by you to the Senate the last of June. I have read all the information you mailed with more than casual interest.

Needless to say, I am much in agreement with your position. Whether or not the Postal Service Board of Governors intended their actions to become a serious threat to the freedom of the press, there can be no doubt as to the end result as far as many magazines and small newspapers are concerned. We have reprinted the Washington Star editorial on this topic and are preparing an editorial of our own for publication soon.

Your support is deeply appreciated.

Sincerely,

ROBERT S. MCCRAKEN.

THE SPARTANBURG HERALD,
THE SPARTANBURG JOURNAL,
July 31, 1972.

Hon. GAYLORD NELSON
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: We greatly appreciate your letter of July 18 with enclosure of your statement before the Senate concerning proposel Postal rates.

The proposed increase of 127 percent is outrageous and poses a grave danger to our Country's free press.

I am quite certain that the Board of Governors of the United States Postal Service has lost sight of the original intent of the Congress in setting postal rates to foster the dissemination of news and opinion among the people of a self governing democracy.

This oversight by the Board of Governors must be corrected by the Congress if we are to save the two to three thousand small daily and weekly newspapers which today are still the only local media of millions of Americans.

Sincerely,

FRED D. MOFFITT,
Publisher.

NEW YORK, N.Y.,
July 28, 1972.

Hon. GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: I am in your debt for the privilege of reading the text of your June 28 Senate statement on the postal rate increases. It is, to my mind, the most effective and comprehensive analysis I have seen anywhere on the subject. The combination of historical background and detailed knowledge of the way publications operate gives your statement extraordinary value. My compliments and congratulations.

Recently, I testified before the House Committee in a somewhat similar vein. The text of that testimony is enclosed.

With all good wishes,

NORMAN COUSINS.

HARTE-HANKS NEWSPAPERS, INC.,
San Antonio Tex., July 28, 1972.

Mr. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: I received your letter of July 20 in which you discussed the 127 percent increase in second-class mail rates. I agree with your position and hope that your colleagues will be persuaded to concur.

Sincerely,

ROBERT G. MARBUT.

THE AMERICAN LEGION,
Milwaukee, Wis., July 28, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: We have received a copy of your remarks in the Congressional Record and in newspaper articles had noted your position in support of second-class publications.

We do wish to express our thanks and appreciation to you for your efforts, since the monthly Badger Legionnaire, the official publication of the Wisconsin American Legion, is naturally affected by the postal rates.

With kindest regards, I am

Sincerely yours,

ROBERT G. WILKE,
State Adjutant.

COMMENTARY,
New York, N.Y., July 27, 1972.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Thank you very much for sending me your statement of June 28 on the issue of second-class postal rates. I agree with your general position and I certainly hope you succeed in your fight against these postal increases.

Sincerely,

NORMAN PODHORETZ.

EDITOR AND PUBLISHER,
New York, N.Y., July 27, 1972.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Many thanks for your letter of July 20 and your enclosure from the Congressional Record explaining your position on the public service aspect of second class mail and your bill S. 3758 which would reiterate Congress's historic position with respect to the widest distribution of information and opinion at the lowest cost through the mails.

As you probably know, it has been our editorial position that Congress should do just that. I have used your letter and material as the basis for a personal column as well as an editorial in our next issue of July 30.

Cordially yours,

ROBERT U. BROWN,
President.

BUILDING OPERATING MANAGEMENT,
Milwaukee, Wisc., July 27, 1972.

Hon. GAYLORD NELSON,
U.S. Senator,
Washington, D.C.

DEAR SENATOR NELSON: Thank you very much for your letter of July 20th forwarding to us the copy of the Congressional Record in which you so eloquently discussed the need for a low second-class mail service in the United States. As publishers of two small size trade journals, we are vitally concerned about the U.S. Postal Service.

Not only are we concerned about the high cost of distribution but we are equally concerned with the relatively slow delivery of controlled circulation magazines by the service. We had hoped with the increase in rate that the service would have improved. Perhaps we can expect to see this in the future.

We do appreciate your interest in our problems and hope that you will continue to speak out.

Sincerely yours,

ROBERT H. APPLE,
Publisher.

THE NEW DEMOCRAT,
New York, N.Y., July 26, 1972.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Thank you very much for sending me your statement on the issue of second-class postal rates.

I can only hope that you are successful in this vital effort. The future of magazines like the one I edit and publish, The New Democrat, are directly dependent on the ability to circulate its copies at low cost rates. If those rates are raised, the new Democrat (and other similar magazines) will fail.

Furthermore, the new Democrat is not sold (except in a few, confined areas) at the newsstands. Its entire existence is predicated on its ability to continue to mail within the priviledged second-class category.

I hope you will keep me in touch on your future efforts in this area. If you would desire any testimony or supporting statements on the problems of small magazines, please notify me. I would be most delighted to help in any way possible.

Thank you so much again.

Sincerely,

STEPHEN SCHLESINGER,
Editor and Publisher.

KENOSHA NEWS,
Kenosha, Wis., July 26, 1972.

Senator GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: I have your letter of July 20 concerning the second class postal rates.

Your concern is much appreciated not only by newspapers but by all publications and, in particular, magazines, some of which would find it difficult to survive were certain proposed postal rates to become law.

With every good wish, I remain

Sincerely,

HOWARD J. BROWN,
Publisher.

AMERICA,
New York, N.Y., July 25, 1972.

Hon. GAYLORD NELSON,
Washington, D.C.

DEAR SENATOR NELSON: My sincerest thanks for your letter of July 20 outlining your views on the increase of 127 per cent for second-class mail rates recently announced by the Postal Service. It is difficult for me to express how much the enlightened interest of you and your distinguished colleagues in the United States Senate means to all of us who are struggling daily for the survival of the American tradition of a free and independent press.

Your statement of June 28 introducing S. 3758 was a masterly presentation of the case for continuing those public policies that insured the widest possible distribution of different points of view and independent information throughout the country. It is reassuring to have this confirmation of your understanding that Congress did not intend to turn its back on a policy that seems more than ever vital for the welfare and progress of our nation as we have known it since its beginnings.

You can be sure that I will regard it as a privilege to call the attention of our magazine's many friends in and out of Congress to the steps you are taking on behalf of the free flow of information in a free society. Please be sure of my sincerest thanks and best wishes for your efforts on behalf of this cause.

Sincerely yours,
DONALD R. CAMPION, S.J.

HEARST MAGAZINES,
New York, N.Y., July 25, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR: You very kindly wrote to Bill Hearst on July 14 about your thoughts on postal charges for newspapers and magazines and recording your convictions in the Congressional Record.

We are grateful to you beyond words for your strong stand. This postal situation is becoming a debacle for many publications. I was at the Bohemian Grove last week and talked with Senator Percy on the same subject and I believe that he feels as you do and wants to get action going before we lose too many newspapers and magazines now only marginally profitable.

Again, many, many thanks.

Cordially,
RICHARD DEEMS.

BAY CITY NEWSPAPERS, INC.,
Bay City, Texas, July 24, 1972.

Hon. GAYLORD NELSON,
Senator from Wisconsin,
Senate Office Building,
Washington, D.C.

DEAR SIR: I have been reading about your proposed bill S378 in respect to revising a method of setting second class postal rates.

Your efforts to stabilize what is now an uncertain issue in the interest of those who use second class matter is greatly appreciated, I am sure, by members of the press and I wish to convey my personal appreciation.

Yours truly,
GLENN J. SEDAM,
President and Publisher.

THE ATHENS REVIEW,
Athens, Texas, July 24, 1972.

Sen. GAYLORD NELSON,
Committee on Finance
Washington, D.C.

DEAR SENATOR: Just a note to tell you I appreciate what you are doing to try to keep second class mailing rates from skyrocketing.

Very truly yours,
R. E. DWELLE.

WISCONSIN AGRICULTURIST,
Racine, Wis., July 24, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: We want to thank you for your interest in pubications like the Wisconsin Agriculturist that rely on the Post Office Department for distribution to subscribers.

The amendment that you have offered to Title 39 United States Code to allevaite the burden of Postal Rate increases on small, Second Class publications, is greatly appreciated.

Your very truly,
VERNON ANDERSON,
President.

CATHOLIC PRESS ASSOCIATION,
New York, N.Y., July 12, 1972.

Mr. DAVID OSTERHOUT,
Legislative Assistant, Office of Senator Gaylord Nelson, Washington, D.C.

DEAR MR. OSTERHOUT: On behalf of the Catholic Press Association officials and members, I want to thank you very much for sending us a copy of S. 3578 as introduced by Senator Nelson, and his speech introducing it.

We are happy to see that Senator Nelson has taken the lead in this effort to have the special position of small newspapers and magazines recognized and protected by the Congress. There is no doubt that if the heavy increases authorized last week by the Board of Governors of the U.S. Postal Service are permitted to go into effect over the next 10 years, large numbers of small non-profit publications will be destroyed. Clearly this was not the intention of Congress when the Postal Reorganization Act was passed. In the case of religious publishers, typically increases over the next 10 years will be in the range of 400 to 750 percent over pre-May-1971 levels.

As you may know, our Association, with our Protestant brothers, the Associated Church Press and the Evangelical Press Association, have fought the Postal Service increases for over a year. We have not had any great success—but we have hopes now that Senator Nelson's bill may provide some desperately needed relief for our member publications and for other non-profit publications. We congratulate the Senator and your staff on this significant step.

I expect to be in Washington next week (Wednesday, June 19) and would welcome the opportunity to visit with you then, if that is feasible, or whenever it may be convenient. I hope you will let me know (if you get this letter in time) if such a visit would be agreeable.

Cordially,
JAMES A. DOYLE,
Executive Director.

COMMONWEAL,
New York, N.Y., July 6, 1972.

Mr. DAVID OSTERHOUT,
Legislative Assistant, Office of Senator Gaylord Nelson, Washington, D.C.

DEAR MR. OSTERHOUT: Many thanks for the welcome news about Senator Nelson's bill and the text in the *Congressional Record*. Since the Post Office department has just decreed another 25% hike in the second class mail rate it seems more essential than ever for our small magazines to be rescued by Congress.

With all best wishes to the Senator and to you and your colleagues,

Sincerely yours,
EDWARD S. SKILLIN,
Publisher.

DAVIS PUBLICATIONS, INC.,
New York, N.Y., July 12, 1972.

Hon. Senator GAYLORD A. NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: Having just finished reading the June 28th Minutes of the Congressional Record—Senate, I wanted to tell you how pleased I was to have you introduce Legislation referred to as S3758, to provide some relief to the magazine publishing industry in the face of the monopolistic and inflationary practices of the U.S. Postal Service.

Our own company publishes 34 highly specialized consumer magazines, five of which have Second Class mailing permits which represent a $335,000 increase if the U.S. Congress does not in some way minimize these extraordinary increases which have now become law. Because I have only recently returned from Washington I thought you might be interested in the rather detailed letter I submitted to John Gabusi, the Administrative Assistant to Congressman Udall, who of course is now involved with the hearings in the Sub-Committee for Postal Service matters in the House of Representatives.

It was also interesting to read the comments made by Justice Brennan at Brown University back in 1965, for I am presently a Trustee at Brown and certainly did not feel that I would run across its name in a matter of such vital importance to the entire magazine publishing industry.

Although there are some in the publishing industry who are in the enviable position of falling back on the profits from subsidiaries involved in other forms of communication, our company and many of my co-Directors of the Magazine Publisher Association do not have this opportunity and thus must rise or fall on our own magazine operation.

I sincerely hope that your Bill will receive a receptive chord from your fellow members of the U.S. Senate and that it will eventually become law.

Yours very truly,
JOEL DAVIS,
President and Publisher.

THE AMERICAN LEGION MAGAZINE,
New York, N.Y., July 11, 1972.

Hon. GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NELSON: The American Legion Magazine deeply appreciates the copy of your statement made in The United States Senate on June 28th, 1972, and its information relative to the introduction by you of legislation aimed at providing relief to publications adversely affected by the increased postal rates announced by the Postal Rate Commission and approved by the Board of Governors. We applaud your efforts and stand ready to testify in support of same, when and if the opportunity to do so is afforded to us.

I am taking the liberty to include a copy of my statement and testimony to the House Sub-Committee on Post Office and Civil Service. Examination of same will, I believe, reveal reasoning similarities in approaching the problem seeking possible remedies.

Non-profit publications, such as The American Legion Magazine, are particularly hard hit by the second-class postage rate schedule. To be true the phase-out covers a ten year period as contrasted to one of five years for other magazines, but the rate increase will total 235% for those of us in the non-profit clasification contrasted to 127% for regular or profit publications.

As you point out, the "killer" to us is the 1.5 cent surcharge that provides no consideration for the differential in editorial and advertising content. The American Legion Magazine averages from 75% to 80% editorial and 20% to 25% advertising. The legislation sponsored by you would remedy this inequity.

More of the non-profit publications, I am sure, would have been included in protesting the abnormal postal rate increases if they could have afforded it. We were forced to present minimal opposition for economic reasons. The suggestion was offered by representatives of the Post Office Department in the hearings that we "pass on" the increased mailing costs to advertisers and subscribers. That is easier said than done. First of all, our subscription revenue is part of the membership dues structure and to increase same requires favorable action by National Convention delegates with actually a two-year freeze at current rates before any increase could become productive, if approved. The advertising potential available to non-profit magazines is restricted now and any jump in rates could have an additional adverse effect.

It seems inconsistent to me that the Post Office Department has been exempted from price controls to which we have been subjected.

Sincerely yours,
JAMES F. O'NEIL,
Publisher.

NATION,
New York, N.Y., July 6, 1972.

DAVID OSTERHOUT,
Legislative Assistant,
Sen. GAYLORD NELSON,
Senate Office Building,
Washington, D.C.

DEAR MR. OSTERHOUT: Thank you very much for sending me Senator Nelson's statement of June 28th, in introducing S. 3758. It is strong, accurate, and well expressed, and merits wholehearted applause from all publishes of smaller American periodicals, regardless of their political views.

Please convey my appreciation to the Senator for his statement.

Sincerely,

JAMES J. STORROW, Jr.,
Publisher.

FUNDING FOR THE NURSE TRAINING ACT

Mr. HARTKE. Mr. President, I am deeply concerned with the funding for the Nurse Training Act of 1971 which is contained in the proposed budget for fiscal 1974. The $51,348,000 proposed is 16.3 percent of the law's authorization of $313,500,000. Considering the health maintenance organizations' rapid development, the impact of medicare and medicaid upon services rendered by professional, collegiate-educated nurses, and the possibility of a national health insurance program, it is imperative that Federal funds appropriated in the fiscal year 1974 budget be at, or near, the amounts authorized for nurse training.

Mr. President, supporters of the administration's proposals have suggested that nursing students will be able to seek financial assistance for education from other sources. Allow me to share with my colleagues the following facts which were supplied to me by Ms. Helen J. Berry, head of the department of nursing at Ball State University in Muncie, Ind.:

1. The Department of Nursing, established by Ball State University in 1963, will have graduated 346 professional collegiate-educated nurses by the end of the current fiscal year, May 1973. (This is the sixth year that students have been graduated from this National League for Nursing accredited program.)

2. The current educational facility on campus, $1,375,000. structure, was made possible by an $804,671. federal grant under the Health Professions Act of 1963 awarded in 1965. It has been occupied by students since September 1967. Without this facility it is questionable that the current enrollment in the program could be a reality.

3. The enrollment in the programs in nursing has increased considerably in the past three years. The total enrollments by years are enumerated for your perusal.

1970–71	327
1971–72	401
1972–73	566

The 1972–73 figure includes 23 graduate students pursuing master's degree preparation.

In addition to the on-campus students on this undergraduate program on seven since 1970 there have been students enrolled nearby private, institutional campuses. These enrollments are increasing each term. Currently there are 47 students pursuing the freshman and sophmore years in this manner.

4. Of the twenty-five faculty employed as teachers for the nursing courses, twenty (80 percent) received one or more federal nurse traineeships to prepare for their teaching responsibilities. The greater majority (95 percent) of these people have been employed as teachers full-time since earning their teacher preparation. It is questionable that we would have or have had the framework of an adequately prepared faculty to build this program if there had been no federal traineeships available to assist them financially.

5. During March, I have surveyed a portion of graduates and students of our programs relative to financial assistance received, scholarships and/or loans, for their baccalaureate education. Of those replying, the following Table tabulates their responses and identifies the kind of funds and amounts which have assisted or are assisting them with their education. (Two hundred and seventy-two students have received financial assistance since 1965).

The responses of nursing graduates and students at Ball State University regarding financial assistance received during collegiate attendance follows:

Kinds of aids	Number of students replying	Amount	Amount of dollars/students
Scholarships	70	$82,169	$1,173.84
Loans	71	104,955	1,478.23
Student employment	90	(1)	(2)

[1] Unknown.
[2] Unknown, ranged from weekly pocket expenses to full room and board expenses.

It should be noted that only 12 students in the years surveyed, 1968–1975 graduation years, held scholarship funding only; thus the 70 students receiving scholarships may well be duplicated in the loan tabulations also. Many students are unable to attend college without both scholarship and loan financing.

If federal assistance to students is cut drastically, there are many worthy collegiate potential young men and women who will be unable to attend college in pursuit of professional nursing educational goals.

6. Seventy percent of the graduates of this undergraduate program who responded to my inquiry indicated that they had worked while attending Ball State University.

7. Ninety percent of the responding graduates indicated that they were currently full-time employed in a nursing position.

Mr. President, I support the full funding of the capitation grant line item of the Nurse Training Act. With an increase of student enrollment since 1970 of 239 students—327 enrolled in 1970 and 566 in 1972—it is necessary for Ball State and schools in similar situations to hire more qualified teachers for their program. Of these 239 additional students, 142 were permitted to enroll in 1972 because of capitation grant funds available under the Nurse Training Act.

It takes 4 years to educate collegiate professional nurses. Capitation funds are needed for a minimum of the next 3 years to complete the education of these students which was begun under the Nurse Training Act.

Mr. President, this country needs more qualified nurses. We cannot afford to turn back now on a course which Congress charted only recently. The need is still present. I urge my colleagues to support increased funding for the Nurse Training Act of 1971.

THE MYTHS OF THE BUDGET—I

Mr. FULBRIGHT. Mr. President, despite considerable rhetoric to the contrary, the fiscal year 1974 budget, as proposed by the President, is again dominated by military expenditures. Regrettably, the cuts which the President proposes are primarily in programs for human and community development, many of which are of particular importance to Arkansas.

Previous budget presentations have been misleading, but the 1974 proposal is built on a large number of mythical premises and promises.

First is the question of a spending limitation. Nearly everyone agrees that there should be a limitation on spending. However, administration spokesmen imply that somehow it is only the President who wants to limit spending and avoid higher taxes. That simply is not true. It is my view that Congress is equally dedicated to that purpose. This has certainly been the experience of the Joint Committee on Budget Control, on which I serve.

The major difference between Congress and the President is that he insists that he be allowed to determine where cuts will come and opposes a proportional across-the-board cutback, which I and many others have supported. Indeed, through the use of impoundment, the President has moved to make his budget an inviolable document and to impose his policies, disregarding in many cases laws which have been passed by Congress and which he has signed.

Second is the question of a balanced budget. The word "balanced," like many other words in our vocabulary, has come to have a variety of meanings. This administration came into office pledging a balanced budget, but is now proposing its fifth consecutive deficit budget. During the first 4 years of the Nixon administration the national debt has increased by about $107 billion to almost $465 billion. The deficits for both 1972 and 1973 are less than originally estimated, although the 1973 figure will not be final until the end of the fiscal year on June 30. The proposed 1974 budget of $268.7 billion would add almost $28 billion to the debt.

Under the so-called unified budget, there will be a $12.7 billion deficit in fiscal year 1974. However, the unified budget counts the surplus from the trust funds—social security, medicare, highways, and so forth—against the deficit. Thus, the Federal funds or "administrative" deficit would be $27.8 billion. I want to emphasize that it is the administrative or Federal funds figures which are used in calculating the national debt—not the unified budget figure.

As the chairman of the Committee on Appropriations (Mr. MCCLELLAN) pointed out during that committee's hearings on the budget last year, the unified budget may serve some useful purposes, but it does not represent the true deficit situaton of the Government and—

It does not give the picture that really is helpful in making appropriations, because it gets involved with funds that don't have to be appropriated.

In addition to the unified and administrative budgets, we also have what the economic sages in the executive branch call the "full employment budget", which we are told will be in balance for fiscal year 1974. It is supposed to reflect the amount of Government receipts that

would be generated if the economy were on a full-employment basis. This is a big "if," however, with an unemployment rate of more than 5 percent.

As the Wall Street Journal said of the full-employment budget—

This is a means of figuring how much the Government ought to spend that it doesn't have.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which shows budget figures and deficits for recent years.

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

Fiscal year	"Unified" budget		Trust funds		Administrative or Federal funds deficit
	Budget total	Deficit	Outlay	Receipts	
1970	196.6	−2.8	49.0	59.3	−13.1
1971	211.4	−23.0	59.3	66.2	−29.9
1972	231.9	−23.2	67.1	73.0	−29.1
1973	[1] 249.8	[1] −24.8	82.6	92.0	[1] −34.2
1974	[2] 268.7	[2] −12.7	[2] 90.4	[2] 105.5	[2] −27.8

[1] Not final figure.
[2] Estimate.

Mr. FULBRIGHT. Mr. President, a third myth is the claim that military spending is only 30 percent of the total and that "human resources" account for the largest portion of the budget. The administration states that expenditures for human resources have doubled in 5 years and will be 47 percent of the fiscal 1974 budget. This deceptive claim—which is repeated with drumbeat regularity—is largely based on the inclusion of the social insurance-medicare trust funds under human resources. Yet, the Government simply acts as a trustee for these funds, which can only be used for specified purposes. The administration has no real discretion as to how they are spent.

It is the trust funds which are the most rapidly growing part of the budget. In fiscal 1974, receipts of $105 billion and expenditures of $92 billion are expected. The overwhelming portion of these are social insurance and medicare funds, which account for about two-thirds—65 percent—of what the administration calls human resource funds. So there has been an increase in human resource expenditures, but almost totally because of the trust funds, over which the administration has no control.

In fact, primarily because of the trust funds, 86 percent of the budget of the Department of Health, Education, and Welfare is not controllable. As HEW Secretary Caspar Weinberger pointed out in a recent interview in U.S. News & World Report only $13 billion of the $100 billion-plus HEW budget is in any sense discretionary under current law.

Social security outlays alone have doubled in 5 years, from $27 billion to $54 billion, and are now one-fifth of the budget. Altogether, the retirement-social insurance and medicare trust funds account for nearly one-third of the budget.

The remainder of "human resources" funds as categorized by the administration are for education and manpower, health and public assistance-social services. The proposed budget for education and manpower is actually down from 1973 and would drop to 3.8 percent of total Federal outlays from 4.2 percent a year ago. Medicare and medicaid account for 84 percent of total Federal outlays for health. Other health expenditures have barely increased. According to a report in the Washington Star-News on March 2, HEW Secretary Weinberger conceded that the increases in health spending planned by the Nixon administration for the coming fiscal year are only a small fraction of what they appear to be.

Human resources other than those from the trust funds are only 12½ percent of the overall budget and 18 percent of the budget excluding the trust funds.

THE GROSS NATIONAL PRODUCT

The President also claims that military spending is a declining portion of the gross national product—GNP. This is a highly dubious standard for measurement. As I have endeavored to point out in the past, far from measuring the true production or welfare or economic health of our society, the GNP is simply a crude total of goods and services produced, ranging from gambling to garbage disposal. I do not intend to elaborate in detail on the inadequacies of the GNP as a yardstick. However, they should be obvious.

After all, budget deficits contribute to the GNP—the greater the deficit, the greater the GNP. Even crime and pollution could be seen as stimulating increases in the GNP, because of the need for expenditures for crime prevention and pollution control.

Instead of glorifying the false god of the GNP, we should be concerned about the inflationary and parasitic effects of military spending. The GNP feeds on inflation and military spending drains away funds vital to the improvement of the quality of life in this country.

MILITARY SPENDING

The request for appropriations for the Department of Defense, according to a statement made by the chairman of the Appropriations Committee (Mr. MCCLELLAN) in the Senate on February 6, is $83.5 billion, which would be the largest military appropriation in history.

Of course, Congress cut some $5.2 billion from last year's Pentagon budget request plus $338 million from military construction, and, in effect, $1.5 billion from foreign assistance. I hope the cuts in military spending will be even greater this year, for the proposed increase in the military budget is more than the entire budget for the Office of Education. This is especially paradoxical at a time when we have supposedly ended our military role in Vietnam and following the ABM treaty and strategic arms limitations agreements with the Soviet Union and improved relations with China.

Appropriations for the Pentagon are only a part of the military-related expenditures of the Government. In a newsletter to my constituents earlier this year, I estimated that military and military-related matters, including the space program, much of which is military oriented, would cost about $119 billion in fiscal 1974, according to the President's budget.

Recently I asked the Congressional Research Service of the Library of Congress to attempt to develop a more precise indication of the amount we are spending for military and military related matters. One important aspect of this was to determine how much of the outstanding public debt and the interest on that debt is attributable to military expenditures.

According to the report I have received from the CRS, an estimated 78 percent of the public debt is "defense generated." In arriving at this figure, the following process was used:

Defense related outlays have been assumed to include all outlays for the national defense function, all outlays for the veterans benefit and compensation function, and the percentage of interest outlays related to the accumulated defense generated public debt. All outlays have been expressed as a percent of the Federal funds basis of the budget—all trust fund outlays omitted—since the increase or decrease in the public debt is controlled by the deficit or surplus in the Federal funds.

Using this basis of calculation, the portion of the interest on the national debt generated by present and past military and was expenditures will be $20.4 billion in fiscal 1974, out of a total of $24.7 billion.

The CRS analysis, based on the President's proposed budget for fiscal year 1974, lists estimated spending for the "national defense function" at $81.1 billion, and other "outlays—partially or fully generated by or associated with defense activities" at $33.8 billion. The major components in this category are veterans' programs and interest on the war or defense-generated portion of the debt.

Therefore, the total for military and military-related programs is almost $115 billion. This total does not include the National Aeronautics and Space Administration—$3.1 billion—or civil activities of the Department of Defense—$1.6 billion for the Corps of Engineers, and $4 million for the Panama Canal. If these figures were included, the total for such programs would be $119.5 billion.

The Joint Economic Committee, in its 1973 joint economic report, includes a "national security budget" which it describes as an effort to explain to the American taxpayer the full cost of defense-related activities. The committee estimates 1974 outlays for such activities at $116.1 billion and the requested budget authority for 1974 at $122.9 billion.

The reports of the Library of Congress and the Joint Economic Committee make clear that we are spending much more for military and military-related matters than is generally acknowledged. The manner in which the budget is presented and all the misleading talk about "human resources" gives a very deceptive picture of how our tax money is actually spent.

Military related spending actually accounts for about 44 percent of the total budget or 65 percent of the budget excluding trust funds.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point tables prepared by the Library of Congress Congressional Research Service and the Joint Economic Committee showing military and military-related expenditures.

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

JOINT ECONOMIC COMMITTEE

NATIONAL SECURITY BUDGET [1]

[In millions of dollars]

	Outlays (fiscal years)								Budget authority
	1965	1968	1969	1970	1971	1972	1973 estimate	1974 estimate	1974 estimate
Defense, military assistance and defense related activities:									
DOD military [2]	45,173	77,373	77,877	77,150	74,546	75,151	74,200	78,200	83,481
Military assistance [3]	2,469	1,237	1,355	1,186	2,045	1,806	1,648	1,959	3,038
Atomic Energy	2,625	2,465	2,450	2,453	2,275	2,392	2,194	2,374	2,439
Space Research and Technology	5,093	4,721	4,247	3,749	3,381	3,422	3,061	3,135	3,015
U.S. Arms Control and Disarmament Agency	7	11	1	11	10	9	10	8	7
Renegotiation Board	3	3	3	4	5	5	5	5	5
National Security Council	1	1	1	1	2	2	3	3	2
Stockpiles	16	19	18	15	23	17	17	18	18
Expansion of defense production	60	51	166	−15	−188	−12	66	−8	
Selective Service	43	57	65	75	81	75	92	55	55
Emergency Preparedness	17	12	11	4	13	7	7	8	9
Deductions for offsetting receipts	−124	−115	−133	−118	−89	−108	−751	−382	−382
Subtotal	56,383	85,835	86,065	84,515	82,104	82,766	80,552	85,375	91,677
Payments for past wars and defense program:									
Veterans benefits	6,080	6,882	7,640	8,677	9,776	10,731	11,795	11,732	12,253
Interest [4]	8,577	10,308	11,834	13,734	14,707	15,437	17,106	18,504	18,504
Subtotal	14,657	17,190	19,483	22,411	24,483	26,168	28,901	30,236	30,757
Programs justified on grounds of nationa. defense. [5]									
Ocean shipping	253	227	236	239	321	317	327	377	408
Impacted area school aid [4 6]	263	380	299	492	395	487	351	98	45
Subtotal	516	607	535	731	716	804	678	475	453
Total, national security	71,556	103,632	106,083	107,657	107,303	109,738	110,131	116,086	122,887

[1] This is admittedly an imperfect attempt to explain to the American taxpayer the full costs of national security whether for past or present wars or defense. The committee recognizes that others will question certain items contained in the national security program, that objections will be raised to parts of it, and that suggested changes will be proposed. In the past, the Joint Economic Committee recommended that the full costs of past and current defense-related activities be included in the category of defense programs found in the budget document. No action was taken on this recommendation. We now hope that the national security program breakdown that we have offered will provoke widespread discussion and debate and that the Office of Management and Budget will be moved to incorporate this concept in next year's budget.

[2] DOD military excludes DOD civil outlays which totaled $1,200,000,000 in 1965; $1,300 000,000 in 1968; $1,300,000,000 in 1969; $1,200,000,000 in 1970; $1,400,000,000 in 1971; $1,500,000,000 in 1972 $1,800,000,000 in 1973 (estimated); $1,500,000,000 in 1974 (estimated); and $1,600,000,000 in new obligational authority for 1974.

[3] Includes military assistance program (MAP), supporting assistance, credit sales, and part of the food for peace program. Excluded are outlays for military assistance purposes funded through the Department of Defense. Total obligational authority for this program is shown in the budget as $2,600,000,000 for 1972; $2,900,000,000 for 1973 (estimated); and $2,900,000,000 for 1974 (estimated). The budget authority for credit sales to Israel are under separate legislation. (Military assistance includes military assistance, security supporting assistance, foreign military credit sales, credit sales to Israel, and food for peace (Public Law 480, sec. 104[C]).)

[4] Includes 75 percent of the program.

[5] Portions of programs, other than those listed, have been justified in the past as essential to national security, including the National Defense Highway System, the airport program, and others. The committee intends to further analyze this matter.

[6] Additional authorizing legislation required.

Source: Estimated from data in the U.S. budget, various years.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH—ECONOMICS DIVISION

TABLE 1.—TOTAL FEDERAL BUDGET OUTLAYS FOR NATIONAL DEFENSE FUNCTION, FISCAL YEARS 1973 AND 1974

[In millions of dollars]

Function code, function and department or other unit	Fiscal year 1973	Fiscal year 1974
050 National Defense		
051 Department of Defense—Military	74,200	78,200
057 Military Assistance	600	600
058 Atomic Energy	2,194	2,374
059 Defense-Related Activities:		
Executive Office of the President (Defense Mobilization Functions of Federal Agencies)	4	3
Funds Appropriated to the President (Revolving Fund, Defense Production Act)	66	−8
HEW (Emergency Health)	3	5
Treasury (National Defense Conditional Gift Fund)	(2)	(2)
General Services Administration (Property Management and Disposal Service, Loan Guarantee Activities)	28	27
Selective Service System	92	55
Total 059	192	83
Deductions for offsetting receipts	−751	−382
Total National Defense (050)	76,535	81,074

[1] Funding for NATO and SEATO included in DOD program "support of other nations."

[2] Less than $500,000.

Source: The Budget of the U.S. Government, fiscal year 1974.

TABLE 2.—FEDERAL BUDGET OUTLAYS FOR PROGRAMS PARTIALLY OR FULLY GENERATED BY OR ASSOCIATED WITH DEFENSE ACTIVITIES, FISCAL YEARS 1973 AND 1974

[In millions of dollars]

Function code, function and department or other unit	Fiscal year 1973	Fiscal year 1974
DEPARTMENT OF DEFENSE—CIVIL (SELECTED ACTIVITIES)		
809 Cemeterial Expenses	29	25
809 Soldiers and Airmen's Home	12	15
152 Security Supporting Assistance [1]	563	708
502 Coast Guard	757	781
800 Veteran's Administration	11,578	11,703
502 Maritime Administration [2]	1	1
903 National Security Council	3	3
800 American Battle Monuments Commission	4	4
160 Arms Control and Disarmament Agency	10	8
904 Renegotiation Board	5	5
601 School Assistance in Federally Affected Areas (HEW) [3]	42	118
850 Interest (War or Defense Generated Portion of National Debt) [4]	19,239	20,384
Total, Defense "associated" spending	32,621	33,755

[1] In addition to 057, military assistance, for total international security assistance.

[2] Estimate provided by maritime administration; less than in past, about $50,000 per ship to incorporate defense features.

[3] Based on 90 percent defense factor furnished by HEW.

[4] See enclosed CRS report on allocation of national debt outstanding to defense and nondefense activities.

Sources: The Budget of the U.S. Government, fiscal year 1974, U.S. Maritime Administration, Department of Health, Education, and Welfare.

TABLE 3.—FEDERAL BUDGET OUTLAYS FOR SOME PROJECTS THAT MAY BE PARTIALLY DEFENSE RELATED

[In millions of dollars]

Function code, function and department or other unit	Fiscal year 1973	Fiscal year 1974
250 National Aeronautics and Space Administration [1]	3,061	3,135
DEPARTMENT OF DEFENSE—CIVIL		
401 Corps of Engineers [2]	1,698	1,579
910 The Panama Canal [3]	13	4

[1] Data represent total outlays for space. NASA unable to segregate defense related from other expenses. Most projects have military impact ranging from substantial (space shuttle) through moderate (tracking net, engine research, launch vehicles) to minimal (planetary exploration).

[2] Although a part of DOD, most projects (channels and harbors, locks and dams, erosion control, flood control, power) are not substantially defense related.

[3] DOD component but most outlays (for operation and maintenance of canal, capital improvements, canal zone government) are only indirectly defense related.

Sources: The Budget of the U.S. Government, fiscal year 1974, National Aeronautics and Space Administration, Department of the Interior.

Mr. FULBRIGHT. Mr. President, I should add that there are many other expenditures which in my view are at least partially military related, but which are not included in the figures I have cited. Among these are such activities as Radio Free Europe and Radio Liberty, for which the President has requested $45 million in fiscal 1974, as well as some of

the activities of the U.S. Information Agency, which has a $200 million budget. The figures for the Central Intelligence Agency budget remain secret, of course.

Much is made of the fact that personnel costs are a major part of the military budget and it is true that they amount to a sizable sum, despite the fact that manpower is supposedly at its lowest level in 24 years. Increased salaries for the "volunteer" Army plus the top-heaviness caused by a huge excess of high-ranking officers are significant factors. The budget calls for about $27 billion for active and retired military personnel for the same amount for procurement of aircraft, missiles, ships and weapons, plus research and development. Almost $22 billion would be spent for operations and maintenance and $3 billion for military construction.

We still maintain some 625,000 troops abroad, including more than 300,000 in Europe and 260,000 on the mainland and offshore islands of the Asian continent—40,000 of them in Korea and 45,000 in Thailand.

We have about 2,000 military installations abroad, including 322 major bases. The Navy now homeports ships at nine foreign ports and is planning for more.

The majority leader recently informed us that it costs about $30 billion annually to maintain our bases, troops, and facilities abroad, and that the overall costs of our participation in NATO is about $17 billion. One reason for the growth of these figures is the weakened position of the dollar, and, of course, one reason for the dollar's weakened position is our overcommitment abroad.

Using the figures developed by the Library of Congress and the Joint Economic Committee, it can be determined that about 65 percent—almost two-thirds—of the $183 billion in the budget not coming from medicare or social insurance trust funds goes for military-related matters. The military-related expenditures account for about 44 percent of the President's proposed overall $268 billion budget.

These figures reflect the fact that, despite all the claims to the contrary, we have yet to reverse the trend that has seen us spend about $2 trillion—$2,000 billion—on war and military-related matters since World War II. We have expended $1.5 trillion in direct Defense Department outlays during that period.

Perhaps the biggest misstatement in the President's budget message was the claim that "this administration has succeeded in eliminating unnecessary defense spending." Nothing could be further from the truth. This budget is full of unnecessary and extravagant weapons systems which are in no way vital to our national security, and we continue to have mammoth cost overruns. An analysis of data supplied by the General Accounting Office shows that in recent years the costs of 45 selected major weapon systems have risen by $36.5 billion over the original planning estimates for those weapons. The C–5A is a good example—Lockheed was to build 120 C–5's for $3.4 billion; the Government is now paying almost $5 billion for 81 aircraft, which have had numerous technical difficulties and are highly unsatisfactory. The F–14 seems headed in the same direction. The total program cost for planes that were to be $11.5 million each is now estimated at a staggering $25.8 million per plane.

The administration has not been hesitant to bail out the corporations such as Lockheed, Grumman, and Litton, which have committed the overruns. Lockheed, for example, continues to be a major beneficiary of defense contracts. In fiscal 1972 such contracts with Lockheed totaled $1.7 billion, as did contracts with McDonnell Douglas. This amount is roughly equivalent to the total of all Federal outlays in Arkansas in fiscal 1972, which were $1.8 billion. The Arkansas figure represents all Federal expenditures in the State, including individual payments for social security and the State's pro rated share of the cost of interest on the national debt.

Mr. President, for the first time in American history, the end of a war has been followed not by a reduction but by a proposed increase in military spending. As I stated earlier, Congress trimmed the President's military budget request by more than $5 billion last year and I am hopeful that much more can be cut this year.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Star-News of March 2 entitled "Health Aid 'Rise' Sinks"; an article by Stephen Nordlinger from the Baltimore Sun, "Pentagon: Damn the Torpedoes' Cost"; by Walter Pincus from the New Republic of March 24. "The Military: What's Up in the Budget?"; and by Herbert Scoville, Jr., from the Christian Science Monitor. "The New Peacetime Defense Budget."

I also ask unanimous consent to have printed in the RECORD the report entitled "Estimated Portion of the Public Debt Allocable to Defense and Non-Defense Activities," supplied to me by the Congressional Research Service of the Library of Congress.

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

[From the Washington Star and Daily News, Mar. 2, 1973]

HEALTH AID "RISE" SINKS

(By Judith Randal)

Health, Education and Welfare Secretary Caspar Weinberger has conceded to a House subcommittee that the increases in health spending planned by the Nixon administration for the coming fiscal year are only a small fraction of what they appear to be.

Of the approximately $1 billion increase in health in President Nixon's budget for the year that begins in July, Weinberger said yesterday in a hearing, $600 million is merely being shifted from the Office of Economic Opportunity and the rest will be spent over the course of seven years instead of one.

Thus, if Medicare and Medicaid outlays are excluded from consideration, the increase will be a modest one. Various figures were bandied about at the hearing. Weinberger mentioned a true increase of $49–50 million. Subcommitteee Chairman Paul Rogers, D-Fla., said he thought it was only in the $30 million range but that he would accept Weinberger's estimate.

The funds shifted from the dying Office of Economic Opportunity are primarily for the provision of family-planning services. The rest of the money in the claimed increase was part of $700 million to enable the federal government to fulfill its obligations to the nation's 515 community mental-health centers and then phase the program out by 1980.

Weinberger defended the proposed termination of the centers on grounds that the program has shown itself to be a successful demonstration project which should now be taken over by the private sector or state and local governments.

This was hotly contested by Rogers, who said Congress had intended that 2,000 such centers be created so that all Americans would have access to facilities for mental health.

While Congress intended the centers to be demonstration projects that would have federal support for only a limited time, said Rogers, it had not intended that their numbers be so few. Moreover, the program has shown that it is possibile to successfully keep many emotionally disturbed people in their communities without confining them to "warehousing" in more expensive mental hospitals, he said.

Yesterday's session, which lasted four an one-half hours in a packed hearing room, was another of the ongoing confrontations between the Nixon administration and Congress over how federal dollars will be spent. Among the issues raised during the hearing by Congressmen of both parties were:

Failure of the administration to fund beyond a token level the Health Manpower Act which President Nixon called the "most important single piece of health legislation" enacted last year.

The ongoing shortage of physicians—now estimated at 50,000. Administration witnesses admitted that while qualified Americans have difficulty gaining admission to the nation's medical schools, about a third of the nation's doctors are graduates of foreign schools. In most states they said, half the physicians being licensed are graduates of such schools and in some states like Connecticut the proportion is 75 percent or more.

The distinct possibility that the administration's announced intention to phase out research training programs will create a shortage of medical school educators and research scientists skilled in probing disease.

The failure of the administration to provide money in the budget for support for schools of nursing will worsen the current estimated shortage of 100,000–150,000 registered nurses.

The termination of a regional medical program as announced by the administration will stymie efforts to apply research findings to the treatment of the nation's sick.

A similar phase-out of the nation's eight Public Health Service hospitals will cost taxpayers more than it saves, since care of the patients now being treated by the hospitals will have to be contracted out to private institutions.

Weinberger promised Rogers that he will examine the health budget anew with the concerns of the subcommittee in mind and would discuss them with the President. Meanwhile, he added, the administration plans to introduce a plan for national health insurance in Congress this year. He did not say when the introduction would take place but told Rogers that it will not be precisely the same bill that the administration introduced somewhat earlier.

[From the Baltimore Sun, Dec. 24, 1972]

PENTAGON: DAMN THE TORPEDOES' COST

(By Stephen E. Nordlinger)

WASHINGTON.—When the jobs were finished and the bills collected, the Navy faced what turned out to be a historic occasion: Its first big cost overrun. By a wide margin, the admirals had underestimated what it

would cost to build the United States, the Constellation and the Constitution, better known as "Old Ironsides."

"The wood of which the frames were to be made was standing in the forests, the iron for the cannon lying in its natural bed and the flax and hemp perhaps in their seed," the war secretary reported to Congress as he defended the markup. When Congress authorized construction of six frigates in 1794, they were to cost $688,890 and to be delivered the next year. But after financial and production troubles, only three ships were built at $945,000 and they didn't go to sea until 1798. The costs for each vessel had gone from $114,815 to $315,000—an increase of 174 per cent.

And so it went year after year, decade after decade. Delays, changes in design, inflation and canceled orders—all pushed costs higher and higher well beyond military estimates. The public and Congress expressed scant concern. America was well-defended and its citizens were willing to pay the price through the hot wars and the Cold War.

ADMIRALS AND GENERALS

The crunch came toward the end of the Sixties. Disillusioned with the Vietnam War, worried about runaway inflation, disheartened with huge weaponry costs while cities cried for money, the public demanded reform. Cost overruns began making headlines and disturbing even the Pentagon's staunchest allies in Congress.

Countless hearings were held with admirals and generals parading to Capitol Hill to defend their decisions. New approaches were tried. Robert McNamara, the former Defense Secretary, introduced the "total procurement package" but it was jettisoned, with the most notable recent failure being Grumman's overrun on the F–14 Navy fighter plane. The Pentagon is now insisting on holding Grumman to its contract price despite the corporation's claimed loss of $85 million. Melvin Laird, the Defense Secretary, is trying out the "fly-before-you-buy" approach, with the full results not yet in.

Last week, a congressional Joint Economic subcommittee, headed by Senator William Proxmire (D., Wis.), wound up three years of hearings on military acquisitions. But as one witness after another spoke about the serious cost overruns at Lockheed and Litton Industries and Grumman, it appeared that the Navy's Eighteenth Century problems were still around and affecting all the services as well. As Senator Proxmire noted, as if drawing a parallel with the frigates' overruns, five amphibious assault ships being built by Litton will cost $1.2 billion, the same as nine of the craft under the original 1969 contract—an 85 per cent increase. The ships are expected to be 2 to 3 years overdue.

The military apparently has failed to win the battle to control costs. Even those congressional proponents of large military outlays who once gave but cursory examination to Pentagon budgets are fearful that the United States may be pricing itself out of the national security business. An analysis of 45 selected major weapons systems being built shows they will cost $35 billion more than the original estimates, after adjustment for changes in quantities.

A large part of the problem must be traced to the Pentagon's relationship to the few aerospace giants, the big corporations such as Lockheed, which was working on $1.7 billion in contracts with the Defense Department in the last fiscal year. Because the Pentagon can turn to only a few contractors to meet its basic needs, competition for major projects has been weakened. The government's dependency on the private aerospace industry has also eroded accountability and efficiency.

When it comes to contract bidding, as an example, things are often the same. One big corporation will bid to produce a weapon quoting an unrealistically low price to assure winning the contract. The Pentagon accepts the figure and then proceeds to build the weapon, confident it can make up losses through its updated contract changes or by other means. The whole procedure is called the "buy-in." The Proxmire committee was told that Grumman underbid by $500 million on the F–14 contract just about the amount it says it needs to fulfill the rest of its contract with the Navy.

What remedy is left to the Pentagon to enforce discipline under these circumstances?

If the Defense Department should balk at paying the cost overruns, a serious showdown occurs, as is taking place with Grumman and Litton Industries.

In the Grumman case, the Pentagon said two weeks ago it would hold the corporation to its contract for 48 more F–14 planes and would permit no price increase. But the Pentagon also recognizes that it is dependent on private industry to produce weapons. A settlement may well be made with Grumman, especially if the security chiefs insist Grumman remain viable to produce further weapons.

Litton is two to three years behind its contract schedule for the five amphibious assault ships, technically known as landing helicopter assault, or LHA, ships, but a compromise may also be reached. As Gordon W. Rule, chief of the Navy's procurement control section, told the Proxmire subcommittee, "the Marines want the LHA's," despite any cost overruns. A form of "bailout" for Litton has already been allowed by the Defense Department. Last September it agreed to continue to pay the conglomerate for all its LHA costs through February, even though the contract called for payments based solely on completed work. Without the concession, Litton would have had a serious cash flow problem.

SHOULD PUBLIC PAY?

The lack of accountability and industries' enormous inefficiencies—plus the armed forces' penchant for making expensive weapons changes to cope with the advance of technology—all have contributed, therefore, to cost problems.

The question then becomes: Should the public have to pay for the miscalculations of the Pentagon and the mismanagement of the defense contractors?

Those who oppose bailouts shout no. Let inefficient contractors go under no matter what the impact on the economy or the nation's defenses. This is a capitalist system and why should the public provide welfare payments to big government contractors who enter contracts with their eyes open. The Pentagon, however, says this is not so easy. Financial relief may be needed to keep the aerospace industry producing needed weapons.

Perhaps the answer ultimately lies in nationalizing the major segments of the arms industry, a move proposed by John Kenneth Galbraith. This idea came before the Proxmire subcommittee but it received no takers. But it may be the only answer if the increasingly costly, highly advanced weapons are to be produced in sufficient quantities at reasonable cost to insure national security.

TOP 10 DEFENSE CONTRACTORS FOR FISCAL 1972

(Ended June 30, 1972)

Lockheed Aircraft	$1,705,434,000
McDonnell Douglas	1,700,217,000
General Dynamics	1,289,167,000
General Electric	1,258,673,000
Boeing	1,170,878,000
AT&T	1,121,512,000
Grumman	1,119,760,000
United Aircraft	995,619,000
N. American Rockwell	702,862,000
Hughes Aircraft	688,132,000

[From the Christian Science Monitor, Feb. 21, 1973]

THE NEW PEACETIME DEFENSE BUDGET

(By Herbert Scoville, Jr.)

President Nixon's 1974 Budget: "A responsible government continually adjusts its activities to changing national needs . . . Unless vigorous and determined efforts are made in programs which should be restructured, reduced or terminated, they continue—and even grow."

Does President Nixon's current defense budget reflect such efforts? The budget calls for increased national defense outlays from an estimated $76.4 billion in 1973 to $81.1 billion in 1974 and $85.5 in 1975. It requests the Congress to authorize $5.7 billion more for defense activities than it did for fiscal year 1973.

How have our national needs changed in the past year to require this increased funding? The war in Southeast Asia is now over. We have signed SALT agreements with the Soviet Union which put ceilings on the size of the Soviet strategic threat and guarantee our nuclear deterrent. We have professed to subscribe to a Nixon doctrine which limits United States participation in military operations in every corner of the world. Why do we need increased billions for defense when fiscal responsibility calls for an overall U.S. budget ceiling and there are crying needs for resources to deal with our internal social crises? In his message, the President highlights four strategic weapons programs: the Trident ballistics missile submarine; the B–1 bomber; the conversion of our Minuteman and Poseidon missiles to carry multiple warheads which can be aimed at separate targets; and the development of a new submarine strategic cruise missile. None of these are required for our security in the aftermath of SALT I. Instead of being reduced or terminated these programs have been allowed to grow and, in some cases, to begin when they had not been needed before.

The Defense Department budget calls for more than $1.7 billion for Trident, and the AEC's for more than $100 million in addition. This is about $1 billion above last year—and for what purpose? The Polaris submarines are not wearing out; in fact, the conversion program to Poseidon will not yet be finished for two years. The oldest Polaris submarine will have been in service less than 20 years by 1980. There is no foreseeable military threat to the Polaris-Poseidon system. As a result of the ABM treaty, all the present 3,000 submarine missile warheads have a free ride to targets in the Soviet Union. Technology does not exist to even design, much less build, an antisubmarine warfare system which could destroy the Polaris-Poseidon deterrent. Trident may be just as vulnerable to an unknown future threat as Polaris. Even worse, the smaller size of the eventual Trident fleet (It is estimated that when replacement of Polaris by Trident submarines is completed at a cost of more than $40 billion, we would have only 30 submarines compared to the present 41) could make this system much more vulnerable than the present one. Billions of dollars wasted, and our security decreased.

Similar arguments apply to the B–1 bomber for which the administration proposes to spend nearly one-half billion dollars this year.

The budget calls for more than $1 billion to place more MIRVs on our strategic missiles, perhaps even to expand the previously authorized Minuteman III conversion program. However, we already have about 5,000 of these warheads, all with explosive yields several times greater than the Hiroshima bomb. The SALT agreements have ensured that the Soviets cannot shoot these down.

Finally, most absurd of all in the aftermath of SALT, is the decision to begin a new

program for a submarine cruise missile (essentially a submarine-launched pilotless aircraft which would traverse the Soviet Union at low altitudes). Having guaranteed through the ABM treaty that ballistic missiles can effectively penetrate the U.S.S.R., the administration now wants to develop a cruise missile which could be vulnerable to Soviet aircraft defenses not restricted by the treaty. How ironical that arms control negotiations are seized upon by the weaponeers to justify expenditures for every conceivable weapon—previously unnecessary—just because it is not specifically banned by treaty.

By far the largest part of the current defense budget goes to maintaining our general purpose forces and military manpower program; the latter comprises 56 percent of our military expenditures. Manpower costs have skyrocketed primarily because of pay raises to support the all volunteer force. However, despite the fact that the Vietnam war is over, that we are withdrawing from Southeast Asia, and that we have promulgated the Nixon doctrine of noninvolvement of U.S. forces in conflict overseas, we have made no significant reductions in the number of military personnel to compensate for the higher pay. There is no evidence in the proposed budget that the defense establishment has been restructured to satisfy our current needs.

In a strange contradiction, the proposed budget calls for a 30 percent reduction in funds for the Arms Control and Disarmament Agency, from an already minuscule $10 million to less than $7 million. Yet that agency deserves major credit for having negotiated the ABM treaty, which made a critical contribution to the security of our strategic deterrent and resulted in savings over the years of billions of dollars. To cut or impound funds for disarmament, to say nothing of pollution control, low incomes housing, health, mass transportation, and urban renewal, while allowing rising expenditures for wasteful and unnecessary military programs is hardly evidence of a government responsive to changing national needs.

WHAT IS UP IN THE BUDGET?

(By Walter Pincus)

Remember the stern rules for spending that President Nixon enforced on the domestic side of his budget? There had to be a "leaner federal bureaucracy"; "progress" was to be measured "not by the amount of money we put into programs, but by the accomplishments which result from them"; there should be no "overlapping of responsibilities" which "increased the costs of government" and "generated interagency conflict and rivalry." Congress in its "extravagance" has been overly indulgent with committees "sympathetic to particular and narrow causes," "encouraged by special interest groups and by some executive branch officials who are more concerned with expansion of their own programs than with total federal spending and the taxes required to support that spending."

It's worth recalling the President's verbiage with respect to his budget cuts and his reorganization of domestic spending, for none of it seems to have carried over to defense and foreign military aid. Just the opposite. Here pay rates and prices escalate, with expenditures scheduled to rise some $5 billion next year and another $4.5 billion the year after, all with presidential approval.

The biggest defense procurement increase, close to $1 billion, comes in navy shipbuilding which last year had scandalous cost overruns and faulty planning. The major new investment is a new nuclear-powered aircraft carrier—the navy's third—for which the administration seeks $657 million, on top of $299 million received last year. The carrier plays no part in strategic defense. It is a tactical weapon associated with wars such as Vietnam, or any future "limited" war, and when David Packard was Defense under secretary, construction of this third carrier was delayed because of tight budgetary restrictions. During the past two years, with the Vietnam air war in high gear, the navy made do with 14 carriers. The first nuclear carrier will arrive later this year, and the carrier fleet will then return to its traditional 15 in number, continuing at that level through 1980, when this newest carrier is scheduled for delivery.

A second controversial navy construction project which is getting a healthy boost in the fiscal '74 budget ($556 million) to a total of $1.1 billion next year is the Trident, the follow-on ballistic missile submarine designed to replace the Polaris. The navy also wants to push ahead with its less publicized, but cost overrun-plagued program to modernize its guided missile frigates. An additional $186 million is sought for three such ships. Past testimony before Congress has disclosed that this program is running late, and modernization costs often exceed the original price of the ship.

The navy also wants $29.3 million for advanced procurement of a new class of ship. Designed as a mini-carrier it will handle 17 aircraft, including helicopters. In the words of Admiral Elmo R. Zumwalt, Jr., chief of naval operations, this sea control ship is "conceived to provide tactical air capability in lower threat areas" than Vietnam. It would be "useful," he told congressmen last year, "in areas where we don't have carriers."

Thus as we enter the "era of negotiations" and embrace the Nixon doctrine, under which we forswear any ambition to police the world, the navy is preparing and the administration funding, an air capability that will permit us not only to support a war like the one in Vietnam, but also fight future engagements of lesser magnitude, the so-called "brush-fire" wars.

Defense research and development is scheduled to rise some $500 million next year to $8.8 billion for all services. Some of these anticipated projects deserve close review.

Despite the arms limitation treaty which holds the U.S. and Soviet Union to two antiballistic missile sites, the army plans to almost double, from $100 million to $170 million, research on a new hardsite ABM system designed to protect our entire Minuteman force. The level of funding, for a system to follow and supplement the now frozen Safeguard system, appears to be running at the same level as before the treaty with the Soviets was signed.

The Congress and Defense Department last year knocked out appropriations for the army's Cheyenne armed battlefield helicopter program, after spending several hundred million dollars. But the army is back again, asking for $49.3 million in the '74 budget to explore the possibility of constructing a new "advanced attack helicopter" that would provide "fire support at night and in adverse weather." As a piece of transport equipment, the helicopter is to be the recipient also of sharply increased research funds from several services—a situation that was specifically criticized last year by the House Appropriations Committee. The army wants $108.2 million, up from $50 million last year, to develop a replacement for the UH1, the "Huey" that provided general tactical support in Vietnam. Called the UTTAS (utility transport aircraft system), it is programmed even at this stage to cost per unit almost four times the Huey.

The army also will double its research (to $60 million) on designing a new heavy life helicopter. The need, says the Army, is for a helicopter able to lift 22.5 tons—about the weight of the new trouble-prone Sheridan tank. The navy, on the other hand, says *it* needs a heavy lift helicopter that is seaworthy, but that only lifts up to 16 tons. The administration is prepared to give the navy $30 million to develop its version of the heavy lift helicopter—up $20 million from the current year. In 1972, Congress wanted the two programs merged. They were not.

At least two other research items are worth mention. The navy is budgeted for $72.8 million, up from $32 million this year, for a "surface effect ship." This essentially exploratory venture looks toward a propulsion system that would permit high-speed—up to 100 knots—transocean vessels which would ride on a cushion of air. It's recognized as a "far out" idea, but if it can be made to work for large vessels, it would radically alter naval warfare requirements. It poses a neat question of priorities. Given the administration's aversion to extravagance, Congress may question the prudence of spending that much money in pursuit of a naval advantage for which no need has been shown, and which may not be accomplished anyway.

The air force will get $67.2 million to research its advanced short landing and takeoff transport, intended to succeed the C130. Though the latter has performed well and is relatively new, the air force is jumping its funding request for a replacement by $50 million.

In justifying their budget, military men argue that research costs must go up steeply as preliminary work gives way to design. Additional funding, therefore, is only part of a longer term investment and does not reflect year-to-year changes in the political, diplomatic or fiscal position of the country. But that argument loses some of its force if military programs are equal competitiors for federal dollars. The SALT agreement—the one signed and a second one that is to be negotiated—*should* permit less rather than more research on some future ABM system. The elimination of overlapping federal civilian grants, mostly for welfare, would seem to argue at least for consolidation of competing military programs. The scuttling of a weapons system because it had no defined mission should not lead to new investment in new research on the same kind of weapon. After all, the domestic programs that allegedly have failed are not being replaced.

Goldplating, or building an excess of unnecessary equipment into weapons systems, is another part of the '74 budget that deserves scrutiny. For example the marines are scheduled to make their first purchase of a new batch of F4J fighter aircraft. Total cost: $125.6 million or roughly $12.6 million apiece. The air force is also planning to purchase F4s, 24 of them, to replace those lost in the closing months of the Vietnam war. Price tag: $93.6 million, or $4.5 million per plane. Some in Congress are already looking askance at the almost $8 million per plane difference in the two purchases. New avionics and ground support equipment for the marines, they say, doesn't come near justifying so striking a discrepancy in price.

The navy is in there with $455.4 million for 45 more S3A Viking anti-submarine warfare planes, despite a warning last year by the House Appropriations Committee (which cut it back) that this project was nowhere close to being cost effective or justified by mission.

The air force is returning for an additional B747, denied it last year by Congress, which criticized the airborne command post program. Cost for the one plane; $32.3 million. The air force is also seeking $180.6 million to buy 36 more C130 cargo planes. Whether these are intended as replacements for Vietnam losses or are to be turned over to General Thieu cannot yet be determined.

No such ambiguity cloaks the army's request for funds for new equipment to replace material turned over to the South Vietnamese where "peace was at hand." For example the army wants $51.5 million for 24 CH47C Chinook helicopter transports and $96.7 million for 308 Huey light transport helicopters—all of which are paybacks to the

army for Vietnam transfers. Last year the Congress refused to replace any more than 106 additional Hueys the army gave Saigon. The army wanted to give away more, though the South Vietnamese did not have trained crews to handle them. The army is also asking for $164.6 million to buy 480 new M60A1 tanks, the primary tank in the armor division. The army has turned over to Thieu older tanks that were in army reserve and guard inventories. It now wants to replace them with the newer, more costly M60.

When the US quickly transferred a large amount of military equipment to Thieu in the closing days of 1972, F5 jet fighters were included, some taken from squadrons "borrowed" from Taiwan and Korea. Both countries in turn demanded and received the presence of American F4 squadrons, so as to fill the gap created in their air defense structures until *their* F5s could be replaced. The fiscal '74 budget contains $69.3 million for 116 new F5s, some no doubt to replace those given to the Vietnamese. In addition there is $112 million in new funds to purchase 71 of an even faster version of the plane, called the F5E. Since the air force won't fly these planes (they're too cheaply made), they all must be for foreign sales or gifts.

The defense budget also reveals a step-up in purchases of ammunition and equipment to replenish stocks around the world that were somewhat depleted during the war. For instance expenditures for the new Mark 48 torpedo, a conventional weapon to be carried by our nuclear subs both old and news, is boosted to $191.2 million. Funds for the Captor torpedo, a new secret "encapsulated" (whatever that is) weapon, are doubled. A new shoulder-fired flaming rocket launcher is scheduled. Tacfire, a new computerized tractical firing system for field artillery, is being funded at a $40.6 million level.

Despite considerable publicity about the failures of various air-to-air missile systems during the Vietnam war, the services are increasing their purchases of the Sparrow from $40 million to $90 million. The new Phoenix system will get $100.3 million. The standard Pershing missile long-range nuclear fire support weapon will draw $57.8 million in army funds, up $21.5 million from last year. This weapon was not used in Vietnam.

The air force is budgeted for $107 million worth of Maverick air-to-surface, electro-guided rockets, a weapon that came into use in the latter stages of the Vietnam war. The navy wants to begin buying Harpoon, a new ship-launched anti-ship missile that is still being researched.

Thanks primarily to the all-volunteer force, personnel costs of defense are climbing. Overall, they will be up some $2.1 billion, though there will be a drop of over 50,000 in the number of servicemen. Not all of that drop, however, is a complete loss to the defense budget. Reserve forces, if Defense has its way with Congress, will go up by 23,000 and 31,000 of the jobs formerly filled by military men will be taken over by civilians. In addition the services are already seeking an extra $150 million to advertise for volunteers in certain specialties now in short supply. To attract new officers, the college reserve officers training programs have established full scholarship programs at an added cost of almost $30 million. The army guard program is to go up by $136 million, the air force by $76 million.

One program the administration is pushing that will cost over $400 million is a pay boost for retired officers and enlisted personnel, to reflect the increase in pay to servicemen on active duty. Called recomputation, this proposal faces strong opposition on the Hill. But its inclusion in what the administration classifies as a tight budget indicates that the shortage of federal funds for domestic needs does not even carry over to retired military—a good many of whom are in their 40s.

A "generation of peace" and the improbability of a nuclear exchange notwithstanding, the '74 budget for the civil defense agency will rise almost $5 million to a total of $88.5 million. Among the items going up are new warning and communications equipment to signal an attack. The Department of Defense also has earmarked a slight but significant increase of $150,000 for its lobbying on Capitol Hill—which, if approved, would permit $1.3 million to be spent for that purpose.

The Defense Department will have $10 million more to spend on base schools for children of military families where there's no nearby public school. This increase coincides with the administration's decision to cut back federal aid to school districts adjacent to military bases, though these districts will still be expected to educate the military's children.

Higher expenditures for the defense establishment are paralleled in the budget by larger amounts requested for various military assistance items. Direct grants to other countries for military equipment and training will go up by $135 million, to $685 million. Next year's program is still classified, but this year (fiscal '73) Cambodia and Korea are scheduled to get almost half of what is allocated. Other major recipients in fiscal '73 are Thailand, Turkey, Jordan, Indonesia and the Philippines, with Ethiopia and Spain also getting a fair slice. The '74 defense budget retains military assistance for South Vietnam and Laos, $635 million less than in the previous year but still funded at $2.1 billion, just below what it was two years ago when the war was hot and heavy.

The administration also wants to raise security supporting assistance by $132 million, to $732 million. This assistance, most of which is destined for Vietnam, goes for direct budgetary support of a government, or its economic programs. Other countries scheduled to receive this form of aid during the current year are Cambodia ($75 million), Laos ($49 million), Israel ($50 million) and Jordan ($40 million).

Another military grant program will distribute material declared excess to U.S. needs. Under this category Taiwan this year picked up some $28.8 million worth of equipment, Turkey some $52 million and Vietnam $33.2 million.

While the administration seems to hold the upper hand in its enforcement of domestic cuts and impoundments, it may find that the 93rd Congress will exact *its* price for this budgetary stringency by taking a whack or two at defense. Last year Congress cut $5 billion from the President's defense budget, yet legislators found themselves tagged as spenders because of increases approved in the domestic area. Today irritation on Capitol Hill, both toward the White House and the Pentagon, is running high. Whether this will result in even deeper defense budget cuts than last year, depends on the willingness of Congress to take the heat the President and the Joint Chiefs could generate over congressional cuts "endangering of the national security."

The '74 budget abounds in ironies. One may be found in the President's budget message, where he discusses domestic programs. "Delay in congressional consideration of the budget is a major problem," the President said, and he called for "prompt enactment of all necessary appropriation bills before the beginning of the fiscal year (July 1)." In the case of the defense budget, however, Congress this year has been held up by the changeover from Secretary Laird to Secretary Richardson. Indeed Richardson then asked to delay his appearance before the appropriate committees of Congress until after the President had delivered his State of the World address. So the House Appropriations Committee, which undertakes the major defense budget review, will not get started on the defense budegt until April 3, the latest date their hearings have ever begun. It's just another irritant, one of many that may result in the toughest year the military has had on Capitol Hill for a long time.

ESTIMATED PORTION OF THE PUBLIC DEBT ALLOCABLE TO DEFENSE AND NONDEFENSE ACTIVITIES

(By George K. Brite)

How much of the total public debt is national defense generated? This is a constantly recurring question. There is no simple absolute answer. Our public debt has been accumulated over periods of varying levels of defense expenditures. Furthermore, any Federal expenditure, whether for national defense or for other activities or purposes, will serve to increase overall economic activity and increase Federal revenue thus having an effect on the budget deficit. Also there is the additional problem of defining what are national defense costs.

The budget national defense function category includes all activities of the Department of Defense military functions, the expenditures for military assistance, the expenditures for the Atomic Energy Commission, and a subfunction termed defense related activities which includes the Selective Service System and other miscellaneous expenditures associated with the national defense function. In addition to the outlays for the national defense function many persons contend that numerous other Federal outlays are defense related or defense generated. It is generally contended that outlays for veterans benefits and compensation are in the nature of deferred defense costs, inasmuch as these outlays stem from past defense activities. There are some persons who contend that Federal outlays for the space program have been far greater than they would have been if it were not for the military implications. Also there are some persons who contend that a portion of the financial and economic aid granted by the United States in the post World War II period has been, in part, based on military considerations. In addition there are smaller Federal outlay activities such as cemeterial expenses, expenses of Soldiers and Airmen's Home, U.S. Coast Guard, American Battle Monuments Commission and others that might be considered defense generated or defense related.

In an effort to apportion or allocate the total public debt to defense and non defense activities the following procedure has been used. At the end of fiscal year 1916 the public debt amounted to $1.2 billion; most of this debt stemmed from the Civil War. During World War I the total debt increased to $25.5 billion. With the budget surpluses of the 1920's, the debt was gradually reduced to slightly more than $16 billion by the end of fiscal year 1930. During the depression years, 1930–1940, the public debt increased by almost $27 billion to a level of $43 billion at the end of fiscal year 1940. During the period of World War II, most outlays were in support of the war, the total debt rose to $270 billion by the end of fiscal year 1946. Arbitrarily the debt accumulated during the depression has been assigned to non defense activities; and the debt remaining from World War I, and the debt increase during period of World War II has been assigned to defense activities. On this basis at the end of fiscal year 1946, the $270 billion total debt was assigned $243 billion (90 percent of total) for defense and $27 billion (10 percent of total) for non defense. From 1946 to 1948 the public debt was reduced by $19 billion to a level of $251 billion. It has been assumed that the reduction in the public debt was on a basis of 90 percent for defense and 10 percent for non defense. Therefore, the public debt at the end of fiscal year 1948 was allocated $226 billion as generated from defense

activities and $25 billion from non defense activities.

The increase or decrease in the public debt was allocated annually on a defense or non defense basis for fiscal years 1949 through 1974 (estimated) in the following manner. Defense related outlays have been assumed to include all outlays for the national defense function, all outlays for the veterans benefit and compensation function, and the percentage of interest outlays related to the accumulated defense generated public debt. All outlays have been expressed as a percent of the Federal funds basis of the budget (all trust fund outlays omitted) since the increase or decrease in the public debt is controlled by the deficit or surplus in the Federal funds. Total defense related outlays expressed as a percent of total Federal funds outlays have ranged from the low of 56.4 percent estimated for fiscal year 1974 to the high of 83.1 percent for fiscal year 1952—the peak of the Korean war costs—see column 7 of the attached table. The portion of the public debt estimated to be defense generated has declined steadily from the 90 percent high at the end of World War II to the low of 78 percent estimated for fiscal year 1974—see column 10 of the attached table.

It is recognized that the data contained in the attached table are constrained by the assumptions outlined here. Furthermore, it is recognized that by varying the assumptions there could be reasonable arguments that would increase or decrease the portion of the debt allocated to defense activities; however, these changed assumptions would not alter to a major degree the pattern as shown in the attached tabulation.

DEATH OF FORMER SENATOR GILLETTE

Mr. SCOTT of Pennsylvania. Mr. President, former Senator Guy M. Gillette, who passed away on March 3, was a man of great stature and respect in the U.S. Senate when I came to Washington. Senator Gillette, I recall, supported the creation of an independent state of Israel back when the issue was not popular in the United States. Israel's cause became Guy Gillette's cause in 1945 when he assumed the office of presidency of the American League for a Free Palestine. I ask unanimous consent that Guy Gillette's speech at that occasion be printed in the RECORD.

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

AMERICAN TRADITION AND HEBREW FREEDOM

(NOTE.—"American Tradition and Hebrew Freedom" is the text of a statement made by The Honorable Guy M. Gillette in Washington, D.C., when he assumed the office of Presidency of the American League for a Free Palestine.)

I am aware that many people will regard it as unusual that I have chosen to decline the gracious offers of a government position by the President and to dedicate myself to the effort of achieving a solution to the Hebrew problem in Europe and Palestine, particularly since it is a non-Hebrew and non-Jew who has undertaken this task. But I believe that this surprise is chiefly due to the general misunderstanding of what we have come to call "the Jewish problem." For it is commonly and universally accepted that the persecution, the homelessness, the enslavement, and the extermination of the Hebrew people is solely a Jewish question and that only Jews need to participate in the various movements that seek to end this tragedy.

I do not share this attitude. I have decided to accept my present task not because I have become a Jew, nor because I intend to settle in Palestine, nor because my love or sympathy for the Jews is in any degree greater than that of the average American. Indeed, I have undertaken this step only as an American who seeks to live up to the traditions and the principles of our nation. For I consider the so-called Jewish problem, not as a Jewish or a Hebrew question, but as an urgent problem of the United Nations and of the decent portion of mankind.

WORLD PEACE AND SECURITY AT STAKE

Because some governments did not share this view of all mankind has paid very dearly in the casualties of our sons and brothers on all the battlefields of the world. I do not consider this problem the most important on the agenda of the United Nations, but I do consider it one of the problems which must be on that agenda. Since America, through the war, through the Atlantic Charter, and through other international relations culminating in the San Francisco agreement has become international in attitude and international in purpose, she cannot and should not fail at this important point either.

I have personally shared the desire for international cooperation, international decency and justice, of the American people. I have given practical expression to that before I became a member of Congress and throughout the twelve years of my service in the House and Senate, and I come to this task with the conviction that unless this particular problem is permanently and effectively solved, it will again be exploited by the forces of reaction to recreate fascism and world war.

Until this war broke out, my interest and my knowledge of this so-called Jewish problem was general and vague. I must confess that even in the first years of war I shared with other Americans the skepticism about the persecution and the extermination suffered by the Hebrew people, the truth of which we have now been forced to believe by incontrovertible evidence. It did not seem possible that in this era of vaunted civilization anyone could be guilty of the savage barbarism and of the bestial crimes that were charged against the leaders of the fascist countries. We have now learned that the facts brought to our attention by the Hebrew Committee on National Liberation and the American groups that supported the Committee in 1943 were under-stated rather than exaggerated.

I am happy and grateful that through the efforts of my present colleagues, I became vitally interested in the plight of the Hebrews in Europe and Palestine and in some degree instrumental in the congressional action that resulted in a few concrete measures, such as the creation of the War Refugee Board, for the alleviation of this tragedy and the rescue of a few thousand individuals from the extermination camps of Central Europe.

What we found in Europe after the end of hostilities there has indeed surpassed our worst fears. The bestiality and ruthlessness of the Germans in the wholesale extermination of the Hebrew people staggers human comprehension. But somehow, miraculously, some two million Hebrews have survived it and the great question is,

WHAT NOW?

Are we simply to forget the five million dead? Are we to ignore the horrible suffering of the survivors and their present plight? Are we to leave them in their present miserable condition, roaming the continent of Europe as "refugees," as "displaced persons," as "stateless Jews," as unwanted, second-rate human beings on God's earth? Or are we, the United Nations, now that the enemy has been beaten and now that we are in position to act if we really want to do so, to give meaning to our oft-repeated expressions of horror and sympathy? Are we to make a real effort to be of assistance to them, to let them rehabilitate themselves and thus defeat the German scheme to exterminate them? Let us then restore them to life and human dignity by recognizing them as a fellow-member of the United Nations, entitled to equal rights with the other fifty member nations, and by letting their representatives and statesmen sit on the councils of the United Nations and secure an adequate solution to their national problems, just as we are endeavoring similarly to settle numerous other problems within the United Nations.

JEWS AND THE HEBREW NATION

And here let me make it quite clear that when I speak of national recognition for the Hebrews of Europe and Palestine, I mean precisely that and not recognition of the Jews as a nation, for Hebrews and Jews should not be regarded as synonymous terms.

The Hebrew Committee of National Liberation in coming into existence as a temporary Hebrew national authority has taken a step of historical consequence. In drawing the distinction between the Jewish religion, on the one hand, and the Hebrew nation, on the other, they have solved a question which has, consciously or subconsciously, been bothering most of us and which has probably been the greatest single stumbling block toward the solution of the so-called Jewish problem in Europe and the deadlock surrounding the Palestinian problem.

On the basis of this distinction the position of these people can be simply and easily understood. There exists a Hebrew nation whose national territory is Palestine, just as Holland is the national territory of the Dutch. Quite apart from the Hebrew nation, there are people of the Jewish faith practically all over the world. Just as the fact that most Irish are Catholics does not make every Catholic an Irishman, the fact that most Hebrews are Jews does not make every Jew a Hebrew. Here in America, for instance, we have Americans of Hebrew descent and of the Jewish faith, even as there are Americans of French origin and of the Catholic faith, or of English descent and of the Protestant faith. I stress these definitions for I believe them to be of the utmost importance. In the course of centuries of abnormal existence, the Hebrew national problem and the Jewish problem have become much too involved and the solution lies in simplification and normalization.

THE RIGHT TO SELF-DETERMINATION

I have decided to dedicate my efforts to the best of my ability and knowledge to see whether, once and for all, an end can be put to this age-long abnormal and intolerable existence of a great and ancient people who have contributed so much to the progress of the world and who have been so ill-repaid.

I believe it to be the elementary dictate of human decency that we must not prolong for one more day the suffering existence of the surviving Hebrews in Europe today. We believe therefore that the Allied control commissions in Europe ought to recognize the Hebrew national status and permit every so-called "stateless Jew," displaced person, or "Axis-Jew" the elementary right of self-determination in order that they may decide of their own free will whether they are Hebrew nationals or whether they want to remain "stateless," or to become once again German or Rumanian or Hungarian nationals. The present policy which regards and treats the greatest victims and enemies of the Germans as Germans, subject to all the laws and regulations imposed upon the barbaric and defeated foe, is a gross injustice and

must evoke laughter in Hell. To offset this policy, the following steps should be taken:

EMERGENCY PLAN

1. All Hebrews are to be freed from their Axis concentration camps in which hundreds of thousands of them are still detained.

2. A commission composed of those Hebrews should be recognized by the occupying authorities and be charged by them with the handling and representation of all Hebrew affairs.

3. UNRRA should immediately extend its relief operations to the Balkan countries where hundreds of thousands of Hebrews, in Rumania and Hungary particularly, are starving and destitute, and have to date not received one ounce of UNRRA aid.

4. Hebrew representatives should be added to the United Nations War Crimes Commission in order to secure the prosecution and trial of the tens of thousands of known criminals who have participated in and carried out the wholesale slaughter of some five million Hebrews and who are today at large with little prospect of being prosecuted.

5. The Reparations Commission in Moscow should consider the claims and rights of the surviving Hebrews and include in the reparations to be given to United Nations also compensation for the losses suffered by the Hebrew people.

These are emergency measures necessary in view of the destruction and chaos of present-day Europe in which over a million Hebrews find themselves without status, without national or legal protection, without representatives to take action on their behalf.

ESSENTIAL STEP

What is of even greater importance are the following steps which we believe essential for the commencement of a solution of the entire problem:

1. The British Government should proclaim the right of every Hebrew in Europe to apply to the nearest British Consulate and receive his first papers of Palestinian citizenship.

2. An Anglo-American-Russian commission should be set up immediately and given adequate powers to effectuate the repatriation, in the speediest manner, of all such applicants to Palestine.

SIN MUST BE ENDED

Now that a new Government has come to power in Great Britain which is publicly and officially committed to the abrogation of the Chamberlain White Paper under which Palestine is administered, Britain's sin of having kept Palestine closed to the martyred Hebrews of Europe at a time of their greatest ordeal and need should be immediately ended. Similarly, the new Government must annul immediately the discriminatory laws against the Hebrews in Palestine that were the products of the Munich and Nuremberg era.

Many words of grief, many resolutions of sympathy, many speeches of protest have been made in our own and other countries. I do not for a moment doubt the sincerity and the noble emotions which have prompted them, but I say in all earnestness: For God's sake, these people have suffered enough! Their age-old and continuous persecution has ended with a national disaster. It is time for action—action *now*. I, for one, am going to take all the action within my power and spare no effort. I shall knock on every door and go through every channel to see to it that the action is taken and taken immediately.

I feel confident of the success of our undertaking because I know that the heart and soul of Americans, irrespective of the national origin or religion, is with us. From the length and breadth of this land genuine human sympathy, understanding, and desire to be of help has been repeatedly and magnificently demonstrated. The will of the American people in this task, adequately expressed, must compel our Government to take appropriate action. For such democratic principles we have fought this war; it is for this that governments are elected and put in power; to express and act on the will of the people.

"DO NOT DESPAIR"

To the surviving Hebrews of Europe (and I hope my word reaches them) I want to say this: Do not despair; do not believe the world is all darkness; humanity is not dead, and the human soul is not all base. The people of this land, engaged as they are in a desperate and bloody struggle against the remaining Axis tyranny, are coming to your aid. Your emissaries and servants of the Hebrew Committee on National Liberation here have not faltered in their task of raising their voice in your behalf. And as for myself, I consider it a great opportunity and honor to lend a helping hand and to serve a cause the solution of which is in the deepest interests of all the United Nations and which has such great appeal to the traditions and the principles that make America.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

AMENDMENT OF THE FEDERAL MEAT INSPECTION ACT AND THE POULTRY PRODUCTS INSPECTION ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 90, S. 1021.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

S. 1021 to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill.

PRIVILEGE OF THE FLOOR

Mr. CURTIS. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture be allowed privileges of the floor during debate and any votes on S. 1021:

Harker Stanton, Forest Reece, Mike McLeod, Bill Taggart, and Jim Giltmier.

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

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly?

Mr. CURTIS. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—after having cleared the request with the distinguished assistant Republican leader, the distinguished Senator from Nebraska (Mr. CURTIS), who is going to manage the bill, the distinguished Senator from Georgia (Mr. TALMADGE), who is chairman of the Committee on Agriculture and Forestry, and with other Senators—that debate on S. 1021 be limited to 2 hours, to be equally divided between and controlled by the distinguished Senator from Nebraska (Mr. CURTIS) and the distinguished Senator from Georgia (Mr. TALMADGE) or his designee; that the time on any amendment in the first degree to limited to 1 hour; that time on any amendment to an amendment, debatable motion, or appeal, be limited to 30 minutes, the time to be equally divided and controlled in the usual form, and with all other matters with respect to the agreement to be in the usual form, with the exception that there be no provision with regard to germaneness.

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

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

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

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

The PRESIDING OFFICER. On whose time?

Mr. CURTIS. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. 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. CURTIS. Mr. President, the bill now before the Senate, S. 1021, is virtually identical to S. 1316 which passed this body during the 92d Congress without a single dissenting vote.

S. 1021 authorizes an increase in the Federal contribution to State meat and poultry inspection programs from the current maximum of 50 percent of the costs of such programs to a maximum of 80 percent of such costs.

As my colleagues know, Mr. President, the junior Senator from Nebraska is not one who generally supports increased Federal expenditures. However, I believe this is one program where an increase in the Federal contribution as proposed in the bill now before us will enable many States to continue operating their own meat and poultry inspection programs rather than calling upon the Federal Government to bear the entire cost.

Mr. President, when the Meat Inspection Act of 1967 was passed, it contained a provision that if a State did not want to continue with its meat inspection program, it could turn it over to the Federal Government. It meant that the Federal Government would pay the total cost of all meat inspection throughout the entire country. This has to be very expensive. If a State chose, under existing law, to continue its meat inspection program, the Federal Government would make a contribution of 50 percent of the cost.

Many States are faced with budgetary problems, and there is a temptation for them to just give up the inspection, turn it over to the Federal Government, and

have the Federal Government bear all of the cost.

Inspection by the Federal Government will cost much more than State inspection. In addition to that, the Federal Government will pay 100 percent of it.

Consequently, the Committee on Agriculture and Forestry believes that by raising the contribution of the Federal Government to the State meat inspection programs from 50 to 80 percent will cause a number of States to continue their meat inspection programs and some that have already discontinued them to reinstate them; and that, of course, will save money for the Federal Government.

As pointed out in the Department of Agriculture's legislative report on S. 1316:

Unfortunately, the Wholesome Meat Act provides no incentives for States to continue their meat inspection programs; in fact, it provides a financial disincentive. A State must now bear 50 percent of the cost of carrying out its meat inspection program. But this cost may be totally eliminated simply by turning the program over to us.

The report continued:

We are quite confident that on an 80–20 funding basis most States will continue their programs. We are equally confident that there will be a rapid decline in the number of State inspection programs under the present 50–50 ratio.

I would note that since that report was written on June 28, 1971, my own State of Nebraska, as well as Montana, Minnesota, Missouri, Oregon, Kentucky, Pennsylvania, and Puerto Rico have all turned their meat inspection programs over to the Federal Government as have 13 States in the case of poultry inspection.

As I said a while ago, it is quite likely that some of the States enumerated will reinstate their meat inspection programs if the Federal Government would assist with 80 percent of the cost.

The single difference, Mr. President, between S. 1021 and the bill approved by the Senate previously is a provision in the legislation now pending requiring that the Federal Government contribute no less to any State under cooperative arrangements for meat or poultry inspection under the Talmadge-Aiken Act than the highest percentage contributed to any State under the Federal Meat Inspection Act or the Poultry Products Inspection Act, as the case may be.

By way of clarification, Mr. President, there are presently three separate types of meat and poultry inspection programs.

First, there are the cooperative arrangements under the Talmadge-Aiken Act whereby State employees inspect plants under the overall supervision of a Federal supervisor in the State. The Federal Government presently contributes 50 percent of the cost of this program and the meat or poultry may be shipped in interstate commerce.

Second, there is the cooperative program under the Wholesome Meat Act whereby any state which agrees to adopt standards at least equal to Federal standards may be reimbursed for up to 50 percent of the cost of inspecting plants from which meat and poultry are shipped in intrastate commerce.

Finally, there are plants which are inspected by Federal employees from which products may be shipped either in intrastate or interstate commerce.

Mr. President, the Senate agreed unanimously during the last Congress that this was good legislation. I hope there will be another unanimous vote today.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, will the Senator yield me some time?

Mr. CURTIS. Yes. How much time does the Senator desire?

Mr. GRIFFIN. Ten minutes.

Mr. CURTIS. I yield the distinguished Senator 10 minutes.

Mr. GRIFFIN. Mr. President, I want to indicate my support for the legislation reported by the Senate Agriculture and Forestry Committee and to indicate my agreement with the essential reasoning outlined by the distinguished Senator from Nebraska.

Unless legislation like this is passed, it appears that State standards and State meat inspection programs that are now in effect could well become a matter of history. Moreover the cost to the Federal taxpayers would be, not 80 percent, but 100 percent. But because the purpose of this legislation is to preserve a certain degree of State authority and control, which the Senator from Michigan considers to be desirable, it raises a question to which an amendment that I have prepared will be addressed.

The Federal meat inspection statutes at the present time have been construed by one Circuit Court of Appeals—the Sixth Circuit Court of Appeals—as having the effect of preempting State meat inspection laws and standards which may be stricter than the minimum standards set by Federal law.

This has become a very important issue in my State of Michigan, because in our State we have had a meat inspection law for more than 20 years, and a meat standards law which has worked very well. It has protected the consumers of my State, has been acceptable to the meat processors and packers, and now has been declared abrogated by the Federal law which is on the books.

To be more specific, Mr. President, under Michigan State law, hot dogs and sausages can be made only of skeletal meat and does not include the use of such animals byproducts as snouts, lips, spleens, udders, salivary glands, stomachs, and other organs.

The Federal minimum meat standards law which has been in effect would allow such animal byproducts in the manufacture of hotdogs and sausages.

Furthermore, the Michigan meat standards law provides that hotdogs, for example, must include a minimum protein content of at least 12 percent. As I have already indicated, there is no similar Federal requirement.

The point of all this is that it is fine for the Federal Government to come along later, as we have, and set up some standards—in this case, rather minimal standards. Of course, it is better than having no standards at all. However, in the process, I would hope that we would not, as a matter of intent at least, wipe out stricter standards that States have already provided the consumers in their States. Because of the decision of the sixth circuit court of appeals that is the unfortunate result and the unfortunate effect of the passage by the Federal Government of meat inspection legislation.

There is nothing unusual about the Federal Government setting minimum standards in a field, while recognizing that States may still impose stricter and higher standards than the Federal Government imposes.

I believe it was the intent of Congress that this should have been the case in the meat inspection law. However, if the intent of Congress was not clear, then I think that we should adopt an amendment to the pending bill—which would certainly be a most appropriate vehicle—to make clear that the several States having stricter meat standards would be able to continue to enforce those standards in the interest of their citizens. In addition to Michigan, those States include Massachusetts, Connecticut, Maryland, Nevada, New York, and California.

I would suggest to the distinguished ranking minority member of the committee that my amendment is completely consistent with the philosophy of State's rights which is the main thrust of the bill because the bill itself seeks to preserve the State role in meat inspection and standards. I would find it rather unfortunate if in doing so we should wipe out, at the same time any State regulatory jurisdiction whatsoever.

I would hope very much that it might be possible that an amendment such as the one I have drafted would be accepted by the committee and taken to conference. I do not know whether the Senator from Nebraska might have any comments to make on this matter or not.

Mr. CURTIS. Mr. President, I can understand the urgency of this matter from the standpoint of the distinguished Senator from Michigan. However, the pending bill is a very narrow bill. It deals with just one thing—the financial burden to be borne by the States and the Federal Government. The proposed amendment of the distinguished Senator from Michigan relates to standards of inspection. The present law requires that on the inspection to be carried on by a State, the financial assistance, if there is to be any, must be equal to that provided by the Federal Government.

Now, the question arises, if the amendment of the distinguished Senator from Michigan is offered, as to whether a State can impose requirements over and above the standards of the Federal Government.

I think this is an important question. It merits hearings on the part of Congress. The whole question of State standards should be explored.

I think we should hear from State inspectors and heads of those departments. I think that our people from the Federal inspection program should be heard. I

think that we should also hear from the other interested parties.

It would be my hope that the distinguished Senator from Michigan would not press his amendment at this time. I will certainly join with him in seeking to persuade the chairman of the subcommittee of the Committee on Agriculture and Forestry, the distinguished Senator from Alabama (Mr. ALLEN), to hold hearings on his bill. I think the matter deserves attention, and I think that the subject should be gone into.

Mr. GRIFFIN. Mr. President, it happens that the distinguished Senator from Alabama (Mr. ALLEN), the chairman of the subcommittee, is on the floor. At the very least, it would seem to me that there should be hearings on a bill I have also introduced to carry out the same purpose as a possible amendment to the pending bill.

As I indicated earlier, it is not unusual for a Federal minimum standard to allow for the possibility of a State invoking a higher standard. I refer, for example, to the Federal minimum wage law. There can be no lower minimum wage set within a State, but a State may have a higher minimum wage than is imposed by the Federal Government. The Smith-Hughes Vocational Education Act, I understand, is another example of an area in which the Federal Government sets certain minimum standards, but a State is not precluded from setting higher standards.

I realize that there is a question of the burden or possible interference with interstate commerce in the meat field; but I also am very well aware that in this instance the State of Michigan had a meat law long before the Federal Government thought about it. It would be unfortunate for the Federal Government to deny the people of a State a lawful protection to which they have already become accustomed.

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

Mr. GRIFFIN. I am glad to yield.

Mr. ALLEN. I shall have something further to say if the amendment is offered. I wish to point out at this time that the U.S. Department of Agriculture published regulations for the use of by-products in such items as hotdogs. I understand they apply also to sausage. They were published originally on December 23, 1972. The Department of Agriculture has received more than 3,000 comments. The proposal was reissued on February 14 and provided for a 30-day comment period, which expired on March 17. So regulations have not been promulgated in final form. It is my understanding that if the proposed regulations become effective, they will then equal the Michigan standards. Therefore, we might be dealing with a moot question in the event the Senator offered his amendment.

Mr. GRIFFIN. I may be wrong, but I believe that the regulations suggested or proposed by the Department of Agriculture do not go to the ingredient standards, but relate to labeling.

Mr. ALLEN. I cannot answer that, because the regulations are not in final form yet. But it has been my understanding that they will. However, I do not know.

Mr. GRIFFIN. Frankly, I think that unless I have some assurance that the subcommittee which has jurisdiction will hold hearings and give the matter consideration, I really have no choice other than to offer my amendment.

Mr. ALLEN. I would be delighted to say to the Senator from Michigan that if the amendment he is discussing—he has not offered it yet——

Mr. GRIFFIN. I have not.

Mr. ALLEN (continuing). Is introduced as a separate bill, and if the bill is referred to the subcommittee of which I am the chairman. I assure the distinguished Senator from Michigan that in the light of the policy we have always maintained, the bill will be set for early hearings. At that time the distinguished Senator from Michigan could come before the subcommittee and explain the bill and offer such other testimony as he might care to adduce. I assure the Senator that there would be no reluctance whatsoever on the part of the Senator from Alabama to hold hearings in his subcommittee. I am sure, though, that the Senator from Michigan is not suggesting that. We have had a number of controversial bills before our subcommittee, and certainly we would not refrain from holding committee hearings on this one.

Mr. GRIFFIN. I thank the distinguished Senator from Alabama for that statement and that commitment. I will say to him that the bill has already been introduced as S. 991.

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

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 408 of the Federal Meat Inspection Act (81 Stat. 600; 21 U.S.C. 678) is amended to read as follows:

"SEC. 408. Requirements within the scope of this chapter with respect to premises, facilities, and operations of any establishment at which inspection is provided under subchapter I of this chapter, which are less stringent than those made under this chapter may not be imposed by any State or territory or the District of Columbia. Marking, labeling, packaging, or ingredient requirements less stringent than those made under this chapter may not be imposed by any State or territory or the District of Columbia with respect to articles prepared at any establishment under inspection in accordance with the requirements under subchapter I of this chapter, and any State or territory or the District of Columbia may exercise concurrent jurisdiction with the Secretary over articles required to be inspected under said subchapter I, for the purpose of preventing the distribution for human food purposes of any such articles which are adulterated or misbranded, or, in the case of imported articles, after their entry into the United States.

Mr. GRIFFIN. Mr. President, with that assurance, I am sure that I shall have some witnesses from my State and perhaps from other States who will agree to come before the subcommittee and present the case because it is a case of States rights.

Mr. ALLEN. I understand; and that makes the Senator from Alabama very much interested in the proposed legislation.

Mr. GRIFFIN. With that assurance and that commitment, I shall not offer the amendment to this bill.

Mr. ALLEN. The Senator from Alabama will say to the distinguished Senator from Michigan that he will be glad to discuss the matter with him and arrange a date for the hearings.

Mr. GRIFFIN. I thank the Senator.

Mr. TUNNEY. Mr. President, I am sending an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, line 19, insert the following:

SEC. 5. Not withstanding any other provision of law to the contrary, the President shall prohibit the exportation outside the United States or any territory or possession of the United States of any meat or live animal livestock when such exportation shall be at an average monthly rate above that which prevailed in 1972.

SEC. 6. (a) "Meat" as used in Sec. 5 means all beef, veal, pork, sheep and lamb products with Standard Industrialization Classification Codes Number 2011 or Number 2013, before or after they have entered into a processing stage, where they are intended for use as or in a product for human ingestion.

(b) "Live Animal Livestock" means all living animals whose production and sale is undertaken for purposes of producing "Meat" as defined in (a).

SEC. 7. Sec. 5 shall remain in effect until the termination of all restraints, ceilings or other limitations imposed on March 29, 1973 on prices of meat under the authority of the Economic Stabilization Act of 1970, as amended, or any subsequent restraints, ceilings or limitations on these products imposed under this same authority.

Mr. TUNNEY. Mr. President, at the appropriate time, I shall ask for the yeas and nays. There does not seem to be a sufficient number of Senators in the Chamber at this time to ask for the yeas and nays, so I shall call for them later.

I am offering today an amendment to S. 1021 which would protect the American consumer from the likelihood of export-induced shortages of the meat products covered by the President's March 29 establishment of price ceilings.

On March 20, 1973, I introduced legislation which would bar export of meat products whose prices were rising at an annual rate of 3.6 percent or more. I pointed out at that time that such export controls would be imperative if controls were placed upon meat prices. Now that the President has promulgated such controls, we must act swiftly to prevent the development of shortages and black markets that will be inevitable if foreign meat and livestock purchasers are free to outbid American consumers for our limited meat supplies.

My amendment is very simple. It says that, as long as meat price controls remain in effect, the President shall not permit the exportation of price-controlled products or of live animals used to produce these products at a rate greater than that which prevailed in 1972.

We could ban meat and livestock ex-

ports altogether. This would help relieve pressure on prices even more than the measure I propose today. However, I recently discussed this question with a number of leading economists. All favored export controls in the present crisis but some expressed the concern that our long-term ability to sell agricultural commodities abroad and thus improve the balance of payments might be injured by the foreign resentment that an abrupt termination of meat exports might cause. By limiting meat and livestock exports to their relatively low 1972 levels, my amendment strikes a fair balance between maintaining the confidence of foreign consumers and preventing wholesale raids on our scarce supplies.

While it is too early to assess the export effects of meat price ceilings, there are disturbing indications that the ceilings will induce American producers to sell substantially higher amounts of their output abroad. The result would be the creation of meat shortages, possibly accompanied by rationing, or black markets, or both. Let us look at the evidence:

First, the two recent devaluations and the dollar float have substantially reduced the price of American meat to foreign consumers.

Second, billions of dollars, each a potential claim against U.S. meat supplies, are held by citizens of Japan and Western Europe where the demand for meat is rising even faster than in the United States and where consumers are accustomed to paying more for meat than Americans do, even at today's price.

Third, with rising world meat demands and great production difficulties in Australia and Argentina, world meat prices are rising rapidly everywhere but in the United States where, of course, they are now controlled.

Fourth, the President's ceilings do not apply to the price of meat sold for export, therefore American meat producers can legally seek and receive foreign prices above those that are permissible in the domestic market.

Fifth, Japanese pork purchases in February were up seventeen fold over the January level. In March, the Japanese bought almost as much pork in 1 month as they did in all of 1972.

Sixth, before the recent devaluation, the dollar float, and the establishment of meat price ceilings, the U.S. Agriculture Department conservatively estimated that red meat exports in 1973 would be at least twice as great as in 1972. The USDA has as yet to publish revised estimates which take into account the export-promoting developments that have occurred since its original estimate.

Mr. President, I could continue to cite data and reports showing that we are facing a most dangerous situation. For once, let us act before it is too late, before shortages and black markets come to pass.

Article XX of the General Agreement on Tariffs and Trade, the basic law of international trade, recognizes every nation's right to control the export of goods in short supply. The Export Administration Act of 1969 established that it is the policy of the United States to protect American consumers through short-supply export control.

Let us not see another failure of public policy. Let us act now before the problem grows to be out of control.

Mr. President, I should now like to quote from a newspaper article published in the Washington Post dated March 31, 1973, written by James L. Rowe, Jr., which states in part:

According to Agriculture Department figures, U.S. pork exports tripled in the first two months of this year, to 17.8 million pounds of pork products.

In addition, according to one Agriculture Department economist, there is evidence that Japan has purchased nearly as much pork just this month as it purchased from the United States during all of last year.

In addition, according to C. W. McMillan, executive vice-president of the American National Cattlemen's Association, the nation's feed lot owners recently have been shipping thousands of head of cattle to Canada for slaughter because the Canadian market "is higher than ours."

Then it goes on to say:

The ceiling announced Thursday does not apply either to exports or to imported meat sold here. Shultz told reporters before the President's address that the administration would monitor the export situation and said the President has the tools to deal with it should it become a problem.

One official of a large food chain said that he is afraid the export situation will become serious because world prices for meat are rising rapidly.

Mr. President, I ask unanimous consent to have the entire article printed in the RECORD.

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

MEAT EXPORT RISE COULD BUOY PRICES

(By James L. Rowe, Jr.)

A sharp increase in U.S. meat exports could severely limit the price-reducing effect of the President's temporary ceiling on beef, pork and lamb prices.

Treasury Secretary George P. Shultz said Thursday night, however, that the administration does not expect the freeze to draw supplies away from the domestic market.

The nation currently exports only a small proportion of the meat it produces. But, as one food industry official put it, "the wholesale price freeze might push just enough meat products and cattle into the export market to keep meat prices from dropping."

According to Agriculture Department figures, U.S. pork exports tripled in the first two months of this year, to 17.8 million pounds of pork products.

In addition, according to one Agriculture Department economist, there is evidence that Japan has purchased nearly as much pork just this month as it purchased from the United States during all of last year.

In addition, according to C. W. McMillan, executive vice-president of the American National Cattlemen's Association, the nation's feed lot owners, recently have been shipping thousands of head of cattle to Canada for slaughter because the Canadian market "is higher than ours."

He said Canada recently removed its import duties on cattle in order to increase the amount of meat available to its consumers.

Japan temporarily removed its import levies on pork imports during March, and, according to one Agriculture Department expert, is expected to do so again in April.

The ceiling announced Thursday does not apply either to exports or to imported meat sold here. Shultz told reporters before the President's address that the administration would monitor the export situation and said the President has the tools to deal with it should it become a problem.

One official of a large food chain said that he is afraid the export situation will become serious because world prices for meat are rising rapidly.

Both imports and exports still account for a minuscule proportion of the nation's total meat production—imports about 1 per cent, exports less than half that.

Last year, for example, the nation exported 220 million pounds of pork (carcass equivalent) out of a total production of 13.7 billion pounds.

Beef exports are even more limited, roughly 110 million pounds of a total production of 22.4 billion pounds last year. Most of that was in variety meats, McMillan said, such as liver and tongue.

A Cost of Living Council official cautioned that apparent sharp increases in pork exports could be misleading. Any time "you start off with a small base, the percentage increase is going to be large," he said.

In a related development, the Cost of Living Council said yesterday that it had added an additional 250 Internal Revenue Service agents to its 2,500-man economic stabilization staff in order to enforce the freeze on red meat prices.

Council director John Dunlop said the IRS would spend next week working with food stores to insure that they have correctly determined their ceiling prices.

Mr. TUNNEY. Mr. President, the second item is an editorial published in the Washington Post dated March 31, 1973, entitled "Beef, Pork and Lamb."

An excerpt from the editorial reads as follows:

After two devaluations and a float, our products are cheaper than ever for foreign buyers and, here and there, they are prepared to pay more than domestic bidders. Japanese importers are currently buying substantial amounts of American pork. If large numbers of foreign meat buyers are willing to go higher than Mr. Nixon's ceilings, American meat exports will increase sharply and further aggravate the domestic shortage. That dilemma still lies in the future but, perhaps, not very far in the future.

Mr. President, I ask unanimous consent to have the entire editorial printed in the RECORD.

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

BEEF, PORK, AND LAMB

Shortly we shall see who was right in the debate over food price controls—President Nixon before Thursday night, or President Nixon after Thursday night. Until Thursday, the President and his administration had earnestly assured the country that controls could not possibly work effectively for agricultural prices. On that day, of course, he applied controls to beef, pork and lamb, with the ringing declaration that "what we need is action that will stop the rise in meat prices now." The pre-Thursday position was, in fact, a good deal more realistic. It is highly questionable whether the new ceilings will have any great and enduring effect on the price of meat.

But if the ceilings are bad economic policy, they are good politics in the most respectable and legitimate sense of that term. The level of public anxiety and resentment had reached a point at which it was necessary for the national government to do something, and now the government has indeed done something. If it turns out not to be very successful, that will not be apparent for several months.

The coming union negotiations, in a series of large and influential industries, made it essential for Mr. Nixon to act quickly. With retail food prices rising at a rate of 28 per cent a year as they did in January and February, it would be foolish to think that

union contracts could be held down to the 5.5 per cent annual wage increase that is Mr. Nixon's target. Mr. George Meany of the AFL–CIO had already explained to Mr. Nixon, very loudly and publicly, what was going to happen. This schedule of labor negotiations, over the spring and summer, is a very sharp pressure on the administration. Mr. Nixon has not applied the wider controls, or the mandatory price reductions, that Mr. Meany had demanded. But he has made an effort to anchor the price of beefsteak and porkchops. While steak and chops are not the basic staples of most people's diet, they have certainly become the focus of the shopper's outrage.

As for the real effects of the new ceilings, they are not easy to predict. The prices of live animals are still uncontrolled, of course, and if they continue to rise the butchers and processors will be caught in the middle. In that case, some of the less profitable cuts of meat will disappear altogether and others will be sold with doubtless, a slight increase in the amounts of bone and fat. There has been some huffing and puffing from the White House to the effect that the trimming of meat cuts will be very closely policed. But actual enforcement, in all but the grossest cases, will be exceedingly difficult. At the retail level, the difference between profit and loss is measured in fractions of ounces.

The next question is the effect of the ceilings on the expansion of the country's meat supply over the next year. In the case of beef cattle, it takes a matter of many years to expand breeding herds and then to raise the calves to full growth. Despite the enormous increases in prices, the amount of red meat that has come to market this winter has been almost exactly the same as last year. That is the essential reason why prices have risen. Demand is running far ahead of supply. But raising animals for market is a highly speculative business. If the men who run the feed lots conclude that they are going to be caught between the high price of feed grain and the ceilings on meat prices, they may well cut back production. That result would only prolong the shortages that have created the past year's shocking rise in prices.

In its present highly uncomfortable position, the administration has one crucial factor in its favor. The prices of feed grain are beginning to drop. Soybeans, wheat and corn have all fallen a little in recent days. They are responding to the Agriculture Department's belated but, within the past month, exceedingly energetic attempts to induce farmers to expand their plantings this spring. If feed grain prices had continued to rise, the White House could hardly have attempted to control meat regardless of Mr. Meany and the AFL–CIO. But now that feed grain prices are turning downward, controls are at least theoretically possible. The possibility of a truly massive grain harvest next summer and fall is currently Mr. Nixon's best hope for stabilizing the American grocery bill. From now on, the Cost of Living Council can only read the weather reports and hope for the best.

But it is idle and, worse, dangerous to assume that Mr. Nixon or anyone else can now lead us back, by controls or any other device, to the relatively stable low prices that we enjoyed before 1971. The rest of the world is rapidly raising its standards of nutrition and many countries are looking to the United States as a major source of the basic grains and feeds. The administration is depending on expanded agricultural exports to help balance our international payments and pay for among other things, our oil imports. After two devaluations and a float, our products are cheaper than ever for foreign buyers and, here and there, they are prepared to pay more than domestic bidders. Japanese importers are currently buying substantial amounts of American pork. If large numbers of foreign meat buyers are willing to go higher than Mr. Nixon's ceilings, American meat exports will increase sharply and further aggravate the domestic shortage. That dilemma still lies in the future but, perhaps, not very far in the future.

The evidence thus suggests that food is going to be a good deal more expensive in the future, and no government can do much about it. The proper policy for the administration, over this coming year, is to expand food production as rapidly as it can. It is far better and cheaper, at this point, to risk a surplus rather than shortage. Meanwhile Mr. Nixon will have to do what he can to damp down the panic of inflation while the country slowly gets used to paying more for its groceries. In the ceilings on meat prices, Mr. Nixon is responding to this danger of panic at the cost of jeopardizing, to some unknown degree, farmers' plans for expanding their meat production. He is doubtless hoping, as we all must hope, that after the first wave of farmers' complaints have passed, they will see how high those ceilings have been set. The truth of the matter seems to be that we are now in a worldwide competition for food and, increasingly, it is American food for which the world is competing.

Mr. TUNNEY. Mr. President, it seems to me absolutely ridiculous for the American housewife to subsidize the European or Japanese housewife when meat prices have been escalating so rapidly in this country.

Anyone who has gone down to the local market has seen the price of hamburger almost double in the past 3 months. Other cuts of beef have also gone up dramatically.

I was in California over the weekend and there is one store in the Los Angeles area that sells only horsemeat. They have been forced to close early every day for the past 2 weeks because housewives have been coming down to the store and, instead of buying horsemeat for their dogs, they are buying it for their husbands and children. The horsemeat store has been doing such a land office business, that within just a few hours after they open, the store is sold out. They just cannot get enough horsemeat.

Mr. President, I just happen to feel that this amendment is most important because it will make it very clear that as a congressional policy we are not going to allow the American housewife—the American meat consumer—to be given the short end of the stick by producers who are going—quite naturally and legitimately—to sell their meat products overseas if they can reap far greater prices than are legally available in this country.

There is a clear and present danger that this will happen. The figures speak for themselves. We have had a tremendous increase in exports to Japan. The Department of Agriculture estimates that meat exports are going to at least double this year. This estimate was made before the recent devaluation of the dollar and all the other items I have mentioned.

Mr. TALMADGE. Mr. President, will the Senator from California yield?

Mr. TUNNEY. I yield.

Mr. TALMADGE. Mr. President, looking at the amendment proposed by the distinguished Senator, it seems to me that some points need clarification in order to have a better understanding as to what the amendment really means.

I start with section 5:

> Not withstanding any other provision of law to the contrary, the President shall prohibit the exportation outside the United States or any terriory or possession of the United States or any meat or live animal livestock when such exportation shall be at an average monthly rate above that which prevailed in 1972.

My first question is this: I take it, from reading that language, that the Senator does not intend to prohibit the exportation to territories and possessions of the United States beyond the boundaries of this country. Is that correct?

Mr. TUNNEY. That is correct.

Mr. TALMADGE. In other words, meat could continue to be exported to Puerto Rico and to any other possession of the United States?

Mr. TUNNEY. That is correct.

Mr. TALMADGE. My second question is this. Section 5 contains this language: "Shall be at an average monthly rate above that which prevailed in 1972." How does the Senator propose that that be enforced? It is now April. Will the ceiling on April exports be the same as the exports during April of 1972, or would it be the total exports of 1972 divided by 12?

Mr. TUNNEY. I think that it would have to be the latter. That is the meaning.

Mr. TALMADGE. The average of the exports?

Mr. TUNNEY. That is correct.

Mr. TALMADGE. In other words, the monthly average would then be computed on the basis of dividing the total exports by 12 for 1972?

Mr. TUNNEY. The Senator is correct.

Mr. TALMADGE. I read section 6(a) of the Senator's amendment:

> "Meat" as used in Sec. 5 means all beef, veal, pork, sheep and lamb products with Standard Industrialization Classification Codes Number 2011 or Number 2013, before or after they have entered into a processing stage, where they are intended for use as or in a product for human ingestion.

What are code numbers 2011 and 2013? Will the Senator clarify that?

Mr. TUNNEY. These are the same as are used in the President's order when he established the ceilings. I took the language of the President's order and applied it to this amendment, because this amendment is effective so long as the President's order is effective.

Mr. TALMADGE. Can the Senator tell me what that covers?

Suppose a citizen of Australia wanted to buy semen from this country to utilize to breed his livestock in Australia. Would the Senator's amendment prohibit the export of that semen?

Mr. TUNNEY. No; certainly not.

Mr. TALMADGE. Would it prevent the export of hides from this country to countries overseas?

Mr. TUNNEY. No.

Mr. TALMADGE. Would it prevent the export of offal products—I do not mean a-w-f-u-l; I mean o-f-f-a-l—for which we have a high demand overseas but no demand here?

Mr. TUNNEY. If it is for human ingestion. If it is not for human ingestion, no.

Mr. TALMADGE. I know there are livestock products for which there is

considerable demand in Europe and other countries, but very limited demand here. I certainly would not want to see any amendment that would prevent the export of a product for which there is a worldwide demand but a limited American demand.

Mr. TUNNEY. The amendment does not intend to do that. The amendment intends to protect American markets for those meat products consumed in this country which have been the subject of the President's order establishing a ceiling. It certainly is not intended to prohibit the export of such things as hides, semen or other items that the Senator from Georgia has mentioned.

Mr. TALMADGE. The committee has not had time, of course, to look carefully into the significance of the Senator's amendment. I do not know how it would affect any number of animal products for which there is a big demand overseas and a limited or no demand here.

I know there is a worldwide demand for breeding stock of some American animals, and there has been a vast increase in the quantities we send overseas.

I have a friend in my State who raises Charolais cattle, and he says there is a tremendous demand in Australia for Charolais cattle for breeding purposes. A great many of them are imported from France, but we have not taken advantage of the export market, and Charolais cattle for breeding purposes bring very high prices.

The Senator states that his amendment would not preclude the exportation of animals for breeding purposes. Is that correct? In reading the language of the amendment, it seems to me that it does, because it is a meat product that could be used for human ingestion.

Mr. TUNNEY. I can only say to the Senator that it was never the intention of the author of this amendment to prevent the export of breeding stock, but it seems to me clear that if there is a massive exportation of breeding stock where there had been little or no exportation before, it could be presumed by the President that perhaps this exportation was not for breeding but was for the purpose of the sale of meat for consumption.

The purpose of this amendment is to limit the export of meat for consumption, and it covers the same ground as the President's order establishing the ceiling.

I say to the distinguished chairman of the committee that it seems to me to be clear that where you have a ceiling based on the price of meat and where you have an expanding market in Europe and Japan, and where you have increased exports to Europe and Japan—I pointed out that U.S. pork exports to Japan tripled in the first 2 months of this year, and it appears that Japan has purchased almost as much pork just this month as was purchased all during last year—we just cannot help but create a pricing situation where some producers will expand their foreign sales. All the boycotts, whether one is for them or against them, are not going to have any impact whatever on the price of meat, because there is always going to be a market overseas. In only person who will be hurt is the American housewife.

It seems to me that by putting in language that prevents exports in excess of 1972 levels, you are protecting foreign export markets and heading off meat shortages and black markets.

Mr. TALMADGE. Mr. President, will the Senator yield further?

Mr. TUNNEY. I yield.

Mr. TALMADGE. We have covered this in a very limited way. I pointed out to the distinguished Senator that there is a tremendous demand for some animal products overseas and a limited demand here. The Senator would not want to impose a limitation on a market that exists overseas but which is limited in this country, I take it.

Mr. TUNNEY. I would not want to do that. By limiting exports to 1972 levels, I think we have covered that contingency. If there is a market in Europe or in Japan, it would be protected by the language that says exports may continue up to the 1972 level.

Mr. TALMADGE. One further question. Some of these animal byproducts, as the Senator knows, have medicinal value and other value, not for human consumption.

I take it the Senator's amendment would in no way limit exports of those items.

Mr. TUNNEY. The Senator is correct.

Mr. TALMADGE. I do not know what we do with pigs' hair in this country, but I know there is a tremendous market for it worldwide; brains are used for medicinal purposes; and other byproducts are used for various purposes.

The Senator's response is that his amendment would not apply to the export of those items or livestock for breeding purposes, but is limited exclusively where there is an edible product and there is a demand in this country as great as the supply.

Mr. TUNNEY. The Senator is correct.

Mr. TALMADGE. I thank the Senator for yielding.

Mr. CURTIS. Mr. President, I ask unanimous consent that Henry Casso be allowed the privilege of the floor during the debate and vote on S. 1021.

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

Mr. TUNNEY. Mr. President, I have no desire to continue the colloquy on the amendment unless some other Senator wishes to speak to it. I would like the yeas and nays, but I do not know if we have a sufficient number of Senators in the Chamber at the present time to request them.

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

The PRESIDING OFFICER. On whose time?

Mr. TUNNEY. Maybe to be equally divided.

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

The assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. 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. CURTIS. Mr. President, I rise in opposition to the amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CURTIS. Mr. President, the amendment offered by the distinguished Senator from California involves many things. It relates to price control and it relates to ceilings. It very definitely involves our balance of payments; it very definitely involves our entire trade program. I do not believe that any step like this should be taken without hearings. I just do not believe that we will serve the consumers or producers or the general economy at all by the adoption of the amendment. Let us look at the facts.

In 1972 we exported 52 million pounds of beef. Mr. President, do you know how much we produced? We produced 23 billion pounds. While this amendment would raise havoc in administering, it would be a great disappointment to purchasing countries. It involves one-fourth of 1 percent of the production of this country.

This amendment could be agreed to and consumers could not find the slightest trace of it in the market, but at the same time there are a number of countries that are dependent upon meat products. Some of them are specialty products for which there is not a great deal of demand in other countries.

Yes, it is true that Japan is buying food products from the United States, but look at the great amount of purchases we are making from Japan. Our trade balances, our outflow of dollars, all of those problems are going to be greatly accentuated if we cut off the exporting of meat to Japan.

But even disregarding that, our production is so great in this country and our exports are so small that this could not possibly help the consumers.

Mr. President, I think it is time that the Senate commenced to consider the entire inflation problem. It is so easy to talk about food because everyone consumes food and only about 5 percent of the country produces it. How does it happen that there are no amendments here dealing with other things? Food has gone up by 43 percent since 1952. That is based upon a Department of Labor study. A market basket of food for a family in 1952 that cost $985 is now $1,409. During that same period the cost of a man's suit has gone up 87 percent, and from 1962 alone a set of tires has gone up 28 percent.

A pair of men's shoes costs 81 percent more than in 1952. Women's shoes have increased 94 percent since 1952. Your stay in a hospital is 371 percent higher than in 1952. It costs 97 percent more for automobile repairs than it did in 1952.

Now, why all of this descending upon a minority of the people whose income is only 80 percent of that of the nonfarm population? A lady's housedress that cost $5.94 in 1952 now costs $13.80. A man's suit that cost $43.60 in 1952 now costs $79.80. A pair of workshoes that cost $6.98 in 1952 now costs $14.30. Your

telephone bill has increased from $3.06 per month to $6.26.

Here is something that may be of interest to the ladies and gentlemen of the press. The newspaper subscription has increased from $8.50 to $17 per year—this is the average price and it includes all newspapers, weeklies and daily alike, and does not reflect home delivery costs we pay for our metropolitan dailies.

The household hammer that you paid $2.42 for in 1952 now costs $5.15. To have your car brakes relined is up from $17.10 in 1952 to $39.70.

We could go on and on. Food products, even at the retail level, and that is what we are talking about, have increased less than all these other things. But furthermore, we are not here to debate price controls or ceilings or foreign trade or quotas. There should be a hearing and those people who are responsible for keeping dollars in this country should have a chance to be heard. This is a narrow bill dealing only with the formula for reimbursing the States for meat inspection and it should not be cluttered with amendments.

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

Mr. CURTIS. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Nebraska has said that this is no time to discuss price controls. I think it is a perfect time to discuss price controls because what has been done, in effect, is to put price controls on meat. I was interested in the figures the distinguished Senator has called to the attention of the Senate. I think I should emphasize again now what I did earlier today. It is that the first time that the beef industry approached the prices of 1951 was last year. In those intervening decades, the cost to the beef producer increased measurably.

The beef producer—the farmer in general—does not work an 8-hour day. He is a speculator. He is a gambler, because he has to take a chance on prices, take a chance on weather, and take chances on a lot of other circumstances that the ordinary person does not.

So I think we ought to try to keep our perspectives. I think the President made a most serious mistake.

Mr. CURTIS. Mr. President, I might say I agree with the Senator from Montana thoroughly. I think the ceiling placed on meat was an outrage. It will not help the consumer. It will beat down the prices to the farmer, the feeder, and the rancher. It is most unfair for them. We should treat everybody in the country alike. If prices are frozen or curtailed, it should be done across the board, including wages. I am not advocating that that be done, but certainly this was an injustice and it is not going to work. There is not a merchant in the United States who, if he wanted to resort to trickery, who could not violate the ceiling. All he has to do is label it "imported."

Mr. MANSFIELD. The foundation for a black market is being laid.

Mr. CURTIS. A black market is not necessary. How is one going to determine whether hamburger or any other meat that is all cut up is imported or not? There is no ceiling on imported meat, but there is on meat purchased from our farmers, who pay taxes and who fight in our wars, along with the other citizens.

Mr. MANSFIELD. I want to emphasize again that the farmer does not work an 8-hour day.

Mr. CURTIS. That is correct.

Mr. MANSFIELD. And I want to emphasize that it took 21 years, from 1951 to 1972, for the beef producer to reach the price last year that he had received 21 years ago, but his costs in the meantime had increased. He is a consumer, too. He pays taxes.

I think what we ought to do, if we can work out a system, is to treat the farm economy on the basis of the equality with the labor economy, and in that way the differential which exists today I think could be done away with, and perhaps the farmer would not have such a hard row to hoe.

Mr. CURTIS. I cannot quarrel with the distinguished Senator's position. However, the amendment before us would take away from the farmer, and from our economy generally, all increases in our meat export market. That will have a very injurious effect in the long run.

When we were unable to deliver wheat to various countries because of strikes and other problems, those countries turned elsewhere. We may have lost those markets for a long time because our supplies were not dependable. If we restrict the export of meat, we will be saying to foreign countries, "You cannot depend upon the United States as a consistent supplier."

The essence of this amendment would be to take away a potential market for American agriculture at a time when not only farm prices but food prices are below the price level of nonfood items.

I hope the amendment of the distinguished Senator from California will be defeated. I reserve the remainder of my time.

Mr. TUNNEY. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield, without losing any of his time?

Mr. TUNNEY. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TUNNEY. I thank the distinguished leader.

Mr. President, I would like to make just a few additional points to my distinguished colleagues.

I feel very strongly that the Senator perhaps does not understand the thrust of this amendment. It is not disrupting foreign export markets at all. What it simply does is limit exports to 1972 levels and say that there is not going to be a windfall to the producer at the expense of the American housewife.

I have not been an advocate of price controls on raw agricultural commodities. I never have been, and I sincerely doubt that I will be. But the amendment I am offering simply says that the American housewife should not have to underwrite the sale of beef to the European and Japanese housewife.

I just want to refer to what Secretary Butz said just last week. He said that "Anyone who advocates food price controls is a damn fool." A few days later the President advocated a ceiling on meat prices. I wonder what kind of conversation the President and the Secretary of Agriculture had at the time the President announced to the Secretary that he was going to advocate a price control on beef.

The Senator from Nebraska suggested that one-fourth percent of the domestic production is exported. Actually, last year it was 1 percent, and this year it looks as though it will be 3 percent or more.

I would like to quote from the Supermarket Institute "Facts about the High Cost of Beef":

> Even a small increase in beef exports . . . obviously would cut into the supply available for domestic consumption. . . ."
>
> U.S. exports of beef, although relatively small, could increase due to devaluations of the dollar. The price is right, competitive with other beef-producing nations.
>
> To meet demand and thereby reduce prices to the consumer, a 10% increase in all meat supplies has been cited as necessary . . .

This is important:

> Rising standards of living in Western Europe, in Japan and in emerging nations have triggered heavy demands for beef that are outstripping world-wide production. . . . Japan boosted its orders of Australian beef by 50% . . . Due to droughts that will reduce production to the lowest level in a decade, prospects are bleak that Australia will be able to ease the supply situation here.

We have a similiar situation in Argentina, which is a major beef producer. So Argentina and Australia will not be able to supply the demands for beef in Western Europe and Japan, and these nations are already moving into our markets.

As I indicated, the Japanese have been buying pork at record levels, and in the first couple of months of this year they bought more than they did the entire last year.

To quote the Washington Post of March 25, 1973:

> The Japanese "have quietly placed a whopping order this month for some 20 million pounds of pork." That's nearly 17 times more pork than Japan ordered in January before devaluation.
>
> European food traders, to, are eager for U.S. bargains. The European Common Market is now dangling an offer to purchase 450,000 pounds of processed beef from U.S. meat houses.

Well, it just seems clear to me that there is going to be a substantial increase in the export of meats, and the American housewife is going to pay for it.

Since we have ceilings on domestic prices and no limits on exports, the outlook is clear: We will have a black market or, in the alternative, the ceilings will fall apart because of the fact that there is a shortage. If the ceilings fall apart, meat prices will shoot up and lead to greater inflation, which would have a severely adverse effect upon our balance of payments. We, in the Senate, know clearly that one of the major reasons for the trouble with our balances of trade and payments is the inflation that we have been having since 1965.

The Chair advises the Senator that all time of the Senator from California has expired. The Senator from Nebraska has 17 minutes remaining.

Mr. TALMADGE. Mr. President, if the distinguished Senator from California needs additional time, I will be glad to yield him 2 minutes.

The PRESIDING OFFICER. The Senator from California is recognized for 2 minutes.

Mr. TUNNEY. Mr. President, I think the distinguished chairman of the committee for yielding me the time.

I would like to point out that hearings would delay action because, with the sharp increase in purchases in just the last few days, particularly since devaluation of the dollar, long-term commitments signed for sales abroad will be signed. Couple devaluation of the dollar with the President's ceilings and adding to that the long-term commitments abroad, it seems to me that a 2- or 3-month delay in imposing these export restrictions would render them valueless, or certainly not as valuable and productive as they would be if they were attached to the pending bill.

It seems to me that the time for action is now.

Mr. CURTIS. Mr. President, I yield 5 minutes to the distinguished chairman of the committee, the Senator from Georgia (Mr. TALMADGE).

The PRESIDING OFFICER. The Senator from Georgia is recognized for 5 minutes.

Mr. TALMADGE. Mr. President, the pending amendment was submitted without any advance notice to the Committee on Agriculture and Forestry. We have not as yet been able to ascertain the implications of the amendment. We do know that it affects our international relations and our trade relations. In some instances it may affect trade arrangements we have made with foreign powers. However, we do not know to what extent it affects those things.

It is a dangerous precedent to consider a proposal of such magnitude and importance on the Senate floor without ascertaining what the full effects may be.

The distinguished Senator from Alabama, the chairman of the Subcommittee on Agricultural Research and General Legislation, is on the floor. And he has stated that he is perfectly willing to have hearings on this matter at as early a date as possible so that we might explore the implications of the amendment and determine whether it should be submitted to the Senate for its consideration.

Everyone is concerned over all high prices at the present time, not only the high price of meat, but the high price of everything else. The distinguished Senator from Nebraska pointed out so vividly a few moments ago that the prices of many commodities in the country have accelerated much faster than the prices of meat in recent months. Yet the Senator from California makes no effort to attack that problem.

Let us see where we stand with relation to meat when it comes to trade with foreign countries. Last year we imported into this country 1,355,000,000 pounds of meat which ordinarily would be subject to quotas. During the same period, Mr. President, we exported 458,931,000 pounds of meat. In other words, we are importing about 3 times as much meat into the United States as we export. That was for the year 1972.

Let us see where we are dollarwise. Last year we exported about $203 million worth of meat to foreign countries. And that, Mr. President, was less than 1 percent of what meat products sold for here in the United States of America.

So, the amendment of the Senator deals with a very trivial, minute part of the meat costs at home. I doubt that it would have much effect on American products.

This year we will import into the United States 1,450,000,000 pounds of meat which would be subject to quotas. And that is against exports last year of about 458 million pounds of meat. So, we will import this year more than three times as many pounds of meat as we exported last year.

Mr. TUNNEY. Mr. President, if the Senator will yield, is the Senator saying he feels that this year we will be importing three times as much as we will export?

Mr. TALMADGE. The Senator is correct. I hold in my hand a release from the U.S. Department of Agriculture under date of March 30. It says:

> Secretary Earl L. Butz announced today that in calendar year 1973, the import of meats subject to the meat export law is an estimated 1,450,000,000 pounds.

Mr. TUNNEY. Mr. President what was the estimate of exports that the Department of Agriculture gave?

Mr. TALMADGE. I can give the Senator the exports only for the year 1972. That is all that we have available at this time. It was 458,931,000 pounds.

Mr. TUNNEY. Mr. President, I would remind the distinguished chairman of the Committee on Agriculture and Forestry that the whole point is that exports are going up dramatically this year. Japan has suddenly moved into the marketplace. They cannot get meat from Australia or Argentina.

Mr. TALMADGE. The meat products coming into this country are coming from Australia and New Zealand.

Mr. President, to sum up, this is a matter which should be studied carefully by the Committee on Agriculture and Forestry. If the Senator will submit his amendment to that committee, the Senator from Alabama (Mr. ALLEN) will hold substantial hearings and we will go into the matter of what products are involved and see what is involved in foreign affairs, dollar exchange, and all the manifold problems that remain to be solved, problems which we cannot solve in 1 hour on the Senate floor.

Mr. President, I yield the floor.

Mr. CURTIS. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. BELLMON. Mr. President, I thank the distinguished Senator from Nebraska.

Mr. President, this amendment troubles me more than anything I have seen proposed on the Senate floor for a long time. One of the great problems in American agriculture is that land has been kept out of production because it is not needed for the production of commodities which can be marketed in this country or abroad. This is done at a cost of some $4.5 billion to the American Treasury. Most of that land could and probably very likely would be utilized in the production of beef and other forms of meat if the demand for those products existed.

The fact is, Mr. President, that at the present time the Japanese are showing a very real interest in the purchase of meat, primarily beef, from this country. Japan is a highly prosperous nation and is a very populous nation. So, potentially Japan alone could be a market for all the meat that could be produced on the many millions of acres of farmland that are presently being kept out of production at a heavy cost to the American Treasury.

For us to take action today that would perhaps interrupt or permanent destroy the potential market for meat in Japan would be extremely short-sighted action that could conceivably cost the American taxpayer and the American consumer huge sums of money for a long time to come.

Mr. CURTIS. Mr. President, will the Senator from Oklahoma yield at that point?

Mr. BELLMON. I yield.

Mr. CURTIS. Is it not true that when we have had transportation difficulties in respect to some agricultural products, and the supply has been interrupted, various countries have not been able to buy all they wanted for the immediate future and have in some instances turned to other countries in an attempt to establish a permanent price arrangement to supply their needs?

Mr. BELLMON. The Senator is absolutely correct. There is a greater problem than I think those of us in this country understand. The Japanese, who live on densely populated islands, have to plan to import food to keep their people alive, and are sometimes more concerned with the reliability of their suppliers than they are with price. Since they are concerned, they have come here and established a market for meat. If they use us as a source for meat, and we take action to terminate their supply at any given time, they will no longer use us as a supplier.

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

Mr. BELLMON. I yield.

Mr. TUNNEY. This amendment does not prevent the exportation of meat. It merely limits the amount we may export.

Mr. BELLMON. There was virtually no meat exported in 1972. Some very small calves were exported from this country to Japan, whose industry is in its infancy. If we take action to destroy it, we are going to destroy that commerce.

Mr. TUNNEY. I misunderstood the Senator. I thought he said we were dis-

rupting established markets. This amendment does not disrupt established markets. It prevents the development of new foreign markets when we have a critical shortage of beef in this country.

Mr. BELLMON. The Senator's amendment would have the effect that if at any time, for political reasons, the Japanese came here and got meat and raised their people's appetites for it, and then we shut off our exports of meat to Japan, they would be in deep trouble. Several years ago the American beef producers tried to establish a commercial beef business in Japan. At that time, the Japanese were totally disinterested. However, the business was carried on in Korea with great success. Since that time, Japan has seen the error of its ways. They have gone to Korea and seen the program, and last year they allowed a certain number of their cattle to be sent there.

The beef cattle produced in this country went up 4 million head at the beginning of 1972, to 118 million, and at the end of the year it was 122 million head. These cattle are going to market, and probably we will have an oversupply of beef, just as we have had in past years, at the end of a price spiral.

Mr. TUNNEY. If the President will take the ceiling off prices, my amendment would terminate, because it is geared into what the President does. I remind the distinguished Senator from Oklahoma that the Export Administration Act of 1969 says very clearly:

> To the extent necessary to protect the domestic economy from the excess of drain of scarce materials and to reduce the serious inflationary impact of abnormal foreign demand.

Also, article XX of the General Agreement on Tariffs and Trades, the basic document of international law governing law between nations, provides that a nation may suspend or restrict the export of a commodity when that commodity is in short domestic supply.

It is not going to violate any treaty to do what I propose. We are simply saying that we cannot have increases in exports if they are going to create scarcity in this country.

Mr. BELLMON. The level of exports would not in any way affect the domestic supply of meat. It is such a small part of a trade that is in its infancy that the effect would be infinitesimally small.

Mr. CURTIS. It is small so far as out consumers are concerned, but it is great insofar as its potential in the dollar balance and in the interest of our entire economy, as well as our agriculture, are concerned.

Mr. BELLMON. That is correct. It is tremendously important. We have 60 million acres of land we are trying to keep out of production.

I consider the amendment to be extremely shortsighted. I strongly urge that it be defeated.

Mr. TUNNEY. I should like to know how the Senator feels about the ceiling the President has imposed on meat prices.

Mr. BELLMON. Contrary to some of the statements that have been made by other Senators, I believe there was some justification for his action. The problem is the result of an almost runaway demand for meat. We are going to have some extremely unreal price relationships in the meat-producing area. I believe the net result of what the President has done will bring some stability to the meat industry which will keep producers from losing their customers and will bring about an ultimate decline in meat prices. I am not one of those who believe that the President was greatly mistaken.

Mr. TUNNEY. My feeling is that the President's ceiling is flexible. In addition, it would create a stabilized price for the consumer.

Mr. BELLMON. The amendment would have virtually no effect on prices in this country, but it would have a potential effect on prices in this country.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. I yield the Senator 1 more minute.

Mr. BELLMON. The net result will be that we would say to the Japanese, regardless of their needs, that we are going to cut off their supplies any time it serves our purposes.

Mr. CURTIS. Mr. President, I yield 5 minutes on the bill to the distinguished Senator from Kansas.

Mr. PEARSON. Mr. President, I thank the distinguished Senator from Nebraska for yielding me time.

Let me say to the Senator from California, the sponsor of this amendment, that I think enough time has gone by since Thursday night to make us aware that the President's action is directed very much to the psychology of inflation which exists in the country today.

If he sought to placate those in the labor movement, many of whom are coming into great contracts this year, I do not think he has done so. If he sought to stymie, as some have suggested the housewives' boycott, I think that he will not be successful. If he sought to influence the judgment of Congress in writing in the other body a new extension of the Economic Stabilization Act, I think the rhetoric there, in the House indicates that will not be the final result. I think that by and large what was attempted here was to do something about the public psychology which states buy now, because tomorrow prices are going to be very much higher.

It works both ways. I am not in the livestock business; I am an attorney. When I talk to my constituents, I listen, and for a very good reason. They know so much more about it than I do.

What we have here, Mr. President, is a ceiling, not only on the producer, but on the processor, the wholesaler, and the retailer.

We also have a proposal by the President to give him the authority to eliminate tariff arrangements, so that the quotas are gone. We have imported meat and these are under ceilings as before. We have all of these pressures on the producer now.

Let me say at this point that I understand the Senator's amendment. He is seeking to make export quotas the same as last year but last year, I believe we exported only 1 percent of beef of our total production. And last year, we exported only one-half of 1 percent of our pork.

The Senator is right. The press carried stories that the Japanese have asked for more pork in the last month than they did all last year. The Canadians have knocked down their quotas and tariffs, and I understand that Switzerland, an exporting nation, for the first time is seeking to import.

But once the price comes down in the market, you cannot expect it to keep coming down by placing barrier on barrier on barrier on the producer, even if it were justified, because he feels that he is being singled out today. There are no ceilings on the cost of beef production today. So I suggest to the Senator that he would open up export markets and close them down, and then open them up again and close them down.

While I agree with a great deal of what the Senator from California had to say, I most respectfully suggest to him that his amndment would have a detrimental effect if we are going really to do what the Secretary of Agriculture and the President are apparently attempting to do; that is, to bring supply to the point where we can satisfy the demand in this country.

For all these reasons, I would hope that the amendment will be rejected.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally charged against the time on the bill.

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

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. TUNNEY. Mr. President, I am prepared to vote. I do not have any time.

The PRESIDING OFFICER. Does the Senator from Nebraska yield back his time?

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

The PRESIDING OFFICER. Two minutes.

Mr. CURTIS. I will use it. [Laughter.]

Mr. President, it is understandable that from certain quarters it would be urged we curtail and limit any future export business with reference to meat. It is quite well established that this would not help the consumer alone. In the first place, it is less than 1 percent of our production. Nonfood costs are rising so rapidly, far greater than food costs, so that the consumer will never get any benefit from it.

I might suggest to those who are greatly concerned about the cost of food,

whose prices do they think will be reduced?

Do they think that the rent paid by the supermarket will be reduced? Do they believe that the labor costs paid by the supermarket will be reduced? Do they believe that the insurance and the utilities paid by the supermarket will come down?

Do the people who are so alarmed about food costs believe that the social security tax costs paid by the supermarket would be reduced?

They will be increased.

This is a direct attack on the people who produce food, the only place that can absorb any reduction in cost, and those people only share in income 80 percent of the amount that nonfarm people receive.

As I said a bit ago, if we want to serve the consumer, why not do something about nonfood costs?

Food has gone up 43 percent since 1952.

The PRESIDING OFFICER. All time of the Senator has now expired.

Mr. CURTIS. A suit of clothes for a man has gone up 87 percent——

The PRESIDING OFFICER. All time of the Senator from Nebraska has expired.

Mr. CURTIS. Mr. President, I yield the floor.

The PRESIDING OFFICER. All time on this amendment has now expired.

The question is on agreeing to the amendment of the Senator from California (Mr. TUNNEY).

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Maine (Mr. HATHAWAY), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from West Virginia (Mr. RANDOLPH), are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL), and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Washington (Mr. JACKSON), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New Mexico (Mr. DOMENICI), the Senators from New York (Mr. JAVITS and Mr. BUCKLEY), the Senator from Maryland (Mr. MATHIAS), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. FANNIN) is absent on official committee business.

The Senator from Vermont (Mr. AIKEN), the Senator from Arizona (Mr. GOLDWATER), and the Senator from North Carolina (Mr. HELMS) are detained on official business.

If present and voting, the Senator from South Carolina (Mr. THURMOND) and the Senator from Arizona (Mr. GOLDWATER) would each vote "nay."

The result was announced—yeas 8, nays 61, as follows:

[No. 71 Leg.]

YEAS—8

Johnston	Muskie	Tunney
Kennedy	Pastore	Williams
McIntyre	Ribicoff	

NAYS—61

Abourezk	Dominick	Nelson
Allen	Eagleton	Nunn
Baker	Ervin	Packwood
Bartlett	Fong	Pearson
Beall	Fulbright	Percy
Bellmon	Griffin	Proxmire
Bennett	Gurney	Roth
Bentsen	Hansen	Saxbe
Bible	Hartke	Schweiker
Burdick	Hatfield	Scott, Pa.
Byrd, Harry F., Jr.	Hruska	Scott, Va.
	Hughes	Sparkman
Byrd, Robert C.	Long	Stafford
Case	Magnuson	Stevens
Chiles	Mansfield	Stevenson
Church	McClellan	Symington
Clark	McClure	Taft
Cook	McGee	Talmadge
Cotton	Metcalf	Weicker
Curtis	Montoya	Young
Dole	Moss	

NOT VOTING—31

Aiken	Goldwater	Javits
Bayh	Gravel	Mathias
Biden	Hart	McGovern
Brock	Haskell	Mondale
Brooke	Hathaway	Pell
Buckley	Helms	Randolph
Cannon	Hollings	Stennis
Cranston	Huddleston	Thurmond
Domenici	Humphrey	Tower
Eastland	Inouye	
Fannin	Jackson	

So Mr. TUNNEY's amendment was rejected.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, order to be printed in the RECORD, is as follows:

On page 2, strike out lines 17 and 18 and insert in lieu thereof the following:

SEC. 4. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Rollback of raw agricultural commodity prices

"Immediately following the enactment of this section, the President shall issue an order stabilizing the prices of raw agricultural commodities at levels not greater than the highest levels prevailing for any such commodity on January 2, 1973.

"If no transactions occurred involving the sale of any such commodity the level established under this section shall be the highest applicable level on the nearest previous date in which such transactions did occur. As used in this section, the term 'raw agricultural commodities' means commodities (including livestock to be slaughtered) which are used for human and animal consumption."

SEC. 5. The amendments made by the first three sections of this Act shall become effective beginning with the fiscal year which begins July 1, 1973.

Mr. CURTIS. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

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

Mr. RIBICOFF. I am pleased to yield to the majority leader.

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I would like to make a unanimous-consent request to the effect that there be a one-half hour limitation on all amendments from now on, with the time to be equally divided between the sponsor of the amendment and the manager of the bill or whomever he may designate.

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

Mr. RIBICOFF. Mr. President, this amendment freezes the price of all raw agricultural food products including meat, fish, grains, vegetables and fruits prevailing for such commodity on Jan. 2, 1973.

The need for this legislation is obvious. The price of almost all food is skyrocketing and most Americans are finding it increasingly difficult to afford their usual purchases at the grocery store.

Most housewives have known for months that food prices have gotten out of control. Congress, however, refuses to officially recognize the problem and is either relying on consumer pressures or Presidential decrees for a solution.

We are now experiencing the most serious inflation in food prices since the Korean war. In January and February, for example, retail grocery prices jumped at an annual rate averaging over 28 percent. Prices of meat, poultry and fish soared even higher almost reaching an

annual rate of 50 percent. In fact, the increase in those first 2 months of this year almost equaled the entire increase for 1972.

The fundamental reason for these dramatic increases is that the administration's economic stabilization program has never placed controls on the price of raw agricultural food products. Wholesalers and retailers are restricted, but have been forced to pass along increase after increase in the cost of raw products from the farmers to the consumers.

The farming community which used to complain that it received only a small portion of the American food budget now accounts for almost 43 cents of every dollar spent at the market. Statistics reveal that 83 percent of the higher January food costs were attributable to farmers and ranchers.

According to the Agriculture Department, uncontrolled farm product prices, as of January 15, 1973, were 21 percent higher than a year before, even though the prices paid by farmers for commodities, equipment, wages, interest, and taxes had gone up only 9 percent. The 7.6-percent increase in retail food prices during the same period, was only possible because the other links in the food chain—processors, wholesalers, and retailers—absorbed much of the farm-fed inflation.

The evidence is clear that this inflation will not be brought under control until all the prices from farm to market are restricted. During last month's debate on the extension of the Economic Stabilization Act, I offered a similar amendment to the one before us now, but it was defeated.

Unfortunately, for America's consumer Mr. Nixon is unwilling to take the steps necessary to curb further food price rises.

On March 24 he did appear to "throw a bone" to angry shoppers by placing a ceiling on the price of beef, pork, and lamb. It did not take those shoppers long to realize that there was little meat on that bone. As a result, the planned nationwide boycott of meat will take place this week as scheduled.

During his television address the President failed to mention that the ceiling was being imposed at a time where the prices of beef, pork, and lamb were at or near record levels. The day after his speech, the Agriculture Department revealed that prices "on the hoof" climbed by more than 9 percent in the 1 month ending March 15.

Because the President failed to place a ceiling on "on the hoof" prices, there is no guarantee that price will retreat one penny. Instead the farmers and ranchers will continue to charge wholesalers and processors inflated prices.

News reports from the meat industry reveal the belief that unless the prices of live cattle, hogs, and sheep are also brought under control, we can soon expect shortage in popular cuts and slowdowns in packing plant production.

Beef, lamb, and pork are not, however, the only items in the national shopping basket. The costs of almost every food item from poultry and fish to fruits and vegetables are also rising rapidly. Until these costs are also frozen the consumer will find no lasting relief.

The amendment I offer today would fill the gaps in the administration's program by limiting the price of all agricultural food products to the prices charged on January 2, 1973.

Sooner or later this will have to be done. The longer the Congress and the President hesitate, the more damage will be done to our consumers and the entire economy.

Treasury Secretary Schultz has already admitted that the limited action taken by the President should have been taken 2 months ago before the sharp upturn in prices took place. We can correct that and other mistakes by passing this amendment.

Congress decision on food prices may be the most important in the entire anti-inflationary fight.

The AFL–CIO has already gone on record to say that unless the accelerating inflation is curbed it cannot be expected to adhere to the 5.5 percent wage rise guidelines. The working men and women may be forced by Presidential and congressional inaction to demand significantly larger wage boosts when their contracts come up for renewal this year.

Despite Agriculture Secretary Butz's prediction that the ceiling will be lifted by late summer most observers see no end in sight to the present trend.

It is, therefore, our responsibility to act quickly and affirmatively.

The housewives of this country are letting their voices be heard loud and clear. The question is, Is the Senate of the United States listening to what is happening throughout the country? We have failed to take the lead. Will we also now fail to listen to the overwhelming number of housewives of this country?

Despite the arguments made about the small farmer, the figures are to the contrary. Nineteen percent of the U.S. farmers raise over 75 percent of all our agricultural products, and 7 percent of the Nation's ranchers raise 80 percent of the Nation's beef.

What we have in our country today is large agribusinesses which dominate the industry. These are the people who are benefiting from fantastic profits such as agriculture never has had before, and the rest of our economy is suffering.

Under the circumstances, Mr. President, I would hope that the Senate would consider the housewives of America and recognize the overwhelming revolt that is going on in this country today, and take the leadership in giving relief to those people who have to feed their families but find that their paycheck is insufficient to cover the cost of the market basket.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska controls the time in opposition.

Mr. TALMADGE. Mr. President, will the Senator yield me 5 minutes?

Mr. CURTIS. I yield 5 minutes to the distinguished Senator from Georgia.

Mr. TALMADGE. Mr. President, this is the identical issue we dealt with when the Senate had before it the economic stabilization bill, and the Senator's amendment, when he proposed it at that time, received nine votes.

We are all concerned about the prices of commodities, not just food, but everything. Many items have increased in price far greater than food, and the Senator's amendment ignores that fact.

I want to give the Senate some statistics. One of the most overlooked aspects of this situation is that the average American has more disposable income now than at any time in the past. Americans want more and better food. They are spending more for it. They are increasing the demand. So in effect they are themselves spending and demanding the country into rising food prices.

For example, since 1965, when the inflationary spiral began, per capita disposable income has risen 62 percent. Food prices have gone up half as much, only 33 percent. There is more buying power because of increased incomes, and more people in families are holding jobs. The employment of women from 1965 to 1972 went up 24 percent, that of teen agers went up 32 percent.

With rising domestic demand and increased foreign demand—again, because of increased affluence—the wonder of it all is that American agriculture, through ingenuity and ability, has been able to produce enough to come anywhere near meeting the demand of the United States and most of the world, and has thereby been able to keep prices from going up even more.

American food is still the best buy in the world. The U.S. consumer spends only 17.6 percent for food. In Canada it is about 20 percent. In Western Europe it is up to 30 percent. In Eastern Europe it is up to 54 percent. In other nations, it is as high as 60 percent.

If we really want to do something about prices and inflation, everything ought to be included, but what the Senator's amendment does is choose one item that is absolutely incapable of control. For instance, the Senator would set the price of lettuce at whatever it was on January 2, 1973.

Will the Senator tell me what the price of lettuce was on that date?

Mr. RIBICOFF. May I say I do not have that figure at the present time.

Mr. TALMADGE. Is it the Senator's intention to predicate that figure on what the price of lettuce was in California, Oregon, or New York City on that date?

Mr. RIBICOFF. It would be predicated on whatever the January 2, 1973, price of lettuce was at the place where lettuce was sold.

Mr. TALMADGE. The Senator knows that the price of lettuce is dependent on freight rates, shipping rates, as well as other factors. He should know that the price of lettuce varies from day to day and area to area, depending on where the lettuce is transported.

Will the Senator tell me what the price of peaches was on January 2?

Mr. RIBICOFF. Well, I do not know where one would buy peaches on January 2d. If they were not being sold on that day, we would have to go back to the nearest previous day when they were sold.

Mr. TALMADGE. As the Senator knows, fresh domestic peaches are not available on that date. What the Senator's amendment would do would be to freeze the price of peaches as of January 2, 1973, to the price of peaches which may have been imported on that date, and for all I know, they might have cost a dollar if they were imported from some tropical country and were made available in the United States. The Senator's amendment would freeze the price of peaches at whatever level the consumer had to pay for the imported peach as of January 2, 1973.

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

Mr. TALMADGE. I yield to my distinguished colleague, the ranking minority member of the committee.

Mr. CURTIS. Is it not true that the sale of livestock is priced according to the grade and quality that is established by inspection?

Mr. TALMADGE. The Senator is entirely correct. I want to point out that in my State of Georgia we have 25 or 30 livestock markets, and the price at Moultrie might be much different than at Thomasville. The Senator's amendment would freeze the price at two different points right in the State of Georgia, only 20 miles apart, and no one in the world could tell what was happening there. How could it be enforced without having a separate ceiling for every livestock market? There would have to be a ceiling for every livestock auction market effective January 2, 1973.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TALMADGE. Will the Senator yield me 2 minutes?

Mr. CURTIS. I yield 3 minutes to the Senator.

Mr. TALMADGE. The Senator knows the price of livestock in various sections of the country will vary. It will vary depending on grade and quality of the livestock, destination, market, and shipping point. Milk varies in price throughout the United States of America. Eggs vary in price throughout the United States of America. Perishable commodities vary tremendously. We might have a commodity that would be at very low cost in Florida, but the same commodity may be very high in New York. That shows how ludicrous it would be to try to freeze the price of something that is completely perishable, located in a particular area, and which price is unable to be frozen.

We had a freeze on agricultural commodity prices in the past. We remember the OPA days. We remember World War II days. We remember the Korean war days. The net effect of that regulation was to dry up food markets. Commodities were not available, and it made bootleggers out of some of our farmers.

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

Mr. TALMADGE. I yield.

Mr. COOK. Is it not also true that if ceilings are set at different prices in different locations, the farmer will try, to the best of his ability, to ship to the higher priced market, and deprive the lower price market of that respective commodity? In other words, if the price of lettuce is high at one or three or four places, the farmer will try, to the best of his ability, to ship to those markets and deny that commodity to other markets that have a lower price?

Mr. TALMADGE. The Senator is correct. On January 2, 1973, some of the market prices probably were fantastically low. They might have been below the cost of production.

I yield to the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the Senator is saying something similar to the statement made by the Secretary of Agriculture a few weeks ago.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. RIBICOFF. That statement was to the effect that anyone who asked for price controls on food was a damn fool.

Mr. TALMADGE. Mr. President, I yielded for a question. If the Senator wants to make a speech, he will have to yield on his own time.

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

The PRESIDING OFFICER. The Senator from Connecticut has 8 minutes remaining.

Mr. RIBICOFF. Mr. President, I will speak on my own time.

Secretary of Agriculture Butz made a statement a few weeks ago that anyone who asked for price controls on food was a damn fool. Yet, last week the President——

Mr. TALMADGE. I did not say that.

Mr. RIBICOFF. No. The Secretary of Agriculture said that.

Then, after the President came out with a partial freeze on meat, Secretary Butz hedged on his statement. That, of course, is the type of argument made today without any such language being leveled by my distinguished friend against any other Senators. However, the fact remains that farm products are at record prices with no end in sight.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article and tabulation published in the Wall Street Journal of today.

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

FARM PRICES CONTINUED TO SURGE DURING MONTH THAT ENDED MARCH 15—SIZABLE JUMP IN LIVESTOCK PRICES HELPED BOOST INDEX TO HIGH OF 405, UP 33 PERCENT FROM YEAR BEFORE

WASHINGTON.—Confirming facts evident for some weeks at the supermarket meat counter, the Agriculture Department reported that farm prices continued to boom in the month ended March 15.

Propelled by another big advance in livestock prices, the index of all prices received by farmers jumped a record 7% in the latest month, reaching a high of 405, compared with the previous record of 379 in mid-February. The March 15 figure stood 33% above the year-earlier level.

The index of prices received for livestock advanced 9% for the second month in a row, and was 43% above March 1972. Beef cattle set a record at $43.60 per hundredweight in the latest period, up $3.10 from the previous record a month earlier. Calves moved to an average $58.20 per hundredweight, up $5.70 from the prior February high, and hogs jumped to $38.30, $4.10 above the month-earlier record.

Other contributors to the gain in the general farm price index included soybeans, eggs, cotton, broilers, onions and potatoes. Soybeans boomed to $6.05 per bushel, up 56 cents from the mid-February record, and $2.85 above the year-earlier figure.

Because of the continuing farm boom, department economists raised their forecast of 1973 net farm income to a record $21 billion. Previously, they'd been expecting a slight drop from the record 1972 figure of $19.2 billion.

The department's top economist, Don Paarlberg, said a sampling of farm prices subsequent to the March 15 cut-off for the latest formal report indicates that the overall farm price index slipped about 3.5% in the final two weeks of March. However, Mr. Paarlberg called the present price situation too fluid to predict that the index will remain down for the full month ending April 15.

Inflation pushed farming costs up another 1.5% in the latest month. But the much stronger farm price rise offset this increase, boosting the farm parity ratio to 86, compared with 82 in February and 72 in March 1972. The parity ratio, a closely watched indicator of how well off farmers are in relation to the rest of the economy, is derived from a formula that relates farm prices to farm costs and compares both with a 1910–14 base period.

The adjusted parity ratio, which takes federal subsidy payments into account, advanced to 89 in the latest month from 85 in February. It stood at 77 a year before.

Prices received by farmers for their principal crops compare as follows:

	March 1973	February 1973	March 1972
Wheat, per bushel	2.06	1.97	1.34
Rye, per bushel	.95	.979	.825
Rice, rough, per hundredweight	7.98	7.95	5.60
Oats, per bushel	.771	.776	.638
Corn, per bushel	1.37	1.35	1.10
Barley, per bushel	1.31	1.34	.983
Sorghum grain, per hundredweight	2.60	2.60	1.87
Hay, baled, per ton	35.40	35.40	29.00
Cotton, per pound	.2624	.2355	.2760
Cottonseed, per ton	53.80	51.90	55.90
Soybeans, per bushel	6.05	5.49	3.20
Peanuts, per pound			
Flaxseed, per bushel	4.38	4.15	2.44
Potatoes, per hundredweight	3.86	3.24	1.83
Hogs, per hundredweight	38.30	34.20	23.30
Beef cattle, per hundredweight	43.60	40.50	32.40
Calves, per hundredweight	58.20	52.50	41.70
Sheep, per hundredweight	11.80	10.40	6.78
Lambs, per hundredweight	39.50	34.90	28.20
Butterfat, per pound	.662	.691	.696
Milk, wholesale, per hundredweight	6.50	6.56	6.01
Broilers, live, per pound	.233	.194	.145
Turkeys, live, per pound	.284	.243	.226
Eggs, per dozen	.472	.425	.320
Wool, per pound	.972	.747	.240

HOW NEW YORK AREA MEAT PRICES HAVE RISEN TO PRESENT CEILINGS

[In cents per pound]

	Price range last week	Increase since previous week	Increase since Jan. 1	Increase since freeze of August 1971
Beef:				
Porterhouse steak	175–229	0	10–20	20–30
Sirloin steak	159–199	0	10–20	20–30
Round steak	189–259	0	30–44	30–60
Chuck steak	89–119	0	20	20–24
Boneless chuck roast	129–159	0	20	30–40
Ground chuck	99–119	0	10–14	20
Pork:				
Loin roast, rib end	89–119	0	20	30–40
Loin roast, loin end	99–119	0	20	24–40
Loin chops, center cut	159–199	0	20	40–50
Shoulder chops	89–129	0	10–20	20–40
Shoulder calis, smoked	79–99	0	20	20–30
Veal:				
Rib chops	199–259	0	20	60–80
Shoulder chops	169–209	0	20–30	20–50
Cutlets, leg	349–419	20	30–44	80–90
Lamb:				
Shoulder chops	159–189	0	24–30	30–40
Leg, oven ready	109–139	0	10–20	14–24

Source: New York State Department of Agriculture and Markets. Prices are for the New York City area (the 5 boroughs, Long Island, and parts of Westchester and northern New Jersey) and are those charged by the larger supermarket chains and by a selected sample of independen stores, and verified by State market analysts.

Mr. RIBICOFF. Mr. President, the headline of this article in the Wall Street Journal of today is:

Farm prices continued to surge during month that ended March 15. Sizable jump in livestock prices helped boost index to high of 405, up 33 percent from year before.

The article states in part:

Propelled by another big advance in livestock prices, the index of all prices received by farmers jumped a record 7 percent in the latest month, reaching a high of 405, compared with the previous record of 379 in mid-February. The March 15 figure stood 33 percent above the year-earlier level.

We can use all of the arguments that we have at our command. However, if we can have a freeze on all prices and expect the people to live in accordance with that, we can expect to freeze the prices on agricultural prices as well. We might as well throw the whole Economic Stabilization Act out of the window if we do not freeze the price of food.

The Senator from Georgia makes the statement that what we are trying to do is to put a freeze on food, but not on other commodities.

A few weeks ago Senator from Wisconsin offered an amendment to have a freeze on all items under the Economic Stabilization Act. The Senate voted that amendment down. I would be pleased if the Senators opposing my amendment would support a similar amendment today.

The American housewife can no longer go to the marketplace and feed her family on her husband's pay check. We had better wake up to the emotion sweeping this country. People will not stand idly by while the argument is made that the freeze is being placed on the price of lettuce or peaches when the people know that they cannot afford to buy meat and that pretty soon they will not be able to afford to buy fish or anything else.

We will find that the AFL–CIO will not stand by with a 5.5-percent increase in pay when they know that the people in this country cannot feed their families.

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

The PRESIDING OFFICER. The Senator from Nebraska has 7 minutes remaining on the amendment.

Mr. CURTIS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 10 minutes.

Mr. CURTIS. Mr. President, I rise in opposition to this amendment that would place a ceiling on raw agricultural products. I know that the distinguished Senator who offered the amendment means no injustice. However, if this amendment were to become law, it would be most unjust. It would start out with a system of rigid controls against that segment of our population whose income is 80 percent of what the nonfarm people receive. Furthermore, it would be without definitions and without any adjustment geographically. Prices would be frozen as of January 2.

I want to call to the attention of the Senate just what that would mean in the State which I have the honor in part to represent. We have the most serious breakdown in transportation in the history of the United States.

Mr. President, I have recently sent a questionnaire to every grain elevator in the State of Nebraska. Hundreds of replies have come back. The first question on the questionnaire is, "Are you buying grain?"

Close to 40 percent answer "No." Others answer with a qualified yes and say that they buy small amounts if they can ship it out by truck.

If there is no market, the price is zero.

That situation arose last fall. It has reached its peak early in January. As a matter of fact, it was in January when the Committee on Agriculture and Forestry voted to hold hearings on the transportation crisis.

In spite of the sales of wheat to Russia, the transportation crisis is such that the price of wheat is down by 60 cents a bushel.

Mr. President, why should we pick out a group of people just because they constitute a minority? Five percent of the voters of the country are farmers. How come nothing is said about rolling back wages? How come there is such silence in the Chamber about a rollback in the price of other items?

I mentioned awhile ago that the household hammer cost $2.42 in 1952. It now costs $5.15.

How come nothing is said about rolling back the cost of a man's suit of clothes, that has gone up 87 percent since 1952, while the price of food has gone up 43 percent?

How come there is such silence in the Chamber about a rollback in the price of women's shoes that has gone up 94 percent since 1952?

Mr. President, we have a totally unworkable proposal to establish prices on all raw agricultural products, including live animals that are sold according to grade and quality.

I hope that the Government in anything it undertakes will always undertake to do justice. The only way in which we can do justice in such a situation would be to grade every animal before it is offered for sale. It is a totally unworkable proposal. It would not result in a reduction of 5 cents in the price of groceries for a year, because we could enact this measure and it would not stop wage increases. It would not stop profits. It would not stop the social security increase for which Congress voted. It would not stop any of these other things that add to the cost of business.

Mr. President, the pending amendment is not only unworkable, but it is also unjust. It would result in no benefit whatever to the consumer.

I said earlier today that a retailer could sell his meat for any price he wanted under the existing order. All he has to do is to label it "imported meat," because the ceiling is placed upon a product if it was produced in this country; but if it is imported, it sells without any ceiling at all.

Again, I question the workability of the amendment. I question the justice involved. If we are concerned about inflation, let us do something about the causes of inflation. I think we are facing a grave national emergency, but I think it started in this Chamber with the abandonment of all restraint on Government spending, with the abandonment of all restraint on deficit spending, with the abandonment of any idea of restraining the expansion of Government.

We have created a situation not only in this country, but all around the world, in which people are commencing to doubt the financial stability of Uncle Sam. They have commenced to doubt the value of his money. Let us not try to fool the people by saying that an unworkable freeze will solve the problem.

The PRESIDING OFFICER. The Senator from Connecticut has 4 minutes remaining. Does the Senator desire to use his time?

Mr. RIBICOFF. I am pleased to yield back my time.

Mr. GRIFFIN. Mr. President, is an amendment to the amendment in order?

The PRESIDING OFFICER. An amendment to the amendment is in order.

Mr. GRIFFIN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Perfecting amendment by Mr. GRIFFIN to the amendment of Mr. RIBICOFF:

In section 203A as proposed, after the words "prices of raw agricultural commodities at levels not greater than the highest levels prevailing for any such commodity on January 2, 1973" add the words: "and stabilizing all wage rates at levels not higher than those prevailing on the same date."

Mr. GRIFFIN. Mr. President, it seems rather obvious that this is a very lopsided affair, as it has been offered. When President Nixon issued his freeze last August, it was not a freeze on prices alone; it was a freeze on prices and wages. I think that it would be rather ridiculous to debate proposed legislation which would actually roll wages back to what they were in January 1973. Yet I think that is what we ought to try to do if we are going to roll prices back across the board. So I think that appealing as is the amendment offered by the Senator from Connecticut, as nice as it sounds in the interests of consumers, it is unrealistic and should not be adopted.

Mr. President, I do not ask for a vote on my amendment. I withdraw it and hope that it will demonstrate the reasons why I shall vote against the Ribicoff amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS. Mr. President, this amendment now offered follows a ceiling justly introduced by the President on the prices of meat which have run away, hence the freeze in this amendment would adversely affect pricing of other raw agricultural products which have not run away—or like feed grains which are too high already, as they impact meat, milk and poultry production, would tend to keep them at these high levels. For these reasons, at this time, my vote must be against this amendment.

The question is on agreeing to the amendment offered by the Senator from Connecticut (Mr. RIBICOFF). 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 Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL) and the Senator from Colorado (Mr. HASKELL) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from South Dakota (Mr. MCGOVERN) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New Mexico (Mr. DOMENICI), the Senators from New York (Mr. JAVITS and Mr. BUCKLEY), the Senator from Maryland (Mr. MATHIAS), the Senator from South Carolina (Mr. THURMOND) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. FANNIN) is absent on official committee business.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from South Carolina (Mr. THURMOND) and the Senator from Arizona (Mr. GOLDWATER) would each vote "nay."

The result was announced—yeas 5, nays 67, as follows:

[No. 72 Leg.]

YEAS—5

Case	Pastore	Weicker
Hart	Ribicoff	

NAYS—67

Abourezk	Ervin	Moss
Aiken	Fong	Nelson
Allen	Fulbright	Nunn
Baker	Griffin	Packwood
Bartlett	Gurney	Pearson
Beall	Hansen	Percy
Bellmon	Hartke	Proxmire
Bennett	Hatfield	Roth
Bentsen	Hathaway	Saxbe
Bible	Helms	Schweiker
Burdick	Hruska	Scott, Pa.
Byrd, Harry F., Jr.	Hughes	Scott, Va.
Byrd, Robert C.	Jackson	Sparkman
Chiles	Kennedy	Stafford
Church	Long	Stevens
Clark	Magnuson	Stevenson
Cook	Mansfield	Symington
Cotton	McClellan	Taft
Curtis	McClure	Talmadge
Dole	McGee	Tunney
Dominick	McIntyre	Williams
Eagleton	Metcalf	Young
	Montoya	

NOT VOTING—28

Bayh	Goldwater	McGovern
Biden	Gravel	Mondale
Brock	Haskell	Muskie
Brooke	Hollings	Pell
Buckley	Huddleston	Randolph
Cannon	Humphrey	Stennis
Cranston	Inouye	Thurmond
Domenici	Javits	Tower
Eastland	Johnston	
Fannin	Mathias	

So Mr. RIBICOFF's amendment was rejected.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TALMADGE. 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. Berry, one of its reading clerks, announced that the House has disagreed to the amendments of the Senate to the bill (H.R. 1975) to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POAGE, Mr. STUBBLEFIELD, Mr. ALEXANDER, Mr. BERGLAND, Mr. TEAGUE of California, Mr. WAMPLER, and Mr. GOODLING were appointed managers on the part of the House at the conference.

AMENDMENT OF CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 1975.

The PRESIDING OFFICER (Mr. MCCLURE) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 1975) to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes, 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 amendments 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. MCGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. DOLE, and Mr. BELLMON conferees on the part of the Senate.

AMENDMENT OF THE FEDERAL MEAT INSPECTION ACT AND THE POULTRY PRODUCTS INSPECTION ACT

The Senate continued with the consideration of the bill (S. 1021) to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes.

Mr. RIBICOFF. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 2, strike out lines 17 and 18 and insert in lieu thereof the following:

SEC. 4. The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Rollback of raw agricultural commodity prices

"Immediately following the enactment of this section, the President shall issue an order stabilizing the prices of raw agricultural commodities at levels not greater than the highest levels prevailing for any such commodity on April 2, 1973.

"If no transactions occurred involving the sale of any such commodity the level established under this section shall be the highest applicable level on the nearest previous date in which such transactions did occur. As used in this section, the term 'raw agricultural commodities' means commodities (including livestock to be slaughtered) which are used for human and animal consumption."

SEC. 5. The amendments made by the first three sections of this Act shall become effective beginning with the fiscal year which begins July 1, 1973.

Mr. RIBICOFF. Mr. President, this is basically the same amendment we just voted on, except that instead of having a rollback to January 2, 1973, it freezes agricultural products as of today, April 2, 1973.

The same arguments that were made on the previous amendment pertain. I see no necessity for spending any more of the Senate's time in arguing further on this amendment.

I ask for the yeas and nays.

The yeas and nays were ordered.

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

Mr. RIBICOFF. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on this amendment, the time to be allocated as heretofore.

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

Mr. JACKSON. Mr. President, I send to the desk an amendment to the amendment, and I ask for the yeas and nays on the amendment to the amendment.

The PRESIDING OFFICER. An amendment to the amendment is not in order until the time on the amendment has been used or yielded back.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time, subject to that understanding.

Mr. CURTIS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The amendment of the Senator from Washington is in order. The clerk will state the amendment to the amendment.

The assistant legislative clerk proceeded to read the amendment to the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment to the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment to the amendment will be printed in the RECORD.

The amendment to the amendment is as follows:

In lieu of the language proposed by the Senator from Connecticut (Mr. Ribicoff), insert the following:

The Economic Stabilization Act of 1970 is amended by inserting after section 203 the following new section:

"§ 203A. Six-month freeze

"Immediately upon the enactment of this section, the President shall issue an order stabilizing prices (including prices of raw agricultural products), rents, wages, salaries, interest rates, and dividends for a period of one hundred and eighty days from the date of enactment of this section. * * *

Mr. JACKSON. Mr. President, I can make my statement in a couple of minutes.

This amendment is similar to the one offered by Senator PROXMIRE last week, which I supported and some 37 Senators supported, which would mandate a freeze right across the board, freezing everything—prices, wages, interest, rents—for a period of 6 months.

Mr. President, what we are witnessing now in the administration's effort to deal with the No. 1 issue facing this Nation—inflation—is a piecemeal effort to try to cope with inflation.

Last week, the President announced a freeze on meat prices. This is only the tip of the iceberg as far as inflation is concerned and I suggest that the time has come to have a freeze right across the board, while we ascertain the right course to follow in bringing about some kind of price-wage stabilization in this country.

The fact is that we are now going through a drastic cycle of inflation. Tremendous inflation has occurred in the area of food prices. This will serve as the kind of catalytic agent that will set off another round of inflation—what the economists refer to as cost-push inflation. Cost-push inflation, as opposed to classical inflation, thrives when big labor and big industry can set the price-wage pattern for the country. It is obvious that unless we have some kind of freeze now, in the next go-round between labor and management we are going to witness heavy increase in wages in order to offset the increasingly high cost of living, as evidenced by what has happened in the food sector.

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

Mr. JACKSON. I yield.

Mr. MAGNUSON. I understand that the amendment of my colleague from Washington includes something that I have always maintained was almost the heart of inflation—interest rates. I understand that this amendment does include interest rates.

Mr. JACKSON. The Senator is correct.

May I say on this point, Mr. President—and I am glad that my colleague mentioned this—we are witnessing a rerun, like an old movie, a late movie on Saturday night on television. The scenario is clear. In 1969 and 1970 we watched the same syndrome—inflation, tight money, high interest rates, unemployment.

The reason why the stock market has been going down is that investors see an administration depending on the classic monetarist approach to inflation, thinking that you can control prices by the control of the money supply, that tight money and high interest rates will bring prices down. What that means is that you can only bring about a solution to the problem by creating a recession. I know nothing about economics and do not claim to; but I have been an observer of this scene for a long time now, and it is obvious that the scenario, the pattern, that is being followed here is one that is going to lead to a recession.

I believe that this amendment is the only sensible approach. As we travel around the country and talk to people, we find that the American people are fed up with the piecemeal approach. I say it is high time that we make this fundamental move.

I am confident that the House of Representatives will adopt such an amendment in connection with the economic stabilization bill that is now pending.

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

Mr. JACKSON. I yield.

Mr. CHURCH. First, I commend the Senator for coming forward with this amendment. The pattern he refers to is clearly directed toward the classical form of inflation. It is not working, and it is not going to work in this kind of cost-push inflation.

Last week, when the distinguished Senator from Wisconsin offered his 6-month freeze, I voted against it. At the time, I questioned whether a temporary freeze would do more than defer the general increase in prices for a period of time, and then result in accentuating the price rise after the freeze ended. However, since the Senate on Senator Proxmire's amendment, the President has invoked a freeze on meat products.

Mr. JACKSON. Only.

Mr. CHURCH. Only. So it is clear now that the President, will select out certain farm commodities, while blinking at the price rise everywhere else. I can see no justification for freezing meat prices in the name of controlling inflation, while doing nothing about the general increase in prices all across the board. So, in the wake of President Nixon's action, I am going to support the Jackson amendment this time. I think it is called for, in view of the discriminatory action taken by the President last week. I wanted the Senator from Wisconsin to know why I am voting for the amendment now, when I could not vote for it earlier.

I thank the Senator for yielding.

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

Mr. JACKSON. I yield.

Mr. AIKEN. I wish to ask a question about the amendment. Does it apply to imported food and food intended for export?

Mr. JACKSON. It does not.

Mr. AIKEN. Does the Senator realize that in most European countries meats are retailing for twice as much as they are in the United States, and if the price is frozen here, they can buy every pound we have and double the price over there?

Mr. JACKSON. I do not know how to control imports.

Mr. AIKEN. My question is with reference to exports.

Mr. JACKSON. I do not know how to apply it to exports. That relates to the whole question of strengthening the dollar and trying to provide a means to balance payments and trade.

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

Mr. JACKSON. I yield.

Mr. PROXMIRE. The fact that it does not apply to imports means that we would buy more American products. It is a practical idea. It worked in phase I when there was a freeze.

Mr. AIKEN. If the Senator will read the foreign agricultural report this morning which compares the prices of food, all important foods in foreign countries and the prices here, the Senator will find that in most countries in Europe—Spain, Italy, England, Germany, Luxembourg, Holland, Belgium, and all those other European countries—the price is much higher for retail meats than it is in the United States. In Canada it is almost identical with the price here if one chooses Ottawa and compares it with Washington. Japan is much higher than we are.

If you freeze the price and you cannot ask for more—well, maybe the Senator's amendment does cover lumber, but I do not know what the result would be if we freeze the price of lumber at less than $300 a thousand here when Japan is willing to pay $800 a thousand. I do not know if it covers that or not; but if not, we will suffer.

Mr. JACKSON. Mr. President, I have great respect for the Senator from Vermont. Obviously he is referring to a minor part of the problem. The challenge this body must face is whether we are going to take some serious steps in light of the fact that we have had one series of failures after another in the area of economic stabilization. I believe this is a serious step. It is one we have never taken before and it is absolutely necessary in order to protect the integrity of the dollar and in order to prevent an economic recession.

The alternative to this course, Mr. President, would be monetary controls, and monetary controls presuppose that we are going through the wringer and will have a recession to solve the problem of inflation.

Between January 20, 1969, and August 15, 1971—I believe that is the date—the monetary school of economics prevailed.

The President recognized on August 15, 1971 that monetary controls had failed. The monetarist approach did not stop inflation and since then we have had half-hearted efforts in phase I, phase II, and phase III. What triggered the dollar devaluation was phase III, because holders of Eurodollars came to the conclusion that the United States was not going to get tough about inflation. So we are dealing not only with the integrity of the dollar but also with the situation in which the life savings of millions of Americans are being eroded at a pace unprecedented in American economic history.

Mr. President, if we do not mandate this freeze we are inviting a recession, just as surely as God made little green apples.

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

Mr. JACKSON. I yield.

Mr. PASTORE. Mr. President, to me this is an issue of guts, guts, guts. The time has come when we should stop blaming one another for the situation; the time has come when we should stop talking about the situation; and I believe the time is here when we should do something about the situation. The only way to bring a halt to the rise in prices is a freeze across the board. That is what this amendment does and I am going to support it.

Mr. RIBICOFF. Mr. President, I accept and support the amendment of the Senator from Washington with enthusiasm. The voices of the housewives of America will not be denied. They seek leadership from the Congress of the United States.

The amendment of the Senator from Washington, of which I am a cosponsor, will finally do the job and provide wage and price controls across the board including raw agricultural products. Then, we can really put a lid on inflation and let the people of this country start living with some chance of economic security.

I hope the Senate will vote for the Jackson amendment. I have offered my two amendments to rollback or freeze food prices in an effort to make the Senate aware of the crisis facing this Nation's families each time they go grocery shopping. Their wages are restricted, interest rates are rising and more than anything else food prices are skyrocketing. The Jackson-Ribicoff-Nelson-Proxmire amendment would be fair to all levels of society. It would mean that no single person, from the farmer to the factory worker would be penalized. It is incumbent on the Senate to act affirmatively now.

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

The PRESIDING OFFICER. The Senator has 1 minute remaining.

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

Mr. JACKSON. If the Senator from Nebraska will yield to the Senator from Vermont, I will be glad to answer the Senator.

Mr. CURTIS. I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. The same report from the Foreign Agricultural Committee to which I referred will show clearly that the rate of inflation on food prices in the United States has been far less than in most other so-called vantage countries of the world. It has been less here.

Mr. JACKSON. Obviously, there are inequities that have to be resolved. There should be adjustments. But all I am saying is that we have fooled around here since 1969 and all we have had is more inflation and more recession, a growing level of unemployment, and I submit very respectfully to this body that unless we take drastic action, action that will somehow shock this economy into stability, we will not get far with our economic problems.

We were assured when phase III started that this would solve the problem. Only a short time after phase III began we had a devaluation of the dollar. Now we have an admission that something should be done about prices when the President froze the price of meat. He has just touched the tip of the iceberg and we have the whole iceberg to deal with. The piecemeal approach will not work.

I submit that now is the time to move decisively in this area of economic stabilization before it is too late to act at all.

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

Mr. JACKSON. I yield.

Mr. MANSFIELD. I am fully in accord with the amendment of the Senator from Washington. I think it is, as the distinguished Senator from Rhode Island said, and to put it another way, time to fish or cut bait, time to do something or let events take their course, and the sooner we do it, the better off we will be, and certainly the better off the country will be.

Mr. CURTIS. Mr. President, how much time is remaining on the amendment?

The PRESIDING OFFICER. The Senator from Washington has 1 minute remaining and the Senator from Nebraska has 13 minutes remaining.

Mr. CURTIS. Mr. President, it is my understanding that the Senator from Connecticut accepted the amendment as an amendment to his amendment—that the time had expired?

The PRESIDING OFFICER. The yeas and nays were ordered on the Ribicoff amendment and, therefore, it would require unanimous consent to modify the amendment.

Mr. CURTIS. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, this is a simple bill dealing with one subject, the financial arrangement between the Federal Government and the States on meat inspection.

I hope, whatever merits there may be to a freeze across the board, the Senate will vote on it at a time when it is germane, when there have been some hearings on it, when we have had the benefit of the leadership from the committee that would have jurisdiction of such legislation. Mr. President, I think we at least ought to have a printed copy of it.

The economy of the United States is not simple. It is complex. Oratory can sound good, but we can throw a monkey wrench into the machinery.

I say, in the interest of knowing what we are doing, the question of whether or not there ought to be an across-the-board freeze or rollback should be considered by the Senate when a bill comes before this body after hearings have been had and when it is under the sponsorship of the committee having appropriate jurisdiction.

Therefore, I hope, regardless of what the opinion of Senators may be on the

issue, they do not put it on the pending measure.

If my understanding of the debate is correct, the Senate has already voted on this issue as an amendment to the Economic Stabilization Act, and defeated it 52 to 36, or some such number. Why add it here, when the proposal is not even printed and there have been no hearings on it?

Mr. President, I am prepared to yield back the remainder of my time, if the other side is.

The PRESIDING OFFICER. The Senator from Washington has 1 minute remaining.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays on the amendment to the amendment were ordered.

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CURTIS. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment to the amendment has been yielded back.

The question occurs on the amendment by the Senator from Washington to the amendment by the Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Missouri (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Nevada (Mr. CANNON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senators from New York (Mr. JAVITS and Mr. BUCKLEY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. FANNIN) is absent on official committee business.

Also, the Senator from Arizona (Mr. GOLDWATER) is necessarily absent. If present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The result was announced—yeas 37, nays 39, as follows:

[No. 73 Leg.]

YEAS—37

Abourezk	Fulbright	Montoya
Allen	Hart	Moss
Bentsen	Hartke	Muskie
Bible	Hathaway	Nelson
Burdick	Hughes	Nunn
Byrd, Harry F., Jr.	Jackson	Pastore
Byrd, Robert C.	Kennedy	Proxmire
Case	Magnuson	Ribicoff
Chiles	Mansfield	Stevenson
Church	McClellan	Symington
Clark	McGee	Talmadge
Eagleton	McIntyre	Williams
	Metcalf	

NAYS—39

Aiken	Fong	Percy
Baker	Griffin	Roth
Bartlett	Gurney	Saxbe
Beall	Hansen	Schweiker
Bellmon	Hatfield	Scott, Pa.
Bennett	Helms	Scott, Va.
Brock	Hruska	Sparkman
Cook	Johnston	Stafford
Cotton	Long	Stevens
Curtis	Mathias	Taft
Dole	McClure	Tunney
Dominick	Packwood	Weicker
Ervin	Pearson	Young

NOT VOTING—24

Bayh	Fannin	Javits
Biden	Goldwater	McGovern
Brooke	Gravel	Mondale
Buckley	Haskell	Pell
Cannon	Hollings	Randolph
Cranston	Huddleston	Stennis
Domenici	Humphrey	Thurmond
Eastland	Inouye	Tower

So Mr. JACKSON's amendment to the Ribicoff amendment was rejected.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

Mr. ALLEN. Mr. President, I ask for the yeas and nays .

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider. 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. CURTIS. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

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

Mr. ALLEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan (Mr. GRIFFIN) to lay on the table the motion to reconsider the vote by which the amendment was rejected. 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 Indiana (Mr. BAYH), the Senator from Deleware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), and the Senator from West Virginia (Mr. RANDOLPH), are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL), and the Senator from Colorado (Mr. HASKELL) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. MCGOVERN), the Senator from West Virginia (Mr. RANDOLPH) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from New Mexico (Mr. DOMENICI), the Senator from New York (Mr. BUCKLEY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. FANNIN) is absent on official committee business.

The Senator from Maryland (Mr. BEALL) is detained on official business. If present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 39, nays 35, as follows:

[No. 74 Leg.]

YEAS—39

Aiken	Griffin	Percy
Baker	Gurney	Roth
Bartlett	Hansen	Saxbe
Bellmon	Hatfield	Schweiker
Bennett	Helms	Scott, Pa.
Brock	Hruska	Scott, Va.
Cook	Javits	Sparkman
Cotton	Johnston	Stafford
Curtis	Long	Stevens
Dole	Mathias	Taft
Dominick	McClure	Tunney
Ervin	Packwood	Weicker
Fong	Pearson	Young

NAYS—35

Abourezk	Eagleton	Metcalf
Allen	Hart	Montoya
Bentsen	Hartke	Moss
Bible	Hathaway	Nelson
Burdick	Hughes	Nunn
Byrd, Harry F., Jr.	Jackson	Pastore
Byrd, Robert C.	Kennedy	Proxmire
Case	Magnuson	Ribicoff
Chiles	Mansfield	Stevenson
Church	McClellan	Symington
Clark	McGee	Talmadge
	McIntyre	Williams

NOT VOTING—26

Bayh	Cranston	Gravel
Beall	Domenici	Haskell
Biden	Eastland	Hollings
Brooke	Fannin	Huddleston
Buckley	Fulbright	Humphrey
Cannon	Goldwater	Inouye

McGovern	Pell	Thurmond
Mondale	Randolph	Tower
Muskie	Stennis	

So Mr. GRIFFIN's motion to lay Mr. JACKSON's amendment on the table was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Connecticut (Mr. RIBICOFF).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Colorado (Mr. HASKELL) and the Senator from Rhode Island (Mr. PELL) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from New Mexico (Mr. DOMENICI), the Senator from New York (Mr. BUCKLEY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. FANNIN) is absent on official committee business.

If present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from South Carolina (Mr. THURMOND) would each vote "nay."

The result was announced—yeas 2, nays 75, as follows:

[No. 75 Leg.]

YEAS—2

Pastore	Ribicoff

NAYS—75

Abourezk	Chiles	Hartke
Aiken	Church	Hatfield
Allen	Clark	Hathaway
Baker	Cook	Helms
Bartlett	Cotton	Hruska
Beall	Curtis	Hughes
Bellmon	Dole	Jackson
Bennett	Dominick	Javits
Bentsen	Eagleton	Johnston
Bible	Ervin	Kennedy
Brock	Fong	Long
Burdick	Fulbright	Magnuson
Byrd, Harry F., Jr.	Griffin	Mansfield
	Gurney	Mathias
Byrd, Robert C.	Hansen	McClellan
Case	Hart	McClure
McGee	Froxmire	Stevenson
McIntyre	Randolph	Symington
Metcalf	Roth	Taft
Montoya	Saxbe	Talmadge
Moss	Schweiker	Tunney
Nelson	Scott, Pa.	Weicker
Nunn	Scott, Va.	Williams
Packwood	Sparkman	Young
Pearson	Stafford	
Percy	Stevens	

NOT VOTING—23

Bayh	Fannin	McGovern
Biden	Goldwater	Mondale
Brooke	Gravel	Muskie
Buckley	Haskell	Pell
Cannon	Hollings	Stennis
Cranston	Huddleston	Thurmond
Domenici	Humphrey	Tower
Eastland	Inouye	

So Mr. RIBICOFF's amendment was rejected.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I actively supported the Wholesome Meat Act of 1968. It was a good law and still is. I have opposed and will continue to oppose amendments which would weaken it, but as with any program there is always room for improvement. Last year the law was amended to permit the custom slaughter of animals by their owners for their own use. That legislation was made necessary by incorrect assumptions in the regulations issued under the law, for it was never intended that livestock owners be deprived of this privilege.

Now, the Senator from Nebraska (Mr. CURTIS) has introduced S. 1021 which I am proud to cosponsor. It will further refine the Wholesome Meat Act by providing an increase in the Federal assistance for State meat inspection programs which operate under regulations that are certified "equal to" the Federal regulations required by the Wholesome Meat Act. This increased assistance will provide incentives for States to continue their own programs instead of bowing to the provisions of the present law which make it more attractive for them to drop their own systems and let the Federal Government pay 100 percent of the inspection costs.

INCENTIVES TO STATES

The bill would increase the maximum Federal share for the operation of a State meat and poultry inspection program from 50 to 80 percent. It is not my general policy to support such major increases in Federal program costs; however, in this case such a step makes good sense on several counts.

LONG-TERM SAVINGS

First, and most important, it would save the Federal Government the difference between paying up to 80 percent of some State program costs and the 100 percent of the costs that would be incurred if the States simply gave up and handed the program over to Federal administration.

As Secretary of Agriculture Clifford Hardin stated in a letter to Chairman TALMADGE on a basically identical bill in the 92d Congress:

On the basis of 44 "equal to" states, total state inspection costs during fiscal year 1972 are estimated at $53.2 million. The Federal share of this, under the 50–50 formula, will be $26.6 million. Under the proposed 80–20 formula, Federal costs would be $42.6 million—an increase of $16.0 million, but considerably less than the cost of 100 percent funding that will be required if States begin to terminate their inspection programs.

REDUCED FEDERAL INVOLVEMENT

Second, I believe it is important for States to continue to be involved in this field. Meat and poultry production is largely under State jurisdiction, and the State personnel have developed a close understanding of the operations within their areas and have established good working relationships with the people involved in them. I also believe it is important to hold down programs which would increase the number of Federal employees. The Federal bureaucracy has a tendency to grow, perpetuate itself, and drift away from the basis purposes of the laws it administers; and, with the increasing emphasis being given to expanding the authority of State and local governments, it seems preferable that any question of program expansion and Federal personnel increases be settled in favor of strengthened authority for the States rather than Washington.

PREVIOUS APPROVAL

I firmly support S. 1021 as in the interests of better government. This proposal passed the Senate with unanimous approval during the 92d Congress, and I urge that it again be approved and sent to the House. Its early enactment into law will be a major help to the meat and poultry inspection systems which protect the American public in 44 States which have programs with standards equal to the Federal program under the Federal Meat Inspection Act of 1968.

The Kansas State Board of Agriculture has passed a resolution which endorses this legislation, and I ask unanimous consent that a copy of that resolution be printed in the RECORD at this point.

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

RESOLUTION

Whereas, the meat and poultry inspection program in Kansas and many other states has been certified as "equal to" the federal program; and

Whereas, the livestock and meat industry in Kansas feels very strongly that all state inspected and passed meat and poultry products should not be denied movement in interstate commerce; and

Whereas, state inspected plants are small and widely scattered throughout the state, necessitating considerable travel and expenses in their inspection; and

Whereas, it is more economical for the federal government to have state participation in meat and poultry inspection programs rather than solely a federal inspection program:

Therefore, we the members of the Kansas State Board of Agriculture do hereby request that the members of Congress from the State of Kansas:

1. Support federal legislation which per-

mits the interstate movement of state inspected and passed meat and poultry carcasses, parts thereof, and meat and poultry food products; and

2. Support federal legislation which authorizes the United States Department of Agriculture to provide at least eighty per cent of the financing of state-federal meat and poultry inspection programs.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

Mr. TALMADGE. I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

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, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL), and the Senator from Colorado (Mr. HASKELL) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Alaska (Mr. GRAVEL), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from New Mexico (Mr. DOMENICI), the Senator from New York (Mr. BUCKLEY), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Arizona (Mr. FANNIN) is absent on official committee business.

If present and voting, the Senator from Arizona (Mr. GOLDWATER), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea."

The result was announced—yeas 74, nays 3, as follows:

[No. 76 Leg.]

YEAS—74

Aiken	Brock	Cook
Allen	Burdick	Cotton
Baker	Byrd, Harry F., Jr.	Curtis
Bartlett	Byrd, Robert C.	Dole
Beall	Case	Dominick
Bellmon	Chiles	Eagleton
Bennett	Church	Ervin
Bentsen	Clark	Fong
Bible	Griffin	Fulbright
Gurney	Mansfield	Ribicoff
Hansen	Mathias	Roth
Hart	McClellan	Saxbe
Hartke	McClure	Schweiker
Hatfield	McGee	Scott, Pa.
Hathaway	McIntyre	Scott, Va.
Helms	Montoya	Sparkman
Hruska	Moss	Stafford
Hughes	Nelson	Stevens
Jackson	Nunn	Symington
Javits	Packwood	Taft
Johnston	Pastore	Talmadge
Kennedy	Pearson	Tunney
Long	Percy	Weicker
Magnuson	Proxmire	Williams
	Randolph	Young

NAYS—3

Abourezk	Metcalf	Stevenson

NOT VOTING—23

Bayh	Fannin	McGovern
Biden	Goldwater	Mondale
Brooke	Gravel	Muskie
Buckley	Haskell	Pell
Cannon	Hollings	Stennis
Cranston	Huddleston	Thurmond
Domenici	Humphrey	Tower
Eastland	Inouye	

So the bill (S. 1021) was passed, as follows:

S. 1021

An act to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 per centum the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of paragraph (3) of section 301(a) of the Federal Meat Inspection Act, as amended (21 U.S.C. 661(a)(3)), is amended by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

SEC. 2. The second sentence of paragraph (3) of section 5(a) of the Poultry Products Inspection Act, as amended (21 U.S.C. 454 (a)(3)), is amended by striking out "50 per centum" and inserting in lieu thereof "80 per centum".

SEC. 3. The Act entitled "An Act to provide further for cooperation with States in administration and enforcement of certain Federal laws" (Public Law 87-718) is amended by adding the following new paragraph at the end thereof:

"The percentage of the total cost of any cooperative arrangement for meat or poultry inspection purposes to be contributed to any State by the Secretary under this Act shall be equal to the highest percentage contributed to any State under section 301(a)(3) of the Federal Meat Inspection Act in the case of a cooperative arrangement for meat inspection or the highest percentage contributed to any State under section 5(a)(3) of the Poultry Products Inspection Act in the case of a cooperative arrangement for poultry inspection."

SEC. 4. The amendments made by this Act shall be effective beginning with the fiscal year which begins July 1, 1973.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

EXTENSION OF TIME FOR EULOGIES TO FORMER SENATOR GILLETTE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the record be kept open for an additional week, until April 9, 1973, for eulogies to former Senator Gillette.

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

APPOINTMENTS TO 1973 SESSION OF THE CONFERENCE ON THE COMMITTEE ON DISARMAMENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to the 1973 session of the Conference of the Committee on Disarmament: the Senator from Rhode Island (Mr. PASTORE), the Senator from Maine (Mr. MUSKIE), the Senator from South Dakota (Mr. ABOUREZK), the Senator from New York (Mr. JAVITS), and the Senator from Colorado (Mr. DOMINICK).

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider various nominations on the calendar.

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

The PRESIDING OFFICER. The clerk will state the first nomination.

U.S. AIR FORCE

The legislative clerk proceeded to read sundry nominations in the U.S. Air Force.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

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

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Charles C. Edwards, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare.

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

DEPARTMENT OF LABOR

The legislative clerk read the nomination of William H. Kolberg, of Maryland, to be an Assistant Secretary of Labor.

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Air Force and in the Navy.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

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

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10:45 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. EAGLETON, Mr. RIBICOFF, Mr. DOMENICI, Mr. THURMOND, Mr. ROBERT C. BYRD.

At the hour of 12 o'clock noon the Senate will proceed to the consideration of the Presidential veto message. There will be 2 hours of debate, equally divided, and the vote on overriding the President's veto of the Vocational Rehabilitation Act will occur at 2 o'clock p.m.

Following that, the Senate will resume the consideration of S. 800, the crime bill. The question will be on the amendment of Mr. TALMADGE (No. 73), on which there is a time limitation. There will be a yea and nay vote on that amendment, and there may be other yea and nay votes on other amendments, and on the passage of the bill. So there will be yea and nay votes tomorrow.

ADJOURNMENT UNTIL 10:45 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 10:45 a.m. tomorrow.

The motion was agreed to; and, at 5:34 p.m., the Senate adjourned until tomorrow, April 3, 1973, at 10:45 a.m.

NOMINATIONS

Executive nomination received by the Senate on March 30, 1973, pursuant to the order of March 29, 1973:

DEPARTMENT OF STATE

Graham A. Martin, of North Carolina, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Vietnam.

Executive nominations received by the Senate April 2, 1973:

IN THE MARINE CORPS

Lt. Gen. Ormond R. Simpson, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, United States Code, section 5233.

DISTRICT OF COLUMBIA COMMISSIONER NOMINATION

Nomination received by the Senate April 2, 1973, from the Commissioner of the District of Columbia:

DISTRICT OF COLUMBIA, REDEVELOPMENT LAND AGENCY

Alfred P. Love, for reappointment as a member of the District of Columbia Redevelopment Land Agency for a term of 5 years, effective on and after March 4, 1973, pursuant to the provisions of section 4(a) of Public Law 592, 79th Congress, approved August 2, 1946, as amended.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2, 1973:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Charles C. Edwards, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare.

DEPARTMENT OF LABOR

William H. Kolberg, of Maryland, to be an Assistant Secretary of Labor.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Charles A. Veatch, xxx-xx-xxxx FR, Regular Air Force, Medical.

Col. Donald N. Vivian, xxx-xx-xxxx FR, Regular Air Force, Medical.

Col. Evan W. Schear, xxx-xx-xxxx FR, Regular Air Force, Medical.

Col. Irby B. Jarvis, Jr xxx-xx-xxxx FR, Regular Air Force.

Col. Benjamin R. Baker, xxx-xx-xxxx FR, Regular Air Force, Medical.

Col. Clifford Schoeffler, xxx-xx-xxxx FR, Regular Air Force.

Col. David B. Easson, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. David O. Williams, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. Richard C. Bowman, xxx-xx-xxxx FR, Regular Air Force.

Col. Clyde F. McClain, xxx-xx-xxxx FR, Regular Air Force.

Col. George R. Guay, xxx-xx-xxxx FR, Regular Air Force.

Col. John E. Pitts, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. Murphy A. Chesney, xxx-xx-xxxx FR, Regular Air Force, Medical.

Col. Gerald J. Post, xxx-xx-xxxx FR, Regular Air Force.

Col. Daniel L. Burkett xxx-xx-xxxx FR, Regular Air Force.

Col. Carl D. Peterson, xxx-xx-xxxx FR, Regular Air Force.

Col. Erskine Wigley, xxx-xx-xxxx FR, Regular Air Force.

Col. Henry B. Stelling, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. Felix J. Zaniewski xxx-xx-xxxx FR, Regular Air Force.

Col. Cecil E. Knox, xxx-xx-xxxx FR, Regular Air Force.

Col. Kermit C. Karericher, xxx-xx-xxxx FR, Regular Air Force.

Col. Frank G. Barnes, xxx-xx-xxxx FR, Regular Air Force.

Col. Don D. Pittman, xxx-xx-xxxx FR, Regular Air Force.

Col. Walter D. Reed, xxx-xx-xxxx FR, Regular Air Force.

Col. Bohdan Danyliw, xxx-xx-xxxx FR, Regular Air Force.

Col. William J. Kelly, xxx-xx-xxxx FR, Regular Air Force.

Col. Robert A. Rushworth, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Jack I. Posner, xxx-xx-xxxx FR, Regular Air Force.

Col. William C. Norris xxx-xx-xxxx FR, Regular Air Force.

Col. Theodore P. Crichton, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. John Kulpa, Jr xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Stanley M. Umstead, Jr., xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas H. McMullen, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Gerald K. Hendricks, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Lyle W. Cameron xxx-xx-xxxx FR (major, Regular Air Force), U.S. Air Force.

Col. Jasper A. Welch, Jr xxx-xx-xxxx FR (major, Regular Air Force), U.S. Air Force.

Col. Charles C. Blanton xxx-xx-xxxx FR (major, Regular Air Force), U.S. Air Force.

Col. Thomas P. Conlin xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas M. Knoles III, xxx-xx-xxxx FR, Regular Air Firce.

Col. Willum H. Spillers, Jr., xxx-xx-xxxx FR, Regular Air Force.

Col. John J. Murphy, xxx-xx-xxxx FR, Regular Air Force.

Col. Thomas F. Rew, xxx-xx-xxxx FR, Regular Air Force.

Col. James P. Mullins, xxx-xx-xxxx FR, Regular Air Force.

Col. Richard T. Drury, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Phillip N. Larsen, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. William D. Gilbert, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Lynwood E. Clark, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael J. Tashjian, xxx-xx-xxxx FR, Regular Air Force.

Col. Tedd L. Bishop, xxx-xx-xxxx FR, Regular Air Force.

Col. Earl G. Peck, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air

Col. Lawrence A. Skantze, xxx-xx-xxxx FR (major, Regular Air Force), U.S. Air Force.

Col. Wayne E. Whitlatch xxx-xx-xxxx FR (major, Regular Air Force), U.S. Air Force.

Col. Richard N. Cody, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard G. Collins, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Charles D. Youree, Jr., xxx-xx-xxxx FR (major, Regular Air Force), U.S. Air Force.

Col. Thomas M. Ryan, Jr., xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas E. Clifford, xxx-xx-xxxx FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Malcolm E. Ryan, Jr., [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard E. Merkling, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. William R. Yost, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. James E. McInerney, Jr., [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. Carl S. Miller, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. James L. Brown, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Garry A. Willard, Jr., [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Andrew P. Iosue, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert C. Taylor, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. John S. Pustay, [redacted] FR (major, Regular Air Force), U.S. Air Force.

Col. Benjamin F. Starr, Jr. [redacted] FR, Regular Air Force.

Col. Donald M. Davis, [redacted] FR, Regular Air Force.

Col. Charles E. Word, [redacted] FR, Regular Air Force.

Col. William R. Nelson, [redacted] FR, Regular Air Force.

Col. Billy M. Minter, [redacted] FR, Regular Air Force.

Col. Charles E. Shannon, [redacted] FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Ralph T. Holland, [redacted] FR, Regular Air Force.

Brig. Gen. Harold L. Price, [redacted] FR, Regular Air Force.

Brig. Gen. Thomas W. Morgan, [redacted] FR, Regular Air Force.

Brig. Gen. Robert P. Lukeman, [redacted] FR, Regular Air Force.

Brig. Gen. Richard G. Cross, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Billie J. McGarvey, [redacted] FR, Regular Air Force.

Brig. Gen. Eugene Q. Steffes, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Herbert A. Lyon, [redacted] FR, Regular Air Force.

Brig. Gen. William R. Hayes, [redacted] FR, Regular Air Force.

Brig. Gen. William M. Schomning, [redacted] FR, Regular Air Force.

Brig. Gen. James E. Paschall, [redacted] FR, Regular Air Force.

Brig. Gen. William A. Dietrich, [redacted] FR, Regular Air Force.

Brig. Gen. Jack B. Robbins, [redacted] FR, Regular Air Force.

Brig. Gen. George Rhodes, [redacted] FR, Regular Air Force.

Brig. Gen. Ray A. Robinson, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. William Y. Smith, [redacted] FR, Regular Air Force.

Brig. Gen. Arnold W. Braswell, [redacted] FR, Regular Air Force.

Brig. Gen. John H. Wilkins, [redacted] FR, Regular Air Force, Medical.

Brig. Gen. Edmund A. Rafalko, [redacted] FR, Regular Air Force.

Brig. Gen. John R. Kern, Jr. [redacted] FR, Regular Air Force.

Brig. Gen. Ray B. Sitton [redacted] FR, Regular Air Force.

Brig. Gen. Colin C. Hamilton, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Edward P. McNeff, [redacted] FR, Regular Air Force.

Brig. Gen. Howard P. Smith, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Frank J. Simokaitis, [redacted] FR, Regular Air Force.

Brig. Gen. James A. Knight, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. James M. Breedlove, [redacted] FR, Regular Air Force.

Brig. Gen. Donald G. Nunn, [redacted] FR, Regular Air Force.

Brig. Gen. Lawrence J. Fleming, [redacted] FR, Regular Air Force.

Brig. Gen. Howard M. Fish, [redacted] FR, Regular Air Force.

Brig. Gen. Jeanne M. Holm, [redacted] FR, Regular Air Force.

Brig. Gen. Lester T. Kearney, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Kendall Russell, [redacted] FR, Regular Air Force.

Brig. Gen. Alden G. Glauch, [redacted] FR, Regular Air Force.

Brig. Gen. Charles F. Minter, Sr., [redacted] FR, Regular Air Force.

Brig. Gen. Herbert J. Gavin, [redacted] FR, Regular Air Force.

Brig. Gen. Andrew B. Anderson, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Eugene F. Tighe, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Henry Simon, [redacted] FR, Regular Air Force.

Brig. Gen. Slade Nash [redacted] FR, Regular Air Force.

Brig. Gen. Travis R. McNeil, [redacted] FR, Regular Air Force.

Brig. Gen. Robert F. Timble, [redacted] FR, Regular Air Force.

Brig. Gen. Jack Bellamy, [redacted] FR, Regular Air Force.

Brig. Gen. Harry M. Darmstandler, [redacted] FR. Regular Air Force.

Brig. Gen. Wilbur L. Creech, [redacted] FR, Regular Air Force.

Brig Gen. Evan W. Rosencrans, [redacted] FR, Regular Air Force.

Brig. Gen. Brent Scowcroft, [redacted] FR, Regular Air Force.

Brig. Gen. Raymond B. Furlong, [redacted] FR, Regular Air Force.

Brig Gen. Billy J. Ellis [redacted] FR, Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Maj. Gen. George J. Keegan, Jr., [redacted] R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Jack K. Gamble, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Warren D. Johnson, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Ray M. Cole [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Foster L. Smith [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James A. Hill [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Devol Brett [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Brig. Gen. Thomas W. Morgan, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Daniel James, Jr. [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Leroy J. Manor [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard G. Cross, Jr., [redacted] R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Bryan M. Shotts, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Lawrence W. Steinkraus, [redacted] R (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. John W. Pauly [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. John J. Burns [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Lew Allen, Jr., [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. William J. Evans, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Salvador E. Felices, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Bryce Poe II [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James D. Hughes, [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Richard H. Ellis [redacted] FR (brigadier general, Regular Air Force), U.S. Air Force.

To be brigadier general

Brig. Gen. Harold R. Vague, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Frank J. Simokaitis, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Lester T. Kearney, Jr., [redacted] R (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John B. Kern, Jr. [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Henry Simon, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Travis R. McNeil, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. George Rhodes, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Kendall Russell, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Slade Nash [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Jack Bellamy, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Herbert A. Lyon, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Harold E. Confer, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Timothy I. Ahearn, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Edmund A. Rafalko, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John R. Hinton, Jr., [redacted] R (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Lucius Theus [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William W. Gilbert, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Harrison Lobdell, Jr., [redacted] R (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Clyde R. Denniston, Jr., [redacted] R (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles E. Buckingham, [redacted] R (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Louis W. LaSalle, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Hilding L. Jacobson, Jr., [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Ray A. Robinson, Jr., [redacted] R (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Guy E. Hairston, Jr., [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Ralph T. Holland, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Eugene B. Sterling, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Alden G. Glauch, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Edwin H. Robertson II, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Brent Scowcroft, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John W. Burkhart, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William F. Georgi, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Herbert J. Gavin [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles F. Minter, Sr., [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Arnold W. Braswell, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Otis C. Moore, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William Y. Smith, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert C. Mathis, [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. James R. Allen [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Andrew B. Anderson, Jr., [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William R. Hayes, [redacted] FR (colonel, Regular Air Force), U.S. Air Force

Brig. Gen. Eugene F. Tighe, Jr., [redacted] FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. George E. Schafer, [redacted] FR (colonel, Regular Air Force, Medical), U.S. Air Force.

IN THE AIR FORCE

Air Force nominations beginning Thomas G. Abbey, to be first lieutenant and ending Charles W. Couch, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 16, 1973.

Air Force nominations beginning John C. Aasen, to be colonel, and ending Frank A. Grasso, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 29, 1973.

Air Force nominations beginning Thomas J. Abeln, to be colonel and ending William L. Williams, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 26, 1973.

Air Force nominations beginning Kenneth J. Bays, to be colonel and ending Bobby M. Via, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 12, 1973.

IN THE NAVY

Navy nominations beginning Benjamin L. Aaron, to be captain, and ending Darold L. Johnson, to be lieutenant (j.g), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 12, 1973.

HOUSE OF REPRESENTATIVES—*Monday, April 2, 1973*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Enter into His gates with thanksgiving and into His courts with praise; be thankful unto Him and bless His name.—Psalms 100:4.

Eternal God, our Father, whose love is from everlasting to everlasting and whose truth endureth forever, at the beginning of another week we stand still in Thy presence, lifting our spirits unto Thee in prayer; seeking strength and wisdom as we face the duties of this day.

Lay Thy hand in blessing upon the Members of this House of Representatives and all who work for them and with them. Help them to walk in the light, to live with love in their hearts, and to share their strength that they may be made better than they are, stronger than they seem, and wiser than they realize.

We pray that in our Nation and in our world the spirit of good will may increase, the conditions that make for justice may improve, and the fruits of freedom may be enjoyed everywhere; to the glory of Thy holy name and the good of all mankind. 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, who also informed the House that on March 30, 1973, the President approved and signed a bill of the House of the following title:

H.R. 4278. An act to amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3577) entitled "An act to provide an extension of the interest equalization tax, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 13. An act to amend title 18 of the United States Code to provide civil remedies to victims of racketeering activity and theft, and for other purposes;

S. 15. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a Federal death benefit to the surviving dependents of public safety officers;

S. 33. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize group life insurance programs for public safety officers and to assist State and local governments to provide such insurance; and

S. 300. An act to provide for the compensation of persons injured by certain criminal acts, to make grants to States for the payment of such compensation, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 30, 1973.

Hon. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:35 p.m. on Friday, March 30, 1973, and said to contain a message from the President transmitting the Report of the Secretary of the Interior on administration of the Federal Coal Mine Health and Safety Act in 1971.

With kindest regards, I am

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY.

ANNUAL REPORT ON FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, Public Law 91–173, the Secretary of the Interior annually prepares a report to the Congress and to the Office of Science and Technology on progress made in administering the law.

It is my pleasure to transmit to you the report for Calendar Year 1971 and to commend it to the attention of the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *March 30, 1973.*