sary to bring forth enough additional supplies of fossil fuels [coal, oil and gas] to satisfy demands in domestic energy markets" by 1980.

"This means that, even if concerted efforts were made to remove the bottlenecks that now exist in these markets (such as Federal price regulation of natural gas), there would have to be yet another round of price increases for consumers as great as that experienced in 1973-74," the group said.

HIGH PRICES SEEN

"In short, self-sufficiency as a form of 'insurance' against disruption or price increase, will be purchased at a very high cost."

Associated with the 10 authors of the study, who are members of the policy study group of M.I.T.'s energy laboratory, were 15 other energy experts at M.I.T. and at Duke, North Carolina State, Pennsylvania State, Harvard, Michigan and Virginia Polytechnic Institute.

Their report recommended against special tariffs to cut down on imports, arguing that oil prices were "high enough to extract present domestic oil and gas reserves with high levels of efficiency."

Also not recommended was the establishment of a "floor" under current energy prices, because prices seem likely to remain high.

Like many others in the energy field, the M.I.T. group recommended relaxation of controls on the wellhead price of natural gas, which averaged 35 cents per 1,000 cubic feet in 1973 and may reach 50 cents for new contracts this year.

If 3 cents were added each year to the new-contract price, the group estimated, supply and demand for natural gas would be in balance in 1980 at 33 trillion cubic feet. * * * continue, it was estimated that demand would total 40 trillion cubic feet and supply only 30 trillion, for a "shortfall" of more than three times the current 3 trillion cubic feet deficit.

Because of environmental problems and difficulties in assembling both miners and mining equipment, the M.I.T. experts doubted that United States coal production would exceed 800 million tons per year in 1980. It runs about 600 million tons now.

Construction problems and technological challenges stand in the way of a large contribution to the nation's energy supply from such synthetic fuels as gas or oil from coal, oil from shale, or methanol from coal, it was estimated.

"It might take a doubling of price to provide enough of an incentive to bring about the large-scale commercial development of synthetic fuels in the near future; and their development is not sufficiently promising of large supplies to justify such high prices for all energy," the report said.

A plan preferred by the experts was the negotiation of special contracts by the Federal Government with synthetic fuel producers to buy specified amounts at a guaranteed price.

SENATE—*Tuesday, June 4, 1974*

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

PRAYER

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

Eternal Father, in whom we live and move and have our being, we know not what a day may bring. But, whatever it brings, may all who serve in this place be prepared by Thy Holy Spirit to act honestly, wisely, and courageously for the welfare of this Nation and for the rule of righteousness throughout the world.

We pray in the Master's name. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8215) to provide for the suspension of duty on certain copying shoe lathes until the close of June 30, 1976.

The message also announced that the House had agreed to the concurrrent resolution (S. Con. Res. 81) relating to unaccounted for personnel captured, killed, or missing during the Indochina conflict, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months, was read twice by its title and referred to the Committee on Finance.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal proceedings of Monday, June 3, 1974, 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.

VACATING OF ORDER FOR SENATOR MONTOYA TO SPEAK TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time allocated to the distinguished Senator from New Mexico (Mr. MONTOYA) to speak today, be invalidated.

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

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 862 and 863.

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

WAIVER OF STATUTE OF LIMITATIONS WITH REGARD TO TORT CLAIMS OF CERTAIN INDIVIDUALS AGAINST UNITED STATES

The Senate proceeded to consider the bill (S. 572) to waive the statute of limitations with regard to the tort claims of certain individuals against the United States which had been reported from the Committee on the Judiciary with an amendment on page 1, line 8, after the word "Act", insert a comma and "or their successors,"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the time limitation contained in section 2401(b) of title 28, United States Code, with respect to beginning action on tort claims against the United States shall not apply in the case of any action filed within six months after the date of enactment of this Act by the individuals named in subsection (b) of this Act, *or their successors,* on claims for damages arising out of an explosion, which occurred on December 30, 1970, in the Finley Coal Company mines numbered 15 and 16, located near Hyden, Leslie County, Kentucky. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

(b) The individuals referred to in subsection (a) and the capacity in which they may bring actions pursuant to subsection (a) are:

(1) Nettie Couch, administratrix of the estate of Alonzo Couch, deceased;

(2) Dewey Collins, administrator of the estate of Fred Collins, deceased;

(3) Maultie Couch, administratrix of the estate of Holt Couch, deceased;

(4) Letha Henson, administratrix of the estate of Price Henson, deceased;

(5) Bobbie Bowling, administratrix of the estate of Arnold Sizemore, deceased;

(6) Daisey Couch, administratrix of the estate of Howard Couch, deceased;

(7) Nancy Mae Gray, administratrix of the estate of Lawrence Gray, deceased;

(8) Robert Mitchell, administrator of the estate of Lee Mitchell, deceased; and

(9) Dailey Young, administratrix of the estate of Denver Young, deceased.

The amendment was agreed to.

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

MONROE A. LUCAS

The bill (H.R. 6979) for the relief of Monroe A. Lucas was considered, ordered to a third reading, read the third time, and passed.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

CHESTER BRIDGE, MISSOURI AND ILLINOIS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 864, S. 3546.

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

The assistant legislative clerk read as follows:

A bill (S. 3546) to extend for 1 year the time for entering into a contract under section 106 of the Water Resources Development Act of 1974.

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, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 106 of the Water Resources Development Act of 1974 (Public Law 93-251) is amended by striking out "June 1, 1974" and inserting in lieu thereof "June 1, 1975".

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, are we in the morning hour?

The ACTING PRESIDENT pro tempore. No. The Chair would state that the Senate is not, at this moment. The minority leader has not yet been recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

The Senator from Montana.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 4, 1974, he presented to the President of the United States the enrolled bill (S. 1752) prescribing the objectives and functions of the National Commission on Productivity and Work Quality.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report of that Board, for the calendar year 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

REPORTS OF BOARDS OF TRUSTEES OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND, THE FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND, AND THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE TRUST FUNDS

Letters from the Boards of Trustees of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and the Old-Age, Survivors, and Disability Insurance Trust Funds, transmitting, pursuant to law, their various reports for the year 1974 (with accompanying reports). Referred to the Committee on Finance.

SUPPLEMENTAL SUMMARY OF 1975 BUDGET

A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a supplemental summary of the 1975 budget (with accompanying papers). Referred to the Committee on Government Operations.

LIST OF REPORTS OF GENERAL ACCOUNTING OFFICE

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office, for April, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF COMPTROLLER GENERAL

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of Selected Major Weapon Systems", Department of Defense, dated May 31, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

PROPOSED MANAGEMENT PROGRAM FOR KING RANGE NATIONAL CONSERVATION AREA

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed management program for the King Range National Conservation Area (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

REPORT OF DIRECTOR OF ADMINISTRATIVE OFFICE OF UNITED STATES COURTS

A letter from the Director, Administrative Office of the United States Courts, transmitting, pursuant to law, a report of that Office, for the fiscal year 1973 (with an accompanying report). Referred to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order suspending deportation in the case of Pablo Manuel Mozo-Roca (with accompanying papers). Referred to the Committee on the Judiciary.

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

REPORT OF SECRETARY OF LABOR RELATING TO EXPERIENCE WITH AND RECOMMENDATIONS FOR GRANT PROGRAMS

A letter from the Secretary of Labor, transmitting, pursuant to law, a report relating to experience with and recommendations for grant programs (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHILES, from the Committee on Government Operations, with an amendment:

S. 3311. A bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000 (Rept. No. 93-901).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S.J. Res. 123. Joint resolution authorizing the procurement of an oil portrait and marble bust of former Chief Justice Earl Warren (Rept. No. 93-898);

S. Res. 333. Resolution authorizing the printing of additional copies of the committee print entitled "Energy-Related Research and Development" (Rept. No. 93-897); and

H. Con. Res. 415. Concurrent resolution authorizing the printing of summaries of veterans legislation reported in the House and Senate during the Ninety-third Congress (Rept. No. 93-899).

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

S. 3423. A bill to provide relief for retired military personnel (Rept. No. 93-900).

By Mr. McINTYRE, from the Committee on Banking, Housing and Urban Affairs, with amendments:

H.R. 11221. An act to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000 (Rept. No. 93-902).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. LONG, from the Committee on Finance:

Catherine May Bedell, of Washington, to be a member of the U.S. Tariff Commission;

Edward C. Schmults, of Maryland, to be Under Secretary of the Treasury; and

Jack Franklin Bennett, of Connecticut, to be Under Secretary of the Treasury for Monetary Affairs.

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

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

Terrell H. Bell, of Utah, to be Commissioner of Education; and

Bertha S. Adkins, of Maryland, Dorothy Louise Devereux, of Hawaii, Carl Eisdorfer,

of Washington, Charles J. Fahey, of New York, John B. Martin, of Maryland, Frank B. Henderson, of Pennsylvania, Frell M. Owl, of North Carolina, Lennie-Marie P. Tolliver, of Oklahoma, Charles J. Turrisi, of Virginia, Nelson Hale Cruikshank, of the District of Columbia, Sharon Masaye Fujii, of Washington, Hobart C. Jackson, of Pennsylvania, Garson Meyer, of New York, and Bernard E. Nash, of Maryland, to be members of the Federal Council on the Aging.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' 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. MONTOYA:

S. 3570. A bill to establish a national program for young people between the ages of 18 and 23 for the purpose of encouraging full participation in the political system of the United States and to provide a continuing education in the history and heritage of democracy in the United States. Referred to the Committee on Government Operations.

By Mr. PERCY:

S. 3571. A bill to amend the Internal Revenue Code of 1954 to allow a deferment of income taxes to individuals for certain higher education expenses. Referred to the Committee on Finance.

S. 3572. A bill to amend the Higher Education Act of 1965 to provide that certain loans under that Act cannot be discharged in bankruptcy proceedings for five years, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. METCALF:

S. 3573. A bill for the relief of Anthony LaBarrie. Referred to the Committee on the Judiciary.

By Mr. FANNIN:

S. 3574. A bill to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Ariz. Referred to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 3575. A bill to amend the Fishermen's Protective Act of 1967 in order to authorize the President to prohibit the importation of any products from a country whose nationals are conducting fishing operations in a manner which diminishes the effectiveness of an international fishery conservation program. Referred to the Committee on Commerce.

By Mr. HART:

S. 3576. A bill to authorize the Secretary of Transportation to initiate demonstration projects to improve the quality of repairs to motor vehicles and to reduce the costs of such repairs to the motoring public. Referred to the Committee on Commerce.

By Mr. KENNEDY (for himself and Mr. HATHAWAY):

S. 3577. A bill to amend the Public Health Service Act to provide for assistance for the construction and modernization of health facilities. Referred to the Committee on Labor and Public Welfare.

By Mr. AIKEN:

S. 3578. A bill for the relief of Anita Tomasi. Referred to the Committee on the Judiciary.

By Mr. STEVENS:

S. 3579. A bill requiring the Secretary of Defense to convey certain lands to Nome, Alaska. Referred to the Committee on Armed Services.

By Mr. MAGNUSON (by request):

S. 3580. A bill to amend the Communications Act of 1934, as amended, to declare that the national communications policy of the Congress shall be to encourage, so far as possible, the establishment and maintenance of rates for local telephone service which are within the economic reach of every household; to require rate relief therefor; to require that the Federal Communications Commission prepare statements of economic impact on its actions which may have, or have had, a significant impact on increasing the rates for local telephone service; and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MONTOYA:

S. 3570. A bill to establish a national program for young people between the ages of 18 and 23 for the purpose of encouraging full participation in the political system of the United States and to provide a continuing education in the history and heritage of democracy in the United States. Referred to the Committee on Government Operations.

Mr. MONTOYA. Mr. President, I am today introducing legislation which I consider to be of great concern to every American citizen. It is legislation which seeks to protect the American political system by encouraging and assisting young people to participate more fully in that system.

In a democracy it is essential that citizens understand the foundations of their government and believe in the value of their basic law. It is also essential that citizens be willing to participate in the decisionmaking which supports and implements that law.

The preamble to the Constitution of the United States begins with three significant words: "We, the people * * *."

I have often felt that those three words were a key to understanding our most basic assumptions about our form of government, and about ourselves as a free and self-governing people. When those words were first written, the idea that final authority and power should rest in the hands of the people was a strange and revolutionary thought. Our Constitution brought a new concept of government into existence.

Today, the right of the people to control government through the elective process is unquestioned in this body and in the public statements of political leaders. We are quite properly proud of our history of government "of the people, by the people, and for the people."

Yet, today we find many young people who doubt their own ability to effectively control government. They echo the self-doubts and questions of cynical political commentators who report the increasing apathy of a "turned-off" public.

We have seen a tragic loss of confidence in many of our institutions, and among those institutions most seriously being questioned is government itself.

A study recently completed by the University of Michigan Center for Political Studies, under the direction of Dr. Warren E. Miller, measures the loss of trust in government by age groups. On a scale of 100 above and 100 below a "netural" position, the index for young people between the ages of 18 and 24 has fallen from a plus 64 to a minus 19 since 1958. The sharpest decline has come in the years since 1967, with a particularly disastrous drop in 1972 and 1973.

The University of Michigan study also clearly shows that the worst loss of trust occurs in those groups who have the least education, with a 1973 index of minus 34 for those with a grade school education, and a minus 31 for those with a high school education.

Parallel with this reported loss of trust in government is another disturbing trend. Of those eligible to vote in elections in recent years, the percentage who actually do vote has been steadily declining. The following figures, drawn from the Statistical Abstract of the United States, are an example of the kind of decline I find so disturbing:

Percentage of eligible population casting vote in presidential elections:

1960	63.1
1964	61.8
1968	60.7
1972	55.7

It is obvious that if this trend continues—and every study by political scientists predicts that it will—1976 will be the year when less than half of those Americans who are eligible to vote will participate in the electoral process.

What a tragic way for us to celebrate our Bicentennial year.

A third kind of survey was done by the Education Commission of the States as part of their national assessment of education progress. In a report titled "Political Knowledge and Attitudes, Report 03-SS-01," published in December 1973, they revealed a picture of many young people growing up in a democratic republic without understanding its history, its laws, or even the basic freedoms which protect them as individuals. In assessing the political understanding of 17 year olds, the survey discovered a shocking number of these young people who knew very little about the rights guaranteed to them in the Constitution and the first 10 amendments—our Bill of Rights.

Only 21 percent knew they had a constitutional right to freedom of speech, and only 33 percent knew that freedom of religion was guaranteed to them under the first amendment. Although four out of five believed they should have the right to petition government if they found something wrong, only 36 percent recognized that they had a constitutional right to write to a public official to express an opinion.

Less than half the young people tested knew how a Presidential candidate was nominated and elected. Only 41 percent could use a simple ballot in order to vote.

These figures are even more disturbing when they are considered in the light of a recent Yankelovich poll of young people which showed only 40 percent believing that patriotism was an important value—and only 19 percent of those on college campuses who valued patriotism.

Mr. President, I have mentioned these studies because I believe they all indicate various facets of the same problem. We are failing to give young Americans the guidance and experience they need in order to become responsible citizens.

Each generation normally seeks to find a way to pass on to succeeding generations the tools of power. In a nation which promises liberty and justice to all its citizens, and which insures that liberty and justice through law and democratic political action, those tools must include the knowledge of why the system exists and how it works. That means an understanding of the history which created our law, and it means the experience necessary for intelligent and effective participation in the election process.

It is our responsibility to see that new generations of Americans are given those tools.

The legislation I am proposing today is an effort to do just that. It will establish a program through which political leaders, educators, community leaders, and other experienced citizens, can encourage young people to be a part of their own future through political participation.

The legislation proposed establishes a National Youth Political Participation Advisory Commission and National Youth Political Participation Office, with a Director appointed by the President with the advice and consent of the Senate.

The Commission would include the Vice President of the United States, the congressional leaders of both parties, and the national chairmen of both parties. They would establish guidelines within which the Director would coordinate and assist in establishing State youth political participation commissions and programs in the States which elect to participate.

In each participating State the State commission, made up of the Governor, the Lieutenant Governor, political leaders, and educators, will establish specific criteria for a competition in which young people between the ages of 18 and 23 can test themselves in three areas of knowledge and experience: First, political activity, including, but not limited to: voter registration, voter contact to provide candidate or issue information, campaign activities, election day assistance including vote tabulation and reporting procedures; second, political history and heritage research, including, but not limited to: research and the demonstration of an understanding of the Constitution, the Bill of Rights, the American Revolution and the causes which impelled it, the Federalist Papers, and amendments to the Constitution; and third, an analysis of the relationship between current political activities and the history research done by the participant.

Each State would set the specific requirements to be met by young people in its program, although broad areas to be included are specified in order to provide the essential ingredients of political experience at the local level and an understanding of the relevance of our political heritage to our problems today.

I believe no new voter can properly fulfill his responsibilities without understanding the fundamental issues embedded in our Constitution and its amendments. Equally important, it seems to me, is the experience to be gained in actually being a part of the political process. Opportunities to talk to voters about the problems and issues which concern them most, or to operate a phone bank, or to register voters, or to assist in the complex activities of election day all teach one respect for the opinions and good sense of fellow citizens and help one to understand the vitally important activities through which we elect men and women to represent us in government.

The emphasis is thus divided evenly between knowledge of our heritage and experience in our real political world today, with the added requirement of relating one to the other.

Each young voter, aged 19 to 23, would have an opportunity through this program to test himself, during his first 5 years of experience as a voter, and to establish his own basic knowledge of political skills. He would have, for this process, the guidance and help of those leaders in his community, his State, and his Nation, who were best able to encourage and assist him.

At the same time he would be competing with other young people for State and national recognition. The State commissions would be responsible for recognizing every participant who successfully completed the program with an appropriate award for having achieved a specific level of competence. They would also select one young person from each congresional district, or a minimum of four per State, to be honored as having performed the tests with a high degree of excellence.

From among those so honored in each State, the National Director would select two, with the help of the National Advisory Commission, who would be afforded the chance to work in congressional offices during the summers of 1977 and 1979 and would be given a salary and expenses for this period in Washington.

The 104 young people honored on the national level would return to their homes carrying the information and knowledge which would make it possible for them to help other young voters to better understand the system. I would expect that each of them would be a very important link in the ongoing political education of the voters in his State.

This program is not intended to select and train an elite group of our "best" students to work in government themselves, or to run for office—although that may happen in some cases.

This legislation is intended to open the political system to all young voters, making them a part of the ongoing political history of this country. It is designed to give them confidence in themselves and in the government they will help to elect. It is designed to offer opportunity to young people from every part of our society: those who are working, those who are in vocational schools and junior colleges, as well as those in universities.

This is not intended to be a school project, although it certainly is an educational project.

Perhaps the best way I can describe what I would like to see this program be, is to say that it would provide a kind of citizen apprenticeship which would be available to all new voters in the United States. It should combine real adult political experience with a renewed understanding and appreciation of the value of our political heritage.

Like all apprenticeship programs, this one would depend upon the leadership and commitment of those who are most knowledgeable and experienced and upon the willingness and cooperation of those who are learning. That means time and effort expended by busy men and women in both categories. It would not be easy to make this program succeed. The dollar cost of the program would be comparatively low—but the requirement in dedication and effort would be high.

However, we must balance that high cost in time and effort against the threatened change to our system if we do not take some action to protect the future against alienation and apathy. A democratic republic cannot continue to exist without the active and informed involvement of a majority of those who are eligible to vote. Certainly if the people feel shut out and helpless to control or influence government, then government becomes something other than the system designed and planned by our Founding Fathers.

No Member of this body can ignore the mounting evidence of alienation from our most important political institutions. The rejection of our two party system, the cynical dismissal of efforts to draw reluctant voters back into the election process, the clear evidence of disillusionment in too many letters and telegrams and public announcements by ordinary people—all of these things must concern us.

In our approach to specific issues, to legislative solutions to specific problems, and even to our political thinking as expressed in public statements, we Americans can safely be partisan because we work within the framework of a written Constitution and available democratic system. However, in our adherence to basic constitutional principles and to the electoral process through which we fulfill our responsibilities as citizens, we must all speak with one voice.

James Madison said:

> Knowledge will forever govern ignorance. And a people who mean to be their own governors must arm themselves with the power that knowledge gives. A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy.

Mr. President, the legislation I am introducing today is meant to provide a program through which young voters in the United States can arm the themselves with that kind of knowledge I hope that my distinguished colleagues on both sides of the aisle will join me in this effort which is aimed at providing the knowledge and experience which I believe we must provide if we are to continue good and representative government for the future.

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

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

S. 3570

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 "Congressional Youth Political Participation Act."

DECLARATION OF POLICY

SEC. 2. (a) The Congress recognizes that—

(1) in a democracy, each citizen must understand the law, history, and the functioning of the system of government and be well informed of national, state, and local issues;

(2) the responsibilities of citizenship are most easily accepted and carried out by experienced and well informed individuals; and

(3) young people should be encouraged and assisted to learn about the government of the United States and to gain experience by participation in the electoral and political system.

(b) And therefore declares it to be the policy of the United States to provide assistance to young citizens in acquiring the experience and knowledge needed for full participation in government within the first five years following their eighteenth birthday.

ESTABLISHMENT OF OFFICE

SEC. 3. (a) There is established in the executive branch of the Government the National Youth Political Participation Office which shall be under the direction of a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(b) It shall be the function of the Director to establish and operate the National Youth Political Participation Program. In carrying out his function under this section, the Director shall:

(1) consult with the National Youth Political Participation Advisory Commission and adhere to such guidelines for establishing the National Youth Political Participation Program as such Commission may establish;

(2) coordinate and assist the establishment of State Youth Political Participation Programs;

(3) disseminate information to young people, concerning the National Youth Political Participation Program, the goals of such program, and the opportunities provided through participation in such program using all necessary media and educational and other public and private institutions;

(4) select in consultation with the National Youth Political Participation Advisory Commission, from among selected participants in the State Youth Political Participation Programs, two young people from each state to participate in the National Youth Political Participation Program during the summers of 1977 and 1979;

(5) make necessary arrangements to insure that the individuals selected to participate in the National Political Participation Program during the summers of 1977 and 1979 are afforded opportunity for work in congressional offices and to participate in such educational programs as provided by the director; and

(6) provide that each participant of a State Youth Political Participation Program selected to participate in the national program be reimbursed for expenses incurred in traveling to the District of Columbia and returning to his home State and be provided a salary during his summer internship.

(c) In carrying out his functions under this Act the Director is authorized—

(1) to appoint and fix the compensation of such personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals;

(3) to enter into contracts with and make grants to State Youth Political Participation Commissions for the purpose of establishing and operating State Youth Political Participation Programs, except that no grant or contract shall be made for the purpose of paying more than 50 percent of the administrative expenses of any State commission; and

(4) to utilize with or without reimbursement the services and facilities of any department or agency of the Government and each such department or agency is authorized to furnish such services and facilities to the Director upon request of the Director.

(d) The Director shall be compensated at the rate prescribed for level V of the Executive Schedule.

ESTABLISHMENT OF ADVISORY COMMISSION

SEC. 4. (a) There is established the National Youth Political Participation Advisory Commission (hereinafter in this Act referred to as the "Advisory Commission") which shall be composed of 13 members as follows:

(1) the President of the Senate;

(2) the Speaker of the House of Representatives;

(3) the Majority Leader of the Senate;

(4) the Majority Leader of the House of Representatives;

(5) the Minority Leader of the Senate;

(6) the Minority Leader of the House of Representatives;

(7) the Majority Whip of the Senate;

(8) the Majority Whip of the House of Representaties;

(9) the Assistant Minority Leader of the Senate;

(10) the Minority Whip of the House of Representatives;

(11) two individuals appointed by the President, one of whom shall be the Chairman of the Democratic National Committee and one of whom shall be the Chairman of the Republican National Committee; and

(12) the Director of the National Youth Participation Agency.

(b) Seven members of the Advisory Commission shall constitute a quorum.

(c) The President, as soon as possible after the enactment of this Act, shall convene the Advisory Commission at such time and place as he may designate for the Commission's initial meeting.

(d) The Advisory Commission shall develop and recommend criteria for the establishment of a National Youth Political Participation Program. Such criteria shall—

(1) provide for a competition among eligible young people—

(A) in political action activities on the local, state, and national levels, including, but not limited to, voter registration activities; campaign activities; voter contact activities which provide candidate or issue information; and election day assistance and participation including vote tabulation and reporting procedures;

(B) in political history and heritage research, including but not limited to, research and demonstration of understanding of (i) the history and relevance today of specific provisions of the Constitution of the United States or of any specific amendment thereto, or (ii) the causes and historical development of the American revolution, the American State Papers, or the history of government in the United States;

(C) in analyses of the relationship between political action activities and political history and heritage research as experienced by the participant participating in the State Youth Political Participation Program;

(2) provide that each State participating in the program—

(A) establish or designate a State Political Participation Commission which shall:

(e) be composed of at least the following:

(I) the Governor,

(II) the Lieutenant Governor,

(III) two members appointed by the Governor from among individuals who are experienced secondary or post-secondary school educators in the areas of history or political science,

(IV) the head of each political party in the State with a registration of 10 per centum of the total number of registered voters in such State, and

(V) the national committeemen and women of each political party in the State with a registration of 10 percentum or more of the total number of registered voters in such State;

(B) provide that the State Commission established or designated under subparagraph (A) establish and administer a State Youth Political Participation Program through which such Commission can recognize each participating young person with an appropriate award for having achieved a specific level of performance in the program;

(C) provide that the State Commission choose, from among those who have qualified and met State requirements, one young person from each congressional district in such State (or, in the case of a State having fewer than four such districts, four young persons) who shall be recognized and be appropriately honored by the State Commission;

(D) provide that each individual so recognized under (C) above and who is selected to participate in the National Youth Political Participation Program, be encouraged to participate and to the greatest extent possible encourage the employer of any individual so selected to provide an unpaid leave of absence without loss of any employee rights in order that such individual may participate in such program.

(E) (1) The Advisory Commission or, on the authorization of the Advisory Commission, any subcommittee or members thereof, may, for the purpose of carrying out its functions under this section, hold such hearings, take such testimony, and sit and act at such times and places as the Advisory Commission deems advisable. Any member authorized by the Advisory Commission may administer oaths or affirmations to witnesses appearing before the Advisory Commission or any subcommittee or members thereof.

(2) The Director of the National Youth Political Participation Office shall provide such administrative assistance as may be necessary to enable the Advisory Commission to carry out its functions under this Act.

(F) (1) The members of the Advisory Commission shall serve without additional compensation except that members of the Advisory Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Advisory Commission.

REPORTS AND TERMINATION

SEC. 5. (a) The Advisory Commission shall report to the Director on its activities under this Act and the Director shall, not later than December 31, 1975, and annually thereafter, transmit such report of the Advisory Commission to the Congress and the President, together with his comments and recommendations.

(b) The Advisory Commission shall evaluate the operation of the National Youth Political Participation Program and advise the Director of its findings. The Director shall transmit the final report of the Advisory Commisison to the Congress and the President together with his comments and recommendations thereon not later than December 31, 1979.

(c) The National Youth Political Participation Office and the Advisory Commission shall cease to exist not later than 90 days after the submission of the final report required under subsection (b).

SEC. 6. For purposes of this Act, the term "State" means each of the several States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated for the fiscal years ending June 30, 1975, 1976, 1977, 1978, and 1979 such sums as may be necessary to carry out the provisions of this Act.

POLITICAL KNOWLEDGE AND ATTITUDES

CHAPTER 4—KNOWLEDGE OF THE ELECTORAL PROCESS AND THE ROLE OF POLITICAL PARTIES

In a democracy, it is the citizen's duty to exercise his right to vote and to uphold the electoral process. The electoral process provides for a relatively orderly transition of political power. The exercises in this chapter seek to understand whether Americans know how leaders are chosen for various national, state and local offices in the United States and if they know something about the election process and the role of political parties.

How Presidential Candidates Are Nominated (RKP17)

Thirteen-year-olds, 17-years-olds and young adults also were asked:

The presidential candidate for each major political party is formally nominated by which one of the following?

The choices were (1) the Senate, (2) a national primary, (3) a national convention or (4) the House of Representatives. The answers indicated (Table 50) that a high percentage of Americans in all three age groups were unfamiliar with one of the more basic procedures of political parties in the electoral process.

TABLE 50.—PERCENT OF RESPONDENTS SELECTING EACH CHOICE, EXERCISE RKP17, HOW PRESIDENTIAL CANDIDATES ARE NOMINATED

Choices	Age 13	Age 17	Adult
The Senate	14	5	3
A national primary	17	30	24
A national convention [1]	17	49	60
The House of Representatives	33	12	6
I don't know	20	5	6
No response	0	0	0

[1] Correct response.

By Mr. PERCY:

S. 3571. A bill to amend the Internal Revenue Code of 1954 to allow a deferment of income taxes to individuals for certain higher education expenses. Referred to the Committee on Finance.

S. 3572. A bill to amend the Higher Education Act of 1965 to provide that certain loans under that Act cannot be discharged in bankruptcy proceedings for 5 years, and for other purposes. Referred to the Committee on Labor and Public Welfare.

STUDENT FINANCING OF HIGHER EDUCATION

Mr. PERCY. Mr. President, educating our young is an investment in the very growth and development of our country. While college graduates generally earn more money than those with less education, the benefits extend far beyond either the size of their bank accounts or the returned tax dollars to the Treasury. A Carnegie Higher Education Commission study reported that college graduates are more likely to be happy, healthy, and hopeful than less educated Americans. An investment in higher education is an investment in people, the very best investment we can make for the future of our country.

I feel the Federal Government is doing a commendable job of providing alternative types of financial assistance for all types of post-secondary education. Nearly $2 billion in Federal funds is being spent this year, and for fiscal year 1975, the President has recommended a Federal expenditure of $2.2 billion. Additional billions of dollars are also supplied from State and private sources. There is no doubt in my mind that these expenditures are necessary and worthwhile, for every capable young person desiring a post-secondary education should be provided with the availability of financing for that education.

The Federal Government has a definite responsibility to provide educational financing, but it also has a parallel responsibility to assure that funds for post-secondary education are not misspent. The tax burden on Americans is a considerable one, and the taxpaying public should be certain that their hard-earned dollars are justifiably and effectively utilized.

The two bills I am introducing today reach toward both of these goals—first, to assure all young people desiring post-secondary education the availability of financial assistance, and second, to give American taxpayers better assurance of the cost-effectiveness of Federal revenues spent for student financial assistance.

The first bill, the Higher Education Tax Deferment Act, would allow a deferment of income taxes to individuals for certain postsecondary education expenses. Although government and private funds provide tremendous support to students and institutions, there is a growing need for additional aid, particularly for middle-income families.

When I initially introduced this bill 2½ years ago, the hardship suffered by middle-income families trying to send children to college was already serious. At that time, many constituents had told me that the increasing cost of tuition, the expenses of room and board, and the related fees and charges of a college degree for their children had forced them to take on second jobs or to place second mortgages on their homes. With perhaps a 50-percent increase in college costs since that time, there is no doubt that a much larger number of families are facing critical financial difficulties and that more students are simply unable to complete their schooling. The economic forecasts indicate the situation is likely to get worse.

A recent national survey by the College Entrance Examination Board shows that we can expect another dramatic increase in college costs for next fall. Commuting students at private 2-year colleges will fare the worst, with a 27-percent jump in costs since last year; this increase represents a 79-percent spiral in costs in 4 years. Predictions by the U.S. Office of Education indicate that by 1983, the average cost of 4 years of college may increase by more than 80 percent. A doubling of college costs in less than 20 years is highly probable.

Federal aid to post-secondary education, despite continuing expansion and improvement, is woefully inadequate in view of this tremendous rise in costs. Federal programs presently provide assistance in the form of direct grants, work-study programs, and guaranteed loans to those most in need—students from low-income families. There is often little financial aid available for the student from a lower to middle-income family whose needs are also great.

Under the Federal tax laws, a family of 4 with 1 child in college and a net income of $10,000 a year will generally be required to pay $905 in income tax. From such a family with moderate assets, the College Scholarship Service might expect an annual contribution of $1,322 toward their child's college expenses before he is eligible for assistance, leaving only $7,773 for other taxes and remaining living expenses. A similar family earning $15,000, having $13,235 after Federal tax, could be required to contribute $3,554, more than one-quarter of their remaining income, before the student would be eligible for financial assistance.

Student financial aid officers are all too familiar with the problems of parents whose income should be adequate to finance their children's postsecondary education and who have every intention of doing so, but who simply cannot meet the college bills when they fall due. They are unable to provide the required sums simply because general living expenses and education costs are rising faster than they can keep up with or plan for. While the lower-income families may need complete financing to attain their education goals, middle-income families also require and deserve some help.

While my tax deferment bill is not the final answer to the skyrocketing cost of post-secondary education, it will help middle-income families to meet college expenses as they come up. My bill would allow a taxpayer to defer a part or all of his Federal income taxes while he is paying the expenses of post-secondary education for himself or his dependents.

This measure recognizes the great need not only for academic learning but also for quality career education. Assistance would be available for those who choose to pursue post-secondary training in technically oriented schools, whether public or private, as well as to those in colleges and universities. The bill also recognizes the needs of part-time students, many of whom would be unable to obtain post-secondary education without working.

Under the tax deferment plan, an undergraduate or a graduate student would be eligible for a deferment of as much as $1,500 per academic year. Unlike a tax credit, the amount deferred, like a loan, must be paid back with interest at 7 percent. Repayments would be adjusted according to a taxpayer's income level, amounting to a 20-percent tax surcharge.

The Higher Education Expenses Tax Deferment Act is designed to benefit lower to middle-income families and not those individuals or families who can afford post-secondary education costs. A taxpayer whose Federal income tax liability was $1,500 or less for a year and whose qualified education expenses allowed him the maximum deferment could defer his entire Federal income tax. The maximum tax deferable would decline on a graduated basis as tax liability increased to $2,900. A taxpayer whose tax liability equalled $3,000 or more would

not be eligible under this plan. A table showing the maximum tax deferment available for a range of middle-level incomes follows.

The second bill I am introducing today is the higher education insured student loan amendments. Through improvements in the guaranteed student loan (GSL) program, this measure seeks to reduce the default rate on student loans insured by the Federal Government and thus to save the taxpayers more than $70 million annually.

Any loan program must anticipate and tolerate a certain number of defaults. But the GSL program is suffering from an alarming and accelerating increase in defaults. In 4 years from 1966 through 1969, $462,000 was paid for defaulted claims under the GSL program—less than four-hundredths of 1 percent of the total loan volume. In fiscal year 1973, however, $84.3 million was paid in claims—more than 7.5 percent of the total loan volume for the year, and the Federal Government was held responsible for paying the great majority of the claims.

Of the $101 million paid by the Federal Government as of May 1973 for unpaid student loan installments, only $7 million, or 7 percent, was due to the death or disability of the student borrower. The remaining $94 million resulted from defaults or declarations of bankruptcy. As of June 30, 1973, my home State of Illinois alone had witnessed $6 million in defaults and bankruptcies.

There is no doubt that many of those students who do not repay all or some of their educational debts have legitimate grounds for not doing so. It is becoming more and more apparent, however, that increasing numbers of student loans are being defaulted or dissolved through bankruptcy proceedings for reasons caused by problems that might be eliminated.

A recent paper issued by the National Council of Higher Education Loan Programs cites current restrictions on lenders as a leading cause for student defaults. The law now prohibits any lender from executing a note whose first payment due date is earlier than 9 months from the date the student left school and whose schedule of payments is less than 5 years.

These restrictions were designed to protect student borrowers who might otherwise sign contracts 4 years in advance for repayment schedules advantageous to the lending institutions but potentially unmeetable by a young person straight out of school. The restrictions seem to have the opposite effect, however. Students who wish to begin regular repayment immediately after graduation or who wish to pay off their notes in less than a 5-year period are unable to do so, and they must pay greater interest charges than if their loans were repayable in a shorter time. Graduating students who find themselves so restricted are, according to the report, often incredulous and angry and react by defaulting unnecessarily on their loans.

The higher education insured student loan amendments would allow students greater flexibility in setting up repayment schedules with lenders. After completing his education, the student and the lender would be able to agree mutually upon a repayment schedule beginning as soon as desired and requiring as few years to complete as the borrower wishes. A desirable secondary effect of this provision would be to alleviate the annual logjam faced by lending institutions each March when the first payments—under the current 9-month rule—on the vast majority of students loans fall due.

Many students default unnecessarily on their loans in retaliation against the entire loan program because they feel they have been tricked by the "system." Guaranteed student loans are currently available up to a maximum of $2,500 per year per student, but the total sum available throughout the post-secondary education period is only $7,500 per student. A college student borrowing the maximum amount in each of his first 3 years will have used the $7,500 total available before the completion of his education. If an unsuspecting student is not made fully aware of this possibility, he may find himself cut off from the possibility of a loan and may be unable to finish his education.

One of the amendments I introduce today will require the Commissioner of the Office of Education to insure that each student borrower is made fully aware of the terms and conditions of his federally guaranteed student loan. This provision would prevent student borrowers from being sadly surprised by the financial limits on the loans available.

Declarations of bankruptcy by student borrowers are a third major source of lost Federal funds in the GSL program. Most recent graduates have few assets and few, if any, debts aside from their student loans. To growing numbers of young people the temptation to dissolve this debt through bankruptcy is too great to resist. Since the inception of the GSL program in 1966, nearly 3,000 students have declared bankruptcy, forcing the Federal Government to reimburse lenders for nearly $4.5 million. One of the most alarming aspects of this problem is the accelerating number of such claims. For the years 1966 to 1969, the Federal Government paid $40,000 for student loans defaulted through bankruptcy. In 1972, however, the figure—for 1 year alone—was $932,000.

Undoubtedly some of these bankruptcy claims are legitimate. But the majority are not. Many students do not recognize the seriousness of declaring bankruptcy; they do not realize that "bilking" the Federal Government is in actuality "bilking" the taxpayers—their own families and friends. I know personally of instances in which student borrowers have declared bankruptcy not out of necessity but because of irresponsibility. In one instance, a student who declared bankruptcy on a debt of $1,625 went on to a high-paying job in the Illinois State University system; even though his student loan made possible his career, he has shirked his financial responsibility legally and with impunity. One student obtained $6,000 from the Illinois GSL program plus thousands of dollars through other student aid programs. She declared bankruptcy, left Illinois, and found high-paid employment elsewhere. Another borrower declared bankruptcy to dissolve his only debt—the $5,675 he owed for his Illinois guaranteed student loan. He was offered 1 to 2 years without repayment as well as temporary smaller payments; he refused. I find this financial and civic irresponsibility abhorrent, and I am sure my fellow taxpayers share my view.

The bill I am offering today would put an end to nonchalant and unnecessary discharge of guaranteed student loans through bankruptcy. My bill would disallow for the first 5 years after graduation any bankruptcy claims for loans insured under the guaranteed student loan program. Other debts could, of course, be discharged through bankruptcy at any time. If after 5 years the borrower still needed to declare bankruptcy to free himself of his student loan debt, he would be able to do so. Mr. President, I offer these two bills with the hope that post-secondary education will be within the financial reach of more middle-income American families and that the guaranteed student loan program will suffer from substantially fewer defaults.

I ask that a summary of the provisions of the two bills, a table showing the maximum tax deferments available to various income groups, and the text of both bills be included at this point in the RECORD.

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

S. 3571

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 "Higher Education Expenses Tax Deferment Act".

SEC. 2. (a) Subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to determination of tax liability) is amended by adding at the end thereof the following part:

"PART VII—DEFERMENT OF TAXES IN CONNECTION WITH HIGHER EDUCATION EXPENSES

"SEC. 59. DEFERMENT OF TAXES.

"(a) GENERAL RULE.—There shall be allowed to a taxpayer who is an eligible individual a deferment of a portion of the tax imposed by this chapter for a taxable year which is not in excess of the amount of the net qualified higher education expenses paid by him during that year, subject to the limitations of subsection (b).

"(b) LIMITATIONS.—

"(1) MAXIMUM AMOUNT.—The amount of the tax deferred under subsection (a) shall not exceed in any taxable year, the lower of—

"(A) 75 percent of the net qualified higher education expenses paid by the taxpayer during that taxable year;

"(B) $1,500 per academic year for an undergraduate student (not to exceed a total of $7,500 for any student or not to exceed, when added to any amount deferred on behalf of the same individual as an undergraduate or graduate student, $10,000); or

"(C) the amount of the tax imposed by this chapter for such taxable year, reduced by twice the amount that such amount exceeds the amount of tax deferrable, except for the provisions of this subparagraph, multiplied by the number of students for the payment of whose qualified education expenses a deferment is claimed.

"(2) MINIMUM AMOUNT.—The amount of the tax deferred for any taxable year under subsection (a) shall not be less than 2 percent of the taxpayer's gross income.

"(3) NUMBER OF CLAIMANTS.—Only one tax-

payer who is an eligible individual with respect to any student in a taxable year may claim a deferment under subsection (a) with respect to the net qualified higher education expenses of such student. If more than one eligible individual claims a deferment with respect to a particular student for any taxable year, the eligible individual who has the highest priority shall be permitted to claim the deferment. Eligible individuals have priority in the order in which they are listed in subsection (c)(1).

"(c) DEFINITIONS.—For purposes of this part—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means—

"(A) a taxpayer who is eligible to claim a personal exemption deduction for a student at an eligible institution;

"(B) a student at an eligible institution;

"(C) the spouse of such student;

"(D) the parent, step-parent, foster-parent, or guardian of such student;

"(E) the parent, step-parent, foster-parent, or guardian of the spouse of such student.

"(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

"(A) an institution of higher education;

"(B) a vocational school; or

"(C) with respect to students who are nationals of the United States, an educational institution located outside of the United States which is comparable to an eligible institution under subparagraph (A) or (B) of this paragraph and which is approved for purposes of this part by the Secretary or delegate.

"(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education as defined in section 1201(a) of the Higher Education Act of 1965.

"(4) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined by section 108(2)(C) and (D) of the Vocational Education Act of 1963.

"(5) QUALIFIED HIGHER EDUCATION EXPENSE.—The term 'qualified higher education expense'—

"(A) means an expense incurred by a student at an eligible institution during the taxable year payment of which is made during such year, including, but not limited to, tuition and fees required for the enrollment and attendance of such student at such institution, other fees attributable to educational activities at such institution, the cost of books, supplies, and living expenses, including room and board (except that living expenses shall not exceed $150 multiplied by the number of months during the taxable year such student was enrolled as a full-time student at such institution); but

"(B) does not include any such expense which, in the case of a student who is a candidate for a baccalaureate or higher degree, is not attributable to courses of instruction for which credit is allowed toward such degree, or, in the case of an individual who is not a candidate for such a degree, which is not attributable to courses of instruction necessary to fulfill requirements for the attainment of the educational, professional, or vocational objective for which he is enrolled in such institution.

"(6) NET QUALIFIED HIGHER EDUCATION EXPENSE.—The term 'net qualified higher education expense' means the amount of a student's qualified higher education expenses for a taxable year reduced by the total amount of student financial aid received by such student during that year, including but not limited to, aid received under title IV or IX of the Higher Education Act of 1965 (including loans made or guaranteed under such title IV) or any other Act of Congress or of any State, benefits paid under chapter 31, 34, 35, or 36 of title 38, United States Code, scholarships, grants, and other stipends.

"(7) FULL-TIME STUDENT.—The term 'full-time student' means an individual who is enrolled at and attending an eligible institution and who is carrying at least 75 percent of the normal full-time hours of instruction or other activity required by such institution.

"(8) STATE.—The term 'State' means each of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"(d) TERMS OF DEFERMENT; REPAYMENT.—

"(1) INTEREST.—Amounts deferred under subsection (a) shall bear interest at the rate prescribed by section 427(b) of the Higher Education Act of 1965 beginning on the day after the last day of the taxable year in which the qualified higher education expenses on which such deferment is based were paid, but shall not be subject to any other interest or penalty until after the date on which payment is due under this subsection.

"(2) PAYMENT SCHEDULE.—Amounts deferred under subsection (a) shall be paid, with interest as provided in paragraph (1), in each taxable year subsequent to the taxable year with respect to which any amount was deferred under subsection (a), except in those taxable years with respect to which an additional tax deferment is claimed under such subsection.

"(3) AMOUNT OF PAYMENT.—The amount of the payment due under this subsection for any taxable year prior to the last taxable year of a taxpayer is an amount equal to 20 percent of the amount of tax imposed by this chapter on such taxpayer for the taxable year until the amount so deferred has been paid, with interest. If the amount remaining unpaid, with interest, in any taxable year is less than such 20 percent, it shall be the amount due for that taxable year. The amount of the payment due under this subsection for the last taxable year of a taxpayer is the aggregate amount, with interest as provided in paragraph (1), of any amounts deferred under subsection (a) and not paid as of the first day of such last taxable year.

"(4) PREPAYMENT.—A taxpayer may pay any amount due under this subsection before the date on which it is due and no additional interest or penalty shall be due on account of such prepayment.

"(5) SUSPENSION OF RETIREMENT INCOME CREDITS.—The credit provided by section 37 (relating to retirement income) shall not be allowed to any taxpayer who has deferred any amount under subsection (a) until such amount has been paid in full together with any interest due on such amount.

"(e) REGULATIONS.—The Secretary or his delegate shall prescribe any regulations necessary to carry out the provisions of this part."

(b) The table of parts of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to part VI the following:

"PART VII. DEFERMENT OF TAXES IN CONNECTION WITH HIGHER EDUCATION EXPENSES"

SEC. 3. (a) Subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1954 (relating to rules of special application with respect to credits and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6428. DEFERMENT OF TAX; REFUND OF AMOUNTS WITHHELD.

"(a) GENERAL RULE.—In the case of a taxpayer who elects to defer a portion of the tax imposed by chapter 1 for any taxable year under the provisions of section 59 (a) (relating to deferment of tax in connection with higher education expenses), the Secretary or his delegate is authorized to refund to such taxpayer an amount of such taxes paid or withheld for such taxable year equal to the amount of the deferment under section 59 (a) for such year reduced by any amount of such taxes not paid by such taxpayer for such taxable year.

"(b) REGULATIONS.—The Secretary or his delegate is authorized to prescribe regulations necessary to carry out the provisions of this section."

"(b) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"SEC. 6428. Deferment of tax; refund of amounts withheld."

SEC. 4. The amendments made by this Act apply to taxable years beginning after December 31, 1974.

S. 3572

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 "Higher Education Insured Student Loan Amendments".

SEC. 2. (a) Section 427 (a)(2)(B) of the Higher Education Act of 1965 is amended to read as follows:

"(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than five years (or as otherwise agreed to by the eligible lender and the student after the student ceases to carry at an eligible institution at least one-half of the normal full-time academic work load) nor more than ten years beginning not earlier than nine months (or as otherwise agreed to by the eligible lender and the student after the student ceases to carry at an eligible institution at least one-half of the normal full-time academic work load) nor later than one year after the date on which the student ceases to carry at an eligible institution at least one-half the normal full-time academic work load as determined by the institution, except (i) as provided in clause (C) below, (ii) that the period of the loan may not exceed fifteen years from the execution of the note or written agreement evidencing it, and (iii) that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Commissioner in effect at the time the loan is made,".

(b) Section 428 (b)(1)(D) of such Act is amended to read as follows:

"(D) subject to paragraphs (C) and (K) of this paragraph and except as provided by subsection (e) of this section, provides that repayment of loans shall be in installments over a period of not less than five years (or as otherwise agreed to by the eligible lender and the student after the student ceases to pursue a full-time course of study at an eligible institution) nor more than ten years beginning not earlier than nine months (or as otherwise agreed to by the eligible lender and the student after the student ceases to pursue a full-time course of study at an eligible institution) nor later than one year after the student ceases to pursue a full-time course of study at an eligible institution, except that if the program provides for the insurance of loans for part-time study at eligible institutions the program shall provide that such repayment period shall begin not earlier than nine months (or as otherwise agreed to by the eligible lender and the student after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload) nor later than one year after the student ceases to carry at an eligible institution at least one-half the normal full-time academic work load as determined by the institution;".

(c) The amendments made by this section shall take effect with respect to loans which

are made 30 days after the date of enactment of this Act.

SEC. 3. (a) (1) Title IV of the Higher Education Act of 1965 is amended by inserting immediately after section 498 the following new section:

"FIVE YEAR NONDISCHARGEABILITY OF LOAN DEBTS

"SEC. 498A. A debt which is a loan made or guaranteed under the authority of this title may be released by a discharge in bankruptcy under the Bankruptcy Act only if such discharge is granted after the five year period (exclusive of any applicable suspension of the repayment period) beginning on the date of commencement of the repayment period of such loan."

(2) Title IV of such Act is further amended by inserting immediately after section 498A the following new section:

"NOTICE OF TERMS AND CONDITIONS OF LOANS

"SEC. 498B. The Commissioner shall issue regulations to insure that each student borrower is notified of the terms and conditions associated with loans made or guaranteed under the authority of this title together with the financial responsibility of such student to repay the loan."

(b) The amendment made by paragraph (1) of subsection (a) of this section shall be effective with respect to any proceedings begun under the Bankruptcy Act 30 days after the date of enactment of this Act.

SUMMARY OF TWO BILLS INTRODUCED BY SENATOR CHARLES PERCY

The Higher Education Expenses Tax Deferment Act provides the following:

An undergraduate or graduate student or his family could defer up to $1500 per academic year. The amount deferred would be paid back with 7 percent interest when the student finished school. Repayments would be adjusted according to a taxpayer's income level, amounting to a 20-percent tax surcharge.

Eligible individuals include any taxpayer who claims a student as an exemption, the student himself, the student's spouse, the student's parent, or the student's spouse's parent.

Eligible institutions include colleges, universities, and vocational schools.

Qualified higher education expenses include tuition and fees, costs of books, supplies, and living expenses.

Other forms of student aid must be subtracted from expenses before tax deferments are calculated.

A taxpayer qualified for a maximum deferment and with a federal income tax liability of $1500 or less could defer the entire tax. Taxpayers with liabilities from $1501 to $2999 could defer gradually declining portions of their taxes, with a taxpayer whose liability was $3000 or more ineligible to any tax deferment.

The Higher Education Insured Student Loan Amendments provide the following:

Students would have greater flexibility in setting up repayment schedules with lenders. Current law does not allow a student to begin regular repayment until nine months after termination of his education, nor to agree to a repayment schedule requiring fewer than five years to fulfill. This proposal would allow the lender and the student, after termination of his education, to agree upon a repayment schedule beginning as soon as desired and requiring fewer than five years to complete. These amendments would give student borrowers greater flexibility in repaying their loans without any sacrifice of the protection of their interests already included in the law.

Discharge of such loans through declaration of bankruptcy in the first five years after termination of education would not be allowed.

The Secretary would assure that student borrowers are fully aware of the terms and conditions of Federally-guaranteed student loans.

TAX LIABILITY AND MAXIMUM TAX DEFERMENT, FOR 1 YEAR FOR FAMILY OF 4 WITH 1 COLLEGE STUDENT

Adjusted gross income	Tax liability[1]	Maximum deferment[2]
$7,500	[3]$484	$484
$9,000	744	744
$10,000	905	905
$11,000	1,067	1,067
$12,000	1,228	1,228
$13,000	1,391	1,391
$13,582	1,500	1,500
$14,000	1,578	1,422
$15,000	1,765	1,235
$16,000	1,952	1,048
$17,000	2,139	861
$18,000	2,335	665
$19,000	2,548	452
$20,000	2,760	240
$21,000	2,973	27
$21,129	3,000	0

[1] According to tax provisions of 1974 and assuming deductions equal to 15 percent of adjusted gross income.

[2] According to this formula: $T_d = T_I - 2(T_I - D)$, where T_d = maximum tax deferable; T_I = Federal income tax liability; D = either $1,500 or T_I, whichever is less.

[3] Assuming minimum standard deduction of $1,300 rather than as above.

By Mr. MAGNUSON:

S. 3575. A bill to amend the Fishermen's Protective Act of 1967 in order to authorize the President to prohibit the importation of any products from a country whose nationals are conducting fishing operations in a manner which diminishes the effectiveness of an international fishery conservation program. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, we are confronted today with the specter of the imminent, total collapse of our traditional coastal fisheries. If the trends of the past 15 years are allowed to continue, there may well be no significant remaining commercial or sport fishery on our coasts by the end of this decade. If current trends prevail, we face also the probability that most, perhaps all, of the populations of great whales will have disappeared by the year 1980.

Domestic overfishing has, in certain cases, contributed to the present situation. Pollution of inshore and offshore waters, the damming of migratory routes for anadromous fish, and the inexcusable practices of dredging and siting power plants in critical estuarial nurseries have hastened the onset of disaster. But the overriding peril arises from the fleets of those nations involved in the so-called "fisheries revolution," notably the Soviet Union and Japan. These nations have developed, and have applied without restraint, lethal technologies which no marine resource can indefinitely withstand.

Multilateral and bilateral conventions and agreements designed to protect marine resources have had little effect in curbing the implacable, mechanical voracity of the modern fleets. These conventions have been paralyzed, ignored and flouted by the major fishing nations. The presence of American delegations within these conventions, wringing their hands and pleading, has had little or no effect in saving our coastal and anadromous fish stocks from wholesale destruction.

I should like, if I may, to cite certain cases which illustrate the desperate plight of important fish stocks, and of the great whales, and of American fishermen as well. These tragic situations illustrate equally well the bankruptcy of our policy of relying upon impotent conventions, possessing no enforcement authority, for preservation of invaluable and irreplaceable resources.

Off our east coast, foreign fleets have in a few years blitzed American fisheries which had remained stable for a century. In the North Atlantic in the area regulated under ICNAF, total U.S. landings have declined by 55 percent in a few years, and are continuing to plummet. Within less than a decade following the appearance of Soviet and East European fleets utilizing the notorious "pulse fishing" techniques, the Georges Bank haddock was rendered "commercially extinct." With the haddock went the important and long established Massachusetts-based fishery. Farther north, once enormous stocks of sea herring have been gravely imperiled. While U.S. landings have dropped since 1960, to about 50 percent of the 1950–60 level, foreign landings have increased many fold, since 1960, and now make up more than 90 percent of the total herring landings near our coast. Cod are now also dangerously depleted. It has recently been learned that the Soviets, in contemptuous violation of ICNAF quotas, in 1969, took up to 18,000 metric tons of yellowtail flounder. This contrasts with less than 11,000 tons for the U.S. fleet based in New Bedford. It means that the "commercial extinction" of the flounder, and the collapse of the New Bedford fishery may be imminent.

A press release issued by our Commerce Department following the signing of a new 3-year ICNAF agreement last October held that the agreement provided "new hope for the gravely depleted fishing grounds of the Northeast," and spoke in glowing terms of "restoration of stocks," especially flounder, and of international cooperation. We are now advised that the U.S. delegation, in a desperate attempt to compensate for illegal Soviet fishing, and prevent the total irrecoverable loss of flounder stocks, may propose a 50 percent reduction in the 1974 quota for that species in 1975. Last fall's ICNAF "victory," by the way, provided first year quotas for the Soviets and Eastern bloc countries, which were not even fishing the waters prior to 1960, over three times greater than that conceded our fleet, and accorded the United States and Canada together less than one-quarter of the 923,000 ton catch authorized for 1974.

Off the mid-Atlantic coast, destruction of both sport and commercial fisheries continues apace. The appearance over the last 2 years of an immense new Soviet purse seining fleet threatens the U.S. menhaden fishery. Soviet fleets off Cape Hatteras are making severe and increasing inroads on the important U.S. sport fisheries. The Atlantic bluefin tuna is described by the Sport Fishing Institute as "down the seine," for all practical purposes gone. Neither a bilateral agreement entered into in 1967 with the Soviets, nor an international convention

ostensibly designed to conserve Atlantic tuna, has apparently affected the course of destruction.

Across the continent, Soviet fleets have succeeded in halving U.S. catches in the Pacific Northwest in less than a decade. The U.S. catch of Pacific perch and arrowtooth flounder was 10,500 tons last year, compared to an average of over 20,000 tons prior to the advent of Soviet fleets in 1965. There are now indications that the decimation of the perch has reached a point where this stock, too, is very close to "commercial extinction." Yet there is no evidence of a slackening of the Soviet effort, and even less evidence that a bilateral agreement called an "Agreement on Certain Fishery Problems in the North Eastern Part of the Pacific Ocean Off the Coast of the United States" has done more than open the way for destruction of these important finfish. Last year for the first time Polish vessels joined the foreign armada.

Off the State of Alaska, the United States-Canadian Bering Sea halibut fishery, painstakingly restored after being overfished prior to World War II, has now been all but totally destroyed by what are called "incidental catches" of Japanese, and to a lesser extent Soviet, trawlers. American and Canadian catch has dropped from 11 million pounds in 1963, to 200,000 in 1973. Yet in 1972, the Japanese alone are estimated to have scooped up 11 million pounds of halibut "incidental" to the taking of groundfish, and many of these halibut were juvenile.

At the same time, it will be necessary to close down the American Bristol Bay sockeye salmon fishery for 1974 because of the effort of the Japanese high seas salmon fleet, comprising some 350 vessels. Indeed there is now considerable doubt if this year's Bristol Bay spawning run—which was once the world's largest—will even be adequate to sustain the stock. In 1973, the Japanese, after having been warned that dramatic declines had occurred in the Bristol Bay runs necessitating decreased fishing in order to save the stock, responded by increasing rather than decreasing effort in areas where these salmon are vulnerable during migration.

As profound as the effect of these disasters has been to Alaska's domestic fishing industry, they may prove of minor concern when compared to what lies ahead. The Bering Sea sustains an enormous marine biomass, including perhaps the most abundant stocks of ground fish found anywhere in the world. The fishing effort which is now being mounted against these stocks, primarily by Japan and the Soviet Union, is on a scale to boggle the imagination. In 1954, the Bering Sea fishery yielded 28 million pounds of fish. Last year 5 billion pounds of fish were taken, 80 percent of this by Japan. The Japanese took 1.2 billion pounds of pollock alone in the eastern Bering Sea, much of it within a comparatively few miles of the U.S. coast.

There are now ominous signs that the scope and the ruthless intensity of this fishing, characterized by massive, random destruction of species making up the feeding base of major commercial stocks, may result in a calamitous collapse of the entire fishery. On the basis of information developed through numerous hearings on the fishing question, I recently stated in an article in the Los Angeles Times that we may soon face "an ecological disaster beyond comprehension."

The recent "spontaneous" decline of the Pribilof fur seal herds, which were previously culled to prevent large population increases, gives us a hint both of how far reaching the effects of such an ecological implosion may be, and how close at hand it may be. There can be little doubt that the fur seal decline is being caused by the unavailability of their customary food—fish.

We have had, since 1952, an agreement called the International Convention for the High Seas Fisheries of the North Pacific Ocean, acceded to by Japan, Canada, and the United States. This agreement was drafted to protect existing United States and Canadian fisheries, especially the salmon and halibut fisheries. It should—according to its terms—have served this function reasonably well. But the Japanese say that these terms are a matter of "interpretation," and now say that they cannot practice restraint because the Soviets and Koreans, who are not parties to the convention, also fish in these areas. Having destroyed the Bering Sea halibut fishery, and gravely damaged the two other United States-Canadian halibut fisheries in the North Pacific, the Japanese last year sold us 21,000 tons of halibut, immature fish, taken by trawlers from the same doomed stocks which can no longer sustain a viable setline fishery.

I should like now to turn to the tragic case of the great whales. The fate of these unique and magnificent mammals has come to symbolize, to vast numbers of people, the ruthless immolation of marine life on the altar of short-term profit. The cause of the conservation of whales has been adopted by the U.S. Government, and the concept of a total moratorium on commercial whaling endorsed by the U.N. Conference on the Human Environment and the U.N. Environmental Secretariat. Conservationists throughout the world continue to clamor for an end to the destruction of the leviathans. In this country and the United Kingdom, influential groups have declared a citizens boycott of Japanese and Soviet products to protest the killing.

On June 23, when the International Whaling Commission meets in London, a determined American delegation, ably led by Dr. Robert White of NOAA, seating conservation leaders from the private sector and supported by a majority of the member nations of the Commission, will strive to ameliorate the plight of the whales. Yet, when the talking is over, and the votes are counted, little will—I fear—have been accomplished. If the Japanese and the Soviets are outvoted, they will simply do as they did last year when the Commission voted in favor of measures to conserve finback, sperm, and minke whales. They will post an "objection," which they are entitled to do under this convention, and go on killing whales.

While whales are unique, there is nothing unique about either the "objection privilege" in the IWC Convention, nor the attitude of the Japanese and Soviet delegations. Both are typical. The large Japanese whaling companies are, in fact, also among that nation's largest fishing companies. These are exactly the companies which are decimating fish stocks off Alaska, and absorbing U.S. fishing enterprises appropriately "softened up" by the loss of these stocks. The owners of these companies who sit in the delegation and dominate Japanese policy at the IWC, are among the same owners who sit in the INPFC delegation and dominate Japanese policy there. Some of these same men even appeared on the Japanese delegation to the Plenipotentiary Conference To Conclude a Convention on Trade in Certain Species of Wildlife to again obstruct the development of an adequate convention.

When dealing with such men, it is absolutely futile to merely "talk a good fight." If our delegations must go to London to the IWC meeting, or to Tokyo for INPFC or to ICNAF armed only with words, their missions are hopeless. We can only prevent the eclipse of domestic American fisheries, and the "commercial extinction" of the great whales, by developing deterrents which cannot be ignored. We must be able to demonstrate to the destructive interests in the one language they will heed—the language of dollars, pounds, yen, and rubles—that it will no longer be to their advantage, short-term or otherwise, to destroy marine resources in which Americans have vital interest.

There are several ways of accomplishing this. One is through S. 1988, which I have introduced, and on which we have conducted extensive hearings. This would establish interim protection until the conclusion of an agreement through Law of the Sea deliberations, by setting up a 200-mile zone of national fisheries control. The passage of the 200-mile bill would provide a powerful bargaining lever for use in negotiating the fate of whales, and far-ranging fish stocks. We could allow limited fishing within our zone of control, in return for proper conservation of open-ocean species in which we have an interest. The Bering Sea pollock fishery alone, which rests within the proposed 200-mile limit, is far more valuable to Japan than the combined total value of the remaining whales, salmon, and other threatened open-ocean fish stocks which we are committed to protect.

There is, however, a more direct approach to achieving bargaining leverage, which first found initial expression in an amendment to the Fisherman's Protective Act of 1966 sponsored in 1969 by the late Representative Thomas Pelly of Washington. The Pelly amendment permits the President, upon the advice of the Secretary of Commerce, to terminate imports of fisheries products from nations whose fishing operations diminish the effectiveness of an international fishery-conservation program.

The threat of economic retaliation un-

der terms of this amendment is credited with having netted an American delegation the one bona fide and measurable "victory" which has accrued to us in multilateral fishery negotiations. In a June 1972, meeting of ICNAF, Norway and Denmark agreed to phase out the taking of Atlantic salmon in the Davis Strait and elsewhere, with a complete ban to become effective in 1975.

However, while Denmark may have preferred to phase out a fishery which totaled only a thousand metric tons a year, and was rapidly declining, rather than lose $10 million annually in fish exports to the United States, we face an entirely different situation with the Soviet Union and Japan. We are dealing now with millions of metric tons annually, rather than a thousand; with men imbued with a ruthless determination to achieve domination of world fisheries who do not hesitate to destroy a stock, or a species, for short-term profit, to force competitors into bankruptcy, or to fill the requirements of some bureaucratic "plan." As scarcities mount, and as the world protein shortage deepens, there is increasingly a sellers market for all marine products. At the same time, with the eclipse of domestic fisheries, our dependence on foreign suppliers for fish has become dangerously complete. We now import over 75 percent of the fish we eat.

While the Pelly amendment opens the way for action, it now applies only to fisheries imports. If it were used in its present form against—let us say—Japan, the impact might prove far more adverse to us than to the Japanese. It is quite probable that the Japanese would find other markets for the exports which we now absorb, while our importers would experience considerable difficulty in finding other sources of supply.

I am, therefore, today introducing a bill to amend the Pelly amendment to the Fisherman's Protective Act of 1966, to permit us to terminate not only fisheries imports, but any and all imports from nations which destroy marine resources. This bill can provide, for the first time, the flexibility and force needed to effectively combat the foreign juggernaut off our shores, and to bring relief for the whales.

We must do something. Every American has a real and vital stake in the preservation of marine resources and the maintenance of our fisheries. There is something genuinely deranged about national priorities which have led us to funnel billions of dollars into often obscure regions many thousands of miles from our coasts, while permitting foreign fleets to obliterate irreplaceable resources, and even destroy American fishing gear, in sight of our shoreline.

Our bill is not subject to the misunderstanding—contrived or otherwise—which attaches to the 200-mile limit approaches. This bill is supported by every major conservation, environmental and animal protection organization in the United States. It is supported by the overwhelming majority of our commercial fishing interests, including certain interests which do not favor S. 1988. It is supported by Governors of States which have opted for S. 1988, and by others, such as Governor Askew, of Florida, who have not.

The American public, if one can assess the national mood from the mounting volume of mail, and from the intense response of citizens groups, from the fact that a citizens boycott against Japan and the Soviet Union is gaining support, are exasperated with the appeasement of foreign rapacity. Most Americans are—as I am—tired of our continued genuflection to outdated penates and protocols, and of shopworn talk about "a spirit of cooperation" while the havoc continues. Most Americans realize, as do most of us in this Chamber, that this tragic destruction of vital resources is occurring in the absence of a really firm American response, and that we can stop it if we will. I submit that it is time to do so.

I ask unanimous consent that the bill in its entirety 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. 3575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) is amended—

(1) in subsection (a), by striking out "fish" and inserting in lieu thereof "any";

(2) in subsection (b), by striking out "importation of fish products" and inserting in lieu thereof "importation of any products"; and

(3) in subsection (c), (d)(2), and (e)(1) and (5), by striking out "fish" in each case wherever appearing therein.

By Mr. HART:

S. 3576. A bill to authorize the Secretary of Transportation to initiate demonstration projects to improve the quality of repairs to motor vehicles and to reduce the costs of such repairs to the motoring public. Referred to the Committee on Commerce.

Mr. HART. Mr. President, in 1972, Congress enacted Public Law 92–513, the Motor Vehicle Cost Savings and Information Act.

The bill sought several goals, but one of them was to establish auto diagnostic centers. As originally introduced by me, S. 4331 would have had these diagnostic centers predominantly helping consumers with their auto repair problems.

By the time the measure worked its way through Congress, the diagnostic centers were a demonstration project to assist the States in their annual inspection programs. That, indeed, was a step forward.

The Department of Transportation was slow in implementing this section of the law. But as of now, one project is underway and four are out for bids. Basically, these are using existing equipment—off the shelf, as it were.

What is developing are centers, loaded with highly sophisticated—and extremely expensive—equipment which can "almost at a glance" tell if the vehicle being tested meets safety and emission control standards.

If such standards are not met, the car owner will be informed that he must return with the car in a condition which will pass the tests.

So far, so good.

However, what still is needed is the technology in the garages to which the consumer will turn for correction of the problems that will assure that the repairs can be made, correctly and in the least expensive manner possible.

Right now, such technology is not available to the average shop.

Equipment which is being developed—in a rather spotty manner—is extremely high priced and there are still great gaps in needed application of technology.

Worse, developments thus far forecast that small- and medium-sized garages and gas stations will be closed out of the market. Equipment prices are running in the range of five figures—with several such pieces of equipment needed in each shop.

This, I have been assured by those familiar with the technology, need not be the case. It has been demonstrated in one or two cases that the prices for such equipment easily could run only in the hundreds of dollars.

What is needed is more research and, more importantly, an incentive to do the research—especially enough of an incentive to pull into this arena the aerospace companies which could make significant contributions.

Therefore, I am introducing a bill today which would offer Government underwriting for such research. Technology and know-how would be licensed then to interested producers.

Basically, this bill provides that the Department of Transportation shall establish three demonstration projects.

These would be to:

Evaluate motor vehicle inspection, diagnosis and repairs as they may affect energy conservation and to evaluate mechanical repairability and comparative costs.

Do research as to design and to evaluate low cost equipment which can be used by the small automotive repair garages to accurately determine the repairs needed—and that they are done correctly.

Mr. President, there are about 400,000 independent garages and auto repair shops in this country. There are about 30,000 franchised auto dealers.

Without the boost that this legislation would give, it is highly likely that the only shops which will be able to afford the equipment for diagnosis will be the big ones.

This will not only close out the small, independent businessmen, but will leave consumers short-changed with far too few shops to handle their repairs.

In great part, the need for this technology has come from federally mandated safety and emission-control standards. These have added a good deal to the complexity of the cars, making diagnosis of their ills far more difficult.

This legislation, I think, could go a long way toward alleviating these problems.

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. 3576

A bill to authorize the Secretary of Transportation to initiate demonstration projects to improve the quality of repairs to motor vehicles and to reduce the costs of such repairs to the motoring public

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1961 et seq.) is amended—

(1) by redesignating sections 302–304 as sections 303–305, respectively; and

(2) by inserting immediately below section 301 the following new section:

"SPECIAL DEMONSTRATION PROJECTS

"SEC. 302. (a)(1) The Secretary shall establish a special motor vehicle diagnostic inspection demonstration project to assist in the rapid development and evaluation of advanced inspection, analysis, and diagnostic equipment suitable for use by the States in standardized high volume inspection facilities and to evaluate the repair characteristics of motor vehicles.

"(2) The Secretary shall establish a special research and development project to evaluate motor vehicle inspection, diagnosis and repair as they may affect energy conservation and to evaluate mechanical repairability and comparative costs therefor.

"(3) The Secretary shall establish a special research and development project to design and evaluate low cost equipment which can be used by the small automotive repair garages to accurately determine the repairs needed or required on motor vehicles.

"(b) In carrying out the demonstration projects authorized by this section, the Secretary is authorized—

"(1) to contract for the design and development of low-cost advanced inspection, analysis, and diagnostic equipment;

"(2) to contract for systems design assistance in developing a program to evaluate the repair characteristics of motor vehicles;

"(3) to contract for testing of equipment developed under contract pursuant to paragraph (1);

"(4) to furnish technical design, operation, and evaluation assistance to States;

"(5) to utilize a controlled fleet of motor vehicles for test purposes; and

"(6) to consult with the Administrator of the Environmental Protection Agency.

"(c) The Secretary shall report to the Congress, not later than July 1, 1978, the results of the projects authorized under subsection (a) together with recommendations, if any, for enactment of Federal Motor Vehicle Repairability Standards designed to reduce the unnecessary frustration and costs associated with motor vehicle repairs.

"(d)(1)(A) All research and development funded in whole or part by the Government for projects authorized pursuant to this section shall require as a condition of Federal participation that all information—whether patented or unpatented, in the form of trade secrets, know-how, proprietary information or otherwise—resulting therefrom shall be made available at the earliest possible date to the general public, including, but not limited to, nongovernmental United States interests capable of bringing about further development, utilization, and commercial applications of such results.

(B) All persons performing work under such federally assisted projects shall fully and completely identify such technological information to the Secretary promptly after discovery thereof.

(C) Such resultant technology shall promptly be made available to the public through licensing pursuant to this section, dedication, publication, or otherwise as provided by law.

(2)(A) The United States shall acquire all rights throughout the world to any resultant technology, and shall acquire title to any patents issuing in respect thereof.

(B) The Secretary shall license all patents to which the United States is entitled pursuant to this section to all qualified applicants therefor, on nonexclusive and nondiscriminatory terms and under reasonable conditions.

(3) Whenever the Secretary determines that—

(A) in the carrying out of the projects authorized in this section a right under any United States patent, which is not otherwise reasonably available, is reasonably necessary for such purpose, and

(B) there are no reasonably equivalent methods to accomplish such purpose, or

(C) the unavailability of such right may result in a substantial lessening of competition or tendency to create a monopoly in any line of commerce in any section of the country,

the Secretary shall so certify to a district court of the United States, which shall review the Secretary's determination. If the district court upholds such determination, the court shall issue an order requiring the person who owns such patent, or rights thereunder, to license it on such reasonable and nondiscriminatory terms and conditions as the court, after hearing, may determine. Such certification may be made to the district court for the district in which the person owning the patent resides, does business ,or is found.

(4) The Secretary shall, in determining license terms, duly consider and give weight to the effects of such terms on competition and small business.

SEC. 2. (a) Section 303(b) of such Act (as redesignated by the first section of this Act) is amended—

(1) by inserting in paragraph (1) immediately after "safety" the following: "and energy conservation";

(2) by inserting in paragraph (3) immediately after "of any" the following: "safety, emission, or energy related"; and

(3) by adding at the end of paragraph (4) the following new sentence: "Voluntary reinspection after any repair to increase energy efficiency shall be provided vehicles used in a demonstration project under section 302."

(b) The second sentence of section 304(b) of such Act (as redesignated by the first section of this Act) is amended by striking out the period and inserting in lieu thereof the following: "; except that such assistance shall remain available for inspections carried out before July 1, 1978, in the case of a project authorized by section 302 of this title.".

SEC. 3. Section 305 of such Act (as redesignated by the first section of this Act) is amended—

(1) by inserting "(a)" immediately before the beginning of the text of such section; and

(2) by adding at the end thereof the following new subsection:

"(b) In addition to the amounts authorized to be appropriated under subsection (a), there are authorized to be appropriated to carry out the demonstration projects authorized by section 302 of this title $5,000,000 for the fiscal year ending June 30, 1976; $7,000,000 for the fiscal year ending June 30, 1977; and $8,000,000 for the fiscal year ending June 30, 1978.

By Mr. KENNEDY (for himself and Mr. HATHAWAY):

S. 3577. A bill to amend the Public Health Services Act to provide for assistance for the construction and modernization of health facilities. Referred to the Committee on Labor and Public Welfare.

THE HEALTH FACILITIES ASSISTANCE ACT OF 1974

Mr. KENNEDY. Mr. President, I introduce a bill, the Health Facilities Assistance Act of 1974. This legislation would provide grants, loans, and loan guarantees to public and nonprofit private entities to assist them in constructing facilities for the delivery of outpatient health care services, and to assist public and nonprofit private hospitals in modernizing existing facilities for the delivery of inpatient or outpatient health care services to medically underserved populations.

It would authorize $210 million annually for grants to carry out those purposes for fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977.

In addition, a revolving loan fund will be established to provide loans and loan guarantees for the construction and modernization of health facilities.

This legislation would direct the Secretary of Health, Education, and Welfare to establish a facilities account for each State and to credit each fiscal year to each such account an allotment based upon population, financial need, and the extent of the need for construction and modernization of outpatient facilities, and for modernization of inpatient facilities serving medically underserved populations.

The formula which currently determines allocation of funds among States under title VI of the Public Health Service Act would give way to comprehensive health planning activities at the areawide, State, and national levels, giving the Secretary additional flexibility to allocate funds according to need in a changing health care system.

This legislation would make a number of other technical changes in the existing Hill-Burton program, including an increased emphasis on service by facilities receiving the benefits of Federal programs to people unable to pay for those services.

Mr. President, we are all aware that for more than a quarter of a century the Hill-Burton program has been providing financial assistance to the States for the construction and modernization of health care facilities.

The great success of this program speaks for itself. During the period of its existence Hill-Burton has extended assistance to more than 11,000 projects. These projects have provided 489,000 inpatient beds in hospitals and nursing homes as well as approximately 3,276 other facilities, including 1,340 public health centers, 1,244 ambulatory care centers, 593 rehabilitation facilities, and 43 State health laboratories.

It is no exaggeration to say that without this program, we would have been faced with a calamitous shortage of facilities that would have had serious effects upon the ability of many communities in this country to grow and prosper.

But the needs of America change, and the needs which existed in 1946 are no longer those which exist in 1974. The

Hill-Burton program has done much to alleviate the problems with respect to maldistribution and shortages of inpatient facilities which existed at its inception.

In 1946, America's greatest health need was an adequate number of hospital beds. At that time, while the 8 States with the highest income had 4.0 beds per 1,000 population, there were only 2.5 beds per 1,000 population in the 8 States with the lowest income. Today, this imbalance has been corrected. In 1948, the ratio of existing beds per 1,000 population in the 8 States with the highest per capita income was 3.94, whereas in the 8 States with the lowest per capita income was 2.69. Data for 1971 shows that for the same 8 States with high income the ratio is now 4.08. In contrast with this, 8 States with the lowest income now have 4.34 beds per 1,000 population. This means that low-income States now have more beds per 1,000 population than do high-income States.

Mr. President, I ask unanimous consent that table I be inserted in the RECORD at this point.

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

EXISTING GENERAL HOSPITAL BEDS PER 1,000 POPULATION 1948 AND 1971, FOR HIGHEST AND LOWEST PER CAPITA INCOME STATES

	Existing beds per 1,000 population	
	1948	1971
High income:		
1. Connecticut	3.90	3.71
2. New York	4.10	4.24
3. Alaska	5.99	2.32
4. Nevada	5.91	4.26
5. Illinois	3.70	4.73
6. California	3.72	3.62
7. New Jersey	3.95	3.53
8. Massachusetts	4.23	4.76
8 States	3.94	4.08
Low income:		
43. Louisiana [1]	3.43	4.19
44. Kentucky [1]	2.47	4.35
45. Tennessee	2.43	4.64
46. West Virginia	3.67	4.61
47. South Carolina	3.01	4.04
48. Alabama	2.31	4.51
49. Arkansas	2.37	4.05
50. Mississippi	2.13	4.22
8 States	2.69	4.34

[1] Tie.

Note: Ranked by average per capita income 1967–69.

Source: Hill-Burton State Plans.

Mr. KENNEDY. From the foregoing data it seems clear that we have gone a long way toward equalizing the distribution of hospital beds throughout the United States. In fact, in some areas, there is evidence of overbuilding of hospital beds, largely as a result of the activities of private, proprietary hospitals.

NEED FOR OUTPATIENT FACILITIES

However, a great need still exists for the construction of facilities for the delivery of outpatient services. As emphasis in the health care field turns from lengthy, often costly hospital services to services which can be delivered on an outpatient basis, the need for outpatient facilities grows.

It is evident that the ability of the hospital to provide diagnostic, laboratory, and X-ray services to patients other than inpatients has been limited. It is only recently that third-party payment mechanisms have started to pay for outpatient care, and most such care paid for by insurance companies is still related to preadmission workups prior to inpatient care.

There is growing recognition, however, that society's interest would be better served if more insurance programs covered ambulatory care. Many of the pending national health insurance proposals would place much greater emphasis on provision of outpatient services.

State Hill-Burton agencies report an increasing interest on the part of hospitals in encouraging physicans to locate immediately adjacent to them and to utilize laboratory, X-ray, physiotherapy, and other equipment of the hospital.

Moreover, hospitals in metropolitan areas are finding that outpatient departments serve the role of the family physician. Those responsible for encouraging better planning for health care facilities recognize the need for anticipating such a demand on a metropolitan hospital.

For the period covering fiscal year 1971 through the first 6 months of 1974, 45 percent of a total of 851 projects approved under the Hill-Burton program for the construction and modernization of various types of health facilities were for outpatient facilities.

Of new facilities utilizing Hill-Burton assistance constructed from July 1, 1970 through December 31, 1973, 44 percent of the projects and 49 percent of the funds were for outpatient facilities. In fiscal year 1973, 60 percent of the projects and 68 percent of the funds spent went for new outpatient facility construction. In contrast, during fiscal year 1971, only 16 percent of the projects and 16 percent of the funds were for outpatient facilities.

A recent GAO report indicates that a definite need for outpatient facilities exists. Moreover, the report goes on to state that:

HEW headquarters officials stated that the Hill-Burton program had no acceptable method for determining outpatient facility needs.

Likewise, the report states:

Comprehensive health planning agencies had difficulty developing a method for estimates for outpatient facility needs.

Nonetheless, the report went on to say:

Despite the lack of data on outpatient facility needs, several State, American Hospital Association, and Department of Health, Education and Welfare officials with whom we discussed this matter felt that outpatient care centers were needed.

Mr. President, it seems clear that while the need for inpatient facilities may have been attenuated since the inception of the Hill-Burton program, substantial needs still exist for the construction of outpatient facilities. This need is generated by an increasing emphasis on replacing expensive and time-consuming in-hospital services with outpatient services wherever possible. Medical societies, medical educators, comprehensive health planning agencies, and Federal insurance programs, as well as legislation such as the HMO Act of 1973, all work toward this end.

THE NEED FOR MODERNIZATION

According to the last available Hill-Burton State plans, more than 167,000 general hospital beds need to be modernized while only 47,000 general hospital beds need to be added; nearly 233,000 long-term care beds need to be modernized and more than 122,000 long-term beds need to be added. Similarly, among public health centers, outpatient facilities, and rehabilitation facilities about 2,800 are in need of modernization while 2,500 need to be added. In dollar terms, there is a $20-billion total backlog in health facilities needs, $13 billion for modernization. Looked at another way, nearly one-half of our country's non-Federal general hospitals and more than one-third of our long-term care facilities have been programed to be modernized or replaced.

According to the recently issued GAO report, depreciation reimbursements from third-party sources provide a revenue source for hospitals, but amounts must be accumulated and set aside if they are to be used as a source of funding for replacing assets. It is more likely, the report states, that funds recovered through reimbursement for depreciation will be used to repay existing loans or to offset operating losses.

The report also says that most institutions in poverty and rural areas generally incur operating losses and lack community backing, which makes it difficult for them to finance construction or modernization without Federal grant funds.

The bill I am introducing today contains authority for the Secretary of the Department of Health, Education, and Welfare to make grants, loans, and loan guarantees to assist in the cost of modernizing facilities in medically underserved areas. One only need walk through any of our municipal hospitals to appreciate the need for such assistance.

SERVING THOSE UNABLE TO PAY

The bill I am introducing today contains an additional requirement, partially dealt with in regulations recently issued by the Department, which requires that each application for funds under the proposed legislation shall set forth reasonable assurance that at all times after the application for assistance is approved, the facility will make a reasonable volume of services available to persons unable to pay.

Since the first Hill-Burton grants were awarded in 1947, over 6,000 grants have been awarded to hospitals, long-term care facilities, outpatient facilities, and rehabilitation facilities. Those facilities committed themselves to give a reasonable volume of free care and to serve all persons in the area.

In a series of lawsuits brought by public interest and legal service attorneys in recent years, the courts have held that the assurances given by these facilities are enforceable contractual commitments. No matter what the fate of the existing Hill-Burton Act is, these

assurances to the United States shall continue to exist.

Until the ability to pay is totally eliminated as a criterion of access in our society the "free service" assurance will have to be enforced. A similar requirement regarding the provision of services to those unable to pay for such services for hospitals which seek the benefits of "charitable" status under the Internal Revenue Code has also recently been recognized by a Federal court here in the District of Columbia.

The "community service" requirement was also interpreted in a later decision to require Hill-Burton hospitals not to deny access to medicaid beneficiaries, the practical effect of refusing to participate in the medicaid program.

TECHNICAL ASSISTANCE TO APPLICANTS

In 1970, Congress amended the Hill-Burton Act to give a special priority for poverty areas to build outpatient facilities, permitted up to 90 percent moneys for such areas, and permitted free-standing facilities to apply. The model intended was that which had been so successful under the Office of Health Affairs direction in the Office of Economic Opportunity, that of the Neighborhood Health Centers.

Unfortunately, in many States, construction moneys have not gone to poverty areas. Many States have awarded the moneys elsewhere, because no approved applications have been forthcoming. The technical experts who so successfully developed the health centers under OEO stress the necessity for technical assistance and outreach, and if we want this aspect of the program to work we are going to have to approve the concept and provide the money.

Accordingly, this legislation includes a provision authorizing the Secretary to provide technical assistance to any public or private nonprofit entity which is eligible to apply for assistance under the proposed law.

Mr. President, I believe the time has come to allow localities and States to have a strong, systematic input into expenditure of Federal funds on their behalf. Such input should, of course, be evaluated by the Secretary of the Department of Health, Education, and Welfare within the framework of guidelines he establishes with respect to national health policy. I believe that agencies for health planning at the local and State level are best able to fulfill that function and that existing Hill-Burton agency activities should be coordinated and, if necessary, modified with respect to health planning at the areawide and statewide levels. For that reason, although guidelines have been established for the Secretary to follow in awarding grants, loans, and loan guarantees under this legislation, the proposal does not contain a rigid formula. Areawide and statewide health planning agencies have been given great influence in determining whether funds under this program shall be expended, and if so, how. The Secretary, as always, bears the ultimate responsibility for the determination of funding expenditures.

Mr. President, I believe that the bill I have introduced today is balanced, realistic, and answers demonstrated needs for which the Federal Government certainly has some responsibility. I will certainly do what I can to assure the expeditious consideration of this important legislation by the Subcommittee on Health.

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

In addition, I would like to announce that hearings will be held on this and other measures designed to provide assistance for the construction of health care facilities on June 10, 1974, before the Health Subcommittee.

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

S. 3577

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 "Health Facilities Assistance Act of 1974".

SEC. 101. Title VI of the Public Health Service Act (42 U.S.C. 291 et seq.) is amended to read as follows:

"TITLE VI—ASSISTANCE FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

"DECLARATION OF PURPOSE

"SEC. 600. The purpose of this title is to assist in meeting the costs of construction and modernization of such public or other nonprofit health facilities as may be necessary, in conjunction with existing facilities, to furnish adequate health care services to all people.

"GRANTS FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

"SEC. 601. (a) The Secretary is authorized to make grants to any public or private nonprofit entity to assist such entity in meeting the costs of any project for the (1) construction or modernization of a public or other nonprofit outpatient facility or (2) modernization of a public or other nonprofit health facility which will serve a medically underserved population.

"([b]) The amount of any grant made under this section shall be determined by the Secretary, but no such grant shall exceed 75 per centum of the costs of such project except that any grant for a project for the construction or modernization of a facility to be located in an area determined by the Secretary to be an urban or rural poverty area may cover up to 90 per centum of such costs.

"([c]) No grant may be made under subsection (b) to any entity which is receiving payments under a grant under subsection (a).

"LOANS AND LOAN GUARANTEES FOR CONSTRUCTION AND MODERNIZATION OF HEALTH FACILITIES

"SEC. 602. (a) In order to assist public and other nonprofit entities in meeting the costs of projects for the—

"(1) construction or modernization of public or other nonprofit outpatient facilities and

"(2) modernization of public or other nonprofit health facilities which will serve medically underserved populations,

the Secretary is authorized to make loans to such entities for such projects and guarantee to non-Federal lenders payment of principal of and interest on loans made by such lenders to nonprofit private entities for such projects.

"(b) (1) No loan guarantee under this title with respect to any construction or modernization project may apply to so much of the principal amount thereof as, when added to the amount of any grant or loan under this title with respect to such project, exceeds 90 per centum of the cost of such project.

"(2) No loan under this title with respect to any construction or modernization project may be made in an amount which, when added to the amount of any grant under this title with respect to such project, exceeds 90 per centum of the cost of such project.

"(c) The Secretary, with the consent of the Secretary of Housing and Urban Development, shall obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this section as will promote efficiency and economy thereof.

"FACILITIES ACCOUNTS

"SEC. 603. (a) The Secretary shall establish a facilities account for each State and shall for each fiscal year credit to each such account an allotment from the sums appropriated for such year pursuant to section 61 on the basis of the population, the financial need, and the extent of the need for construction and modernization of the facilities referred to in subsections (a) and (b) of section 601, of the respective States.

"(b) The allotment to any State facilities account under subsection (a) for any fiscal year which is less than $800,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotment to each of the remaining States' facilities account, but with such adjustments as may be necessary to prevent the allotment to any of such remaining accounts from being thereby reduced to less than that amount.

"(c) Any allotment credited to a facilities account of any State for any fiscal year and remaining unobligated at the end of such year shall remain available for grants, loans, and loan guarantees under this title in such State, for the next two fiscal years (and for such years only) in addition to the allotments credited to the facilities account of such State for such next two fiscal years.

"CONDITIONS FOR APPROVAL OF APPLICATIONS

"SEC. 604. (a) No grant, loan, or loan guarantee for any project may be made under this title unless an application therefore has been submitted to the Secretary and approved by him. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(b) Each application under this section shall set forth—

"(1) a description of the site for such project;

"(2) plans and specifications therefor, in accordance with regulations promulgated under section 608;

"(3) a certification of the total cost of such project and the amount of the grant or loan which is sought under this title or the amount of the loan for which a guarantee is sought under this title;

"(4) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in the entity which is to operate the facility on completion of the project;

"(5) reasonable assurance that adequate financial support (including, in the case of any project for a facility to be located in an area determined by the Secretary to be an urban or rural poverty area, Federal assistance provided directly to such facility or through benefits accorded individuals served at such facility) will be available for the completion of the project and for its maintenance and operation when completed;

"(6) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of construction or modernization on the project will be paid wages at rates not less than those

prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5); and the Secretary of Labor shall have with respect to the labor standards specified in this paragraph the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c);

"(7) in the case of any application for any grant, loan, or loan guarantee for modernization of any facility (except an outpatient facility), reasonable assurance that when the project is completed the facility will serve a population which had been designated as a medically underserved population prior to the modernization of such facility;

"(8) in the case of any application of any nonprofit private entity for any grant, loan, or loan guarantee for construction or modernization of any outpatient facility, reasonable assurance that the services of a general hospital will be available to patients of such facility who are in need of hospital care; and

"(9) reasonable assurance that at all times after such application is approved (A) the facility or portion thereof to be constructed or modernized will be made available to all persons residing or employed in the area served by the facility and (B) there will be made available in the facility or portion thereof to be constructed or modernized a reasonable volume of services to persons unable to pay therefor. The Secretary shall, in determining the reasonableness of the volume of services provided, take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(c) The Secretary may not approve an application for a grant, loan, or loan guarantee under this title to assist in meeting the costs of a project for construction or modernization of any facility which is or will be located in an area under the jurisdiction of a local health planning agency unless (1) such application has been recommended for approval by such local health planning agency, after application of criteria described in regulations promulgated under section 607 (a) and (b), and (2) such project has a higher priority (set by such local health planning agency in accordance with regulations promulgated under section 608(c)) than any other project in such area for which applications are pending before the Secretary for his approval.

"(d) The Secretary shall approve any application submitted in accordance with subsections (a) and (b) for a project for construction or modernization of a health facility in any State if sufficient funds are available from the facilities account of such State and if the Secretary finds—

"(1) that the application contains such reasonable assurances as described in subsection (b);

"(2) that the plans and specifications are in accord with the regulations promulgated under section 608(d);

"(3) that the application meets the requirements of subsection (c); and

"(4) in the case of any direct loan or loan for which a guarantee is sought, that (A) the applicant will be able to make payments of principal and interest thereon when due, and (B) the terms, conditions, maturity, security (if any), and schedule and amounts of repayment with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accordance with regulations and with section 606.

"(e) Amendment of any approved application shall be subject to approval in the same manner as an original application.

"TECHNICAL ASSISTANCE

"SEC. 605. The Secretary is authorized to provide (either through the Department of Health, Education, and Welfare or by contract) all necessary technical and other nonfinancial assistance to any public or private nonprofit entity which is eligible to apply for assistance under this title to assist such entities in developing applications to be submitted to the Secretary under section 604. The Secretary shall make every effort to inform eligible applicants of the availability of assistance under this title.

"GENERAL PROVISIONS RELATING TO LOANS AND LOAN GUARANTEES

"SEC. 606. (a) (1) Any loan to any public entity or nonprofit private entity under the title shall require such entity to pay interest thereon at a rate comparable to the current rate of interest prevailing on the date such loan is made with respect to loans to nonprofit private entities which are guaranteed under this title for modernization or construction of similar facilities in the same or similar areas, minus an amount equal to the lesser of (i) one-half of such current rate of interest and (ii) 4½ per centum per annum.

"(2) (A) The Secretary shall from time to time, but with due regard to the financial interests of the United States, sell loans made under this title either on the private market or to the Federal National Mortgage Association in accordance with section 302 of the Federal National Mortgage Association Charter Act or the Federal Financing Bank.

"(B) Any loan so sold shall be sold for an amount which is equal (or approximately equal) to the amount of the unpaid principal of such loan as of the time of sale.

"(3) (A) The Secretary is authorized to enter into an agreement with the purchaser of any loan sold under this title under which the Secretary agrees—

"(i) to guarantee to such purchaser (and any successor in interest to such purchaser) payments of the principal and interest payable under such loan, and

"(ii) to pay as an interest subsidy to such purchaser (and any successor in interest of such purchaser) amounts which, when added to the amount of interest payable on such loan, are equivalent to a reasonable rate of interest on such loan as determined by the Secretary, after taking into account the range of prevailing interest rates in the private market on similar loans and the risks assumed by the United States.

"(B) Any such agreement—

"(i) may provide that the Secretary shall act as agent of any such purchaser, for the purpose of collecting from the entity to which such loan was made and paying over to such purchaser any payments of principal and interest payable by such entity under such loan;

"(ii) may provide for the repurchase by the Secretary of any such loan on such terms and conditions as may be specified in the agreement;

"(iii) shall provide that, in the event of any default by the entity to which such loan was made in payment of principal or interest due on such loan, the Secretary shall, upon notification to the purchaser (or to the successor in interest of such purchaser), have the option to close out such loan (and any obligations of the Secretary with respect thereto) by paying the purchaser (or his successor in interest) the total amount of outstanding principal and interest due thereon at the time of such notification; and

"(iv) shall provide that, in the event such loan is closed out as provided in subparagraph (iii), or in the event of any other loss incurred by the Secretary by reason of the failure of such entity to make payments of principal or interest on such loan, the secretary shall be subrogated to all rights of such purchaser for recovery of such loss from such entity.

"(4) The Secretary may, for good cause, waive any right of recovery which he has against an entity by reason of the failure of such entity to make payments of principal or interest on a loan made to such entity under this title except that if such loan is sold and guaranteed, any such waiver shall have no effect upon the Secretary's guarantee of timely payment of principal and interest.

"(5) After any loan to an entity under this title has been sold and guaranteed, interest paid on such loan and any interest subsidy paid by the Secretary with respect to such loan which is received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

"(6) Amounts received by the Secretary as proceeds from the sale of loans under this section shall be deposited in the loan fund established by section 607, and shall be available to the Secretary for the making of further loans under this title in accordance with the provisions of such section.

"(b) (1) No guarantee under this title of a loan made to any nonprofit private entity shall be approved if the rate of interest payable on such loan exceeds such per centum per annum on the principle obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

"(2) (A) Subject to subparagraph (B), in the case of a guarantee under this title of any loan made to a nonprofit private entity, the Secretary shall pay to the holder of such loan and for and on behalf of such entity amounts sufficient to reduce the net effective interest rate otherwise payable on such loan by an amount equal to the lesser of (i) one-half of such interest rate and (ii) 4½ per centum per annum. Each holder of a loan, which is guaranteed under this title shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(B) Contracts to make the payments provided for in this subsection shall not carry an aggregate amount greater than such amount as may be provided in appropriations Acts.

"(3) The United States shall be entitled to recover from the applicant for a loan guarantee under this title the amount of any payments made pursuant to such guarantee unless the Secretary for good cause waives such right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(4) Guarantees of loans under this title shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this title will be achieved, and to the extent permitted by paragraph (5), any terms and conditions applicable to a loan guarantee under this title may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(5) Any guarantee of a loan made by the Secretary pursuant to this title shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, unless such applicant or such person engaged in fraud or misrepresentation in applying for, making, or contracting to make such loan.

"(c) The cumulative total of the principal of the loans outstanding at any time which have been directly made, or with respect to which guarantees have been issued, under this title may not exceed such limitations as may be specified in appropriations Acts.

"LOAN AND LOAN GUARANTEE FUND

"SEC. 607. (a)(1) There is hereby established in the Treasury a loan guarantee and loan fund (hereinafter in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriations Acts, (A) to enable him to make loans under this title, (B) to enable him to discharge his responsibilities under guarantees issued by him under this title, (C) for payment of interest on the loans which are guaranteed under this title, and (D) for repurchase by him of direct loans made under this title which have been sold and guaranteed. There are authorized to be appropriated to the fund from time to time such amounts as may be necessary to provide capital required for the fund. To the extent authorized from time to time in appropriation Acts, there shall be deposited in the fund amounts received by the Secretary as interest payments or repayments of principal on loans and any other moneys, property, or assets derived by him from his operations under this title, including any moneys derived from the sale of assets.

"(2) Of the moneys in the fund, there shall be available to the Secretary for the purpose of making direct loans only such sums as shall have been appropriated for such purpose or sums received by the Secretary from the sale of such loans and authorized in appropriations Acts to be used for such purpose.

"(b) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under this title, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act, as amended (31 U.S.C. 744), and the purposes for which securities may be issued under that Act, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund.

"REGULATIONS

"SEC. 608. The Secretary shall by regulation prescribe—

"(a) criteria for determining needs for health facilities for which assistance is available under this title;

"(b) criteria for determining the extent to which existing facilities, for which assistance is available under this title, are in need of modernization;

"(c) the general manner in which each local health planning agency shall determine the priority of projects within the area under its jurisdiction based upon the relative need of various populations and in various subareas within such area lacking adequate facilities of the several types for which assistance is available under this title giving special consideration—

"(1) to projects designed to (A) eliminate or prevent imminent safety hazard as defined by State or local fire, building, or life safety codes or regulations, or (B) avoid noncompliance with State or voluntary licensure or accreditation;

"(2) in the case of projects for modernization of facilities, to facilities serving densely populated areas; and

"(3) in the case of projects for construction or modernization of outpatient facilities, to any outpatient facility that will be located in, and provide services for residents of, an area determined by the Secretary to be a rural or urban poverty area.

"(d) general standards of construction and equipment for facilities of various classes and in various types of locations, for which assistance is available under this title; and

"(e) the means by which each entity which receives or has received financial assistance under this Act shall be required to demonstrate compliance with the assurances required to be made at the time such assistance was received. Such regulations shall require each such entity to submit periodically to the Secretary reports which specify data and information which reasonably support compliance. No entity shall be excused from such requirement.

"PAYMENTS UNDER GRANTS AND LOANS

"SEC. 609. (a) Payments under grants made under this title shall be made by way of reimbursement, and on such terms and conditions and in such installments, as the Secretary may determine.

"(b) In case an amendment to an approved application for any project for construction or modernization of a health facility in any State is approved as provided in section 604 or the estimated cost of any project for construction or modernization of a health facility in any State is revised upward, any additional payment with respect thereto may be made from the facilities account of such State.

"WITHHOLDING OF PAYMENTS AND OTHER ACTIONS

"SEC. 610. (a)(1) Whenever the Secretary, after reasonable notice and opportunity for hearing to any entity receiving assistance under this title finds that with respect to any project—

"(A) there is a failure to comply with any assurance required to be given in an application filed under section 604, or

"(B) there is a failure to carry out plans and specifications approved by the Secretary under section 604,

the Secretary shall forthwith order (i) that no further payments will be made under this title with respect to such project or (ii) that further payments will be withheld, in whole or in part, until there is no longer any failure to comply with or carry out any such assurances, plans, or specifications or, if such compliance or other action is impossible, until such entity repays or arranges for the repayment of Federal moneys to which such entity was not entitled, and shall notify such entity of such order.

"(b)(1) The Secretary is directed, in the administration of this title, to investigate and ascertain, on a periodic basis, with respect to each entity which is receiving or has received financial assistance under this Act for construction or modernization of a health facility, the extent of compliance by such entity with the assurances required to be made at the time such assistance was received.

"(2) If the Secretary finds that any such entity has failed to demonstrate compliance with such assurances, in accordance with regulations promulgated pursuant to section 608(e), the Secretary shall forthwith (A) take action in accordance with subsection (a), or (B) effect compliance by any other means authorized by law: *Provided*, That no action shall be taken pursuant to clause (B) until the Secretary has advised such entity of the failure to comply with such assurances and has determined that compliance cannot be secured by voluntary means.

"(c)(1) Any entity which will be adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such entity is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

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

"(3) The judgment of the court affirming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.

"RECOVERY

"SEC. 611. If any facility with respect to which funds have been paid under this title shall, at any time within twenty years after completion of construction or modernization—

"(a) be sold or transferred to any person, agency organization—

"(1) which is not qualified to file an application under this title, or

"(2) which is not approved as a transferee by the Secretary, or

"(b) cease to be a public or other nonprofit facility, unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from this obligation,

the United States shall be entitled to recover from either the transferor or the transferee (or in the case of a facility which has ceased to be public or nonprofit, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is situated) of so much of the facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of construction or modernization under such project or projects. Such right shall not constitute a lien upon said facility prior to judgment.

"RECORDS AND AUDITS

"SEC. 612. (a)(1) Each entity receiving Federal assistance under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such entity of

the proceeds of such assistance, the total cost of the project in connection with which such assistance is given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such entities which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the assistance referred to in subsection (a).

"(b) Each such entity shall file at least annually with the Secretary a statement which shall be in such form, and contain such information, as the Secretary may require to accurately show—

"(1) The financial operations of the facility constructed or modernized with such assistance, and

"(2) The costs to such facility of providing health services in such facility, and the charges made for such services, during the period with respect to which the statement is filed.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 613. (a) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the succeeding two fiscal years $210,000,000 for grants under section 601.

"(b) There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the succeeding two fiscal years such sums as may be necessary to make direct loans and guarantee loans under this title.

"(c) Of the sums appropriated for any fiscal year under this section, not less than 60 per centum shall be set aside and obligated in such fiscal year for grants under section 601. Sums set aside in any fiscal year for grants under section 601 but not obligated in such fiscal year for such grants because of lack of applicants shall remain available for obligation under this section in the succeeding fiscal year for grants.

"DEFINITIONS

"SEC. 614. For the purposes of this title—

"(1) The term 'construction' includes construction of new buildings, acquisition of initial equipment (including medical transportation facilities) for buildings constructed with assistance under this title, and acquisition of equipment for any building in any case in which it will help to provide outpatient services not previously provided in the area served through such buildings.

"(2) The term 'modernization' includes the alteration, expansion, major repair (to the extent permitted by the Secretary by regulations), remodeling, replacement, or renovation of existing buildings (including initial equipment thereof), and replacement of obsolete equipment of existing buildings.

"(3) The term 'health facility' means a facility which provides to patients services of licensed physicians and a reasonably full range of diagnostic and treatment services.

"(4) The term 'outpatient facility' means a health facility which offers a reasonably full range of diagnostic and treatment services, which services do not include bed and board.

"(5) The term 'cost' as applied to construction or modernization means the amount found by the Secretary to be necessary for construction and modernization respectively, under a project, except that such term does not include any amount found by the Secretary to be attributable to expansion of the bed capacity of any facility.

"(6) The term 'State' includes the Commonwealth of Puerto Rico, Guam, American Samoa, the Trust Territories of the Pacific Islands, the Virgin Islands, and the District of Columbia.

"(7) The term 'medically underserved population' means the population of an urban or rural area designated by the Secretary as an area with a shortage of health facilities or a population group designated by the Secretary as having a shortage of such facilities.

"(8) The term 'title' when used with reference to a site for a project, means a fee simple or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Secretary finds sufficient to assure undisturbed use and possession for the purposes of construction or modernization and operation of the project for a period of (A) not less than twenty years in the case of a grant under this title or (B) the term of repayment of a loan made directly or guaranteed in the case of such loan or guarantee under this title.

"(9) The term 'nonprofit' as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(10) The Secretary may not determine that an area is an urban or rural poverty area unless—

"(a) such area contains one or more subareas which are characterized as subareas of poverty;

"(b) the population of such subarea or subareas constitutes a substantial portion of the population of such urban or rural area; and

"(c) the grant, in connection with which such determination is made will be used in a manner which will serve the needs of the individuals residing or employed in such subarea or subareas."

By Mr. STEVENS:

S. 3579. A bill requiring the Secretary of Defense to convey certain lands to Nome, Alaska. Referred to the Committee on Armed Services.

Mr. STEVENS. Mr. President, today I am introducing a bill to authorize the Department of the Army to convey a certain 5.45 acres, more or less, of land back to the City of Nome, Alaska, for $1.

This land, located in downtown Nome, Alaska, was originally sold to the U.S. Air Force Alaska Communications Station along with an additional 13.45 acres for $1 during a critical period of World War II build-up in Alaska. This property was sold to the Federal Government by the people of the city for communication purposes.

Subsequently, the Alaska Communications Station gave the citizens of Nome an opportunity to make a bid for this land. Nome's offer of $10,000 was rejected.

In January 1968, the Nome, Alaska, Communications Station was declared excess to the needs of the U.S. Air Force. Following this announcement, roughly 13.41 acres of this land was reported to the General Services Administration for disposal and later sold in 1972 for $16,000. The remaining 5.45 acres were transferred to the Department of the Army in 1973.

When the land initially was sold to the Federal Government, this transaction was made by the people of Nome in the best interest of the Nation and the State of Alaska for the token price of $1. The generosity of the citizens of Nome was deflated a number of years later when the Government sold this same property at a tidy profit of $16,000.

The people of Nome are extremely anxious to have the remaining portions of their original sale, especially the 5.45 acres in the downtown section, returned to them. They are willing to pay their debt and give the dollar back to the Federal Government.

Mr. President, I urge that these 5.45 acres of land, currently under the control of the Department of the Army, should be promptly returned to the people of Nome for the original selling price—$1.

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

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

S. 3579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense shall convey, by deed or other appropriate instrument, all right, title, and interest of the United States in and to lots 4–15 in block 67; lots 6–12 in block 8; and lots 7–12 in black 89, located in Nome, Alaska, to the city of Nome, Alaska, upon the payment of $1 by the city of Nome, Alaska, to the Secretary of Defense.

By Mr. MAGNUSON (by request):

S. 3580. A bill to amend the Communications Act of 1934, as amended, to declare that the national communications policy of the Congress shall be to encourage, so far as possible, the establishment and maintenance of rates for local telephone service which are within the economic reach of every household; to require rate relief therefor; to require that the Federal Communications Commission prepare statements of economic impact on its actions which may have, or have had, a significant impact on increasing the rates for local telephone service; and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I am today introducing a bill at the request of the National Association of Regulatory Utility Commissioners which is designed to accomplish the following:

First. To declare that the national communications policy of the Congress shall be to encourage the universality of home telephone service;

Second. To provide, through the Federal-State Joint Board procedure, an alternative means for affording economic relief to home telephone users—other than changes in jurisdictional separations procedures which shift more telephone plant and expenses under Federal control—by permitting the designation of a certain percentage of the revenue from interstate and foreign calling to be used for reducing the cost of residential telephone exchange service; and

Third. To require the Federal Communications Commission, through the Federal-State Joint Board procedure, to prepare for each of its proposals, policy statements, reports or orders, which may

have, or is having, a significant impact on increasing the rates for telephone exchange service, a detailed statement of such impact.

Because of the significance of the issue raised in this legislation, I am submitting for the RECORD a detailed justification as prepared by the National Association of Regulatory Utility Commissioners.

I ask unanimous consent to have the justification and bill printed at this point in the RECORD.

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

JUSTIFICATION FOR THE HOME TELEPHONE ACT

PREFACE

The editions of The Washington Post on March 13, 1974, carried a powerful and thought-provoking story on two elderly sisters and their struggle to stay alive on a combined social security income of $296.30 a month.

Among the many significant points raised by the story was the insistence of the two women on maintaining a telephone in their home despite the many other sacrifices they had to make, and the life-saving role that telephones played when one of them suffered a 3:00 a.m. heart attack.

We believe that the plight of these two sisters is symbolic of that of hundreds of thousands of other Americans across the Nation who are living on low or fixed incomes. If present trends continue, they may no longer be able to afford a telephone in their homes with which to summon fire, police and medical assistance or to maintain a link—no matter how tenuous—with the world around them.

GOALS

As a response to this serious and growing national problem, the National Association of Regulatory Utility Commissioners (NARUC)[1] has drafted the Home Telephone Act to accomplish the following three goals:

(1) To declare that the national communications policy of the Congress shall be to encourage the universality of home telephone service;

(2) To provide, through the Federal-State Joint Board procedure, an alternative means for affording economic relief to home telephone users (other than changes in jurisdictional separations procedures which shift more telephone plant and expenses under Federal control) by permitting the designation of a certain percentage of the revenue from interstate and foreign calling to be used for reducing the cost of residential telephone exchange service; and

(3) To require the Federal Communications Commission, through the Federal-State Joint Board procedure, to prepare for each of its proposals, policy statements, reports or orders, which may have, or is having, a significant impact on increasing the rates for telephone exchcange service, a detailed statement of such impact.

NEEDS

The local and intrastate telephone users, whose rates are regulated by the State agencies, are continuing to suffer a sad and dramatic economic fallout as a result of longstanding indifference to their needs on the part of the Federal Communications Commission in regulating the telephone plant and expenses required for interstate operations.

For example, since January 1, 1969, the FCC has granted an interstate rate reduction in the amount of $237 million (early 1970) and interim interstate rate increases in the amounts of $250 million and $150 million—a net increase of $163 million as applied to the Bell System. In contrast, the State commissions since January 1, 1969, have been forced to grant Bell System companies rate increases of approximately $2.9 billion plus Bell companies now have pending in the States rate increase requests for $.47 billion more.

This shocking state of affairs greatly benefits the small relatively affluent class of interstate users to the immediate detriment of the vast majority of local and intrastate ratepayers. The burden, of course, falls most heavily upon the economically underprivileged—like the two sisters in the *Post* story and others fighting to survive in this age of acute inflation. Under the growing unfairness of this rate structure, more and more people will be deprived of the telephone service which is so important to our way of life today.

This shocking state of affairs is brought about by the continuing strong trend of cost reduction in interstate communications due to technological advances such as coaxial cable, microwave and satellites. These cost efficiencies have offset cost increases to such an extent that interstate rates are 25 percent less overall today than they were in 1940![2] This cost reduction trend will be greatly strengthened in the future by the use of laser beams to transmit long distance calls.

In contrast, there have been no such technological cost savings in local operations where each customer must have a telephone, which is only used on a national average of thirty minutes a day.

The FCC over the years could have prevented the development of this serious economic discrimination by equitably reflecting the cost of the local network in the rates for interstate calling, so that the benefits of technological advances could be shared throughout the telephone system. Such an approach could easily have been justified since the local network is indispensable to obtaining access to the interstate network.

Instead, the FCC has sought to avoid such changes in telephone pricing because it deplores interstate rate increases irrespective of the national need to reduce the cost of local calling. Even when the FCC has been persuaded to afford relief, it has always been too little, too late.

Moreover, the FCC's new policies of competition in interstate communications have greatly intensified the difficulties of obtaining future relief from this discrimination because the common carriers vigorously oppose any increase in interstate costs in the face of growing competition.

The first such policy resulted from adoption by the FCC in 1968 of the *Carterfone Decision*[3] in which it held that "a customer desiring to use an interconnecting device to improve the utility to him of both the telephone system and a private radio system should be able to do so, so long as the interconnection does not adversely affect the telephone company's operations or the telephone system's utility for others." The practical effect of this ruling to permit the liberalized interconnection of customer provided devices is to primarily benefit business users by reducing their communication costs and, further, to increase the profits of unregulated manufacturers of PBX and other communication equipment, both foreign and domestic. Accordingly, the general public will be forced to shoulder a greater economic burden in supporting the public network operated by the regulated common carriers to the extent their revenues are reduced by the conferral of the economic benefits on big users and manufacturers.

As an illustration of the threat of this policy to the economic viability of local exchange service, the NARUC points out that in 1973 the Bell System earned approximately $2.2 billion in local service revenues from PBX and key telephone systems alone—the two primary areas of interconnect competitive activity—which constitute 19 percent of its total local service revenues for 1973. Of this total, approximately $959 million constituted a "subsidy" of Bell System local exchange operations.[4] For the industry as a whole, approximately $1.2 million of 1973 PBX and key system revenues constituted a "subsidy" of local exchange service, which amounts to approximately $18 annually per residential customer or about $1.50 per month.[5] Obviously, therefore, reduction or diversion of this subsidy as a result of competitive penetration would require the telephone industry to make up its losses from the other ratepayers.

The second such policy was promulgated by the FCC in its *Specialized Common Carriers Decision*[6] in 1971, in which it established a policy contemplating extensive competition among existing and new common carriers in the sale of specialized interstate communication services in the rapidly growing field of data transmission. This policy does not take into account the adequacy or inadequacy of existing common carrier service. Accordingly, it represents an abrupt reversal of long-standing FCC interpretation of the requirements of the Communications Act and violates time-proven concepts of public utility regulation.

The certification of new carriers to provide specialized services, where existing carriers adequately serve, will again benefit business users. The economies achieved by these favored few will place a greater economic burden on the millions of small users across the Nation. Rosel Hyde, then Chairman of the FCC, described this kind of regulatory philosophy as being "designed to cost the average American ratepayer money to the immediate benefit of a few with special interests."[7]

Presently, the Bell System obtains 40 to 45 percent of its interstate message telephone service revenue, and 55 to 60 percent of its interstate private line revenue, from markets served, or sought to be served, by specialized common carriers. For 1973, Bell's total interstate message telephone service revenue was $5.719 billion and its interstate private line revenue was $.863 billion. Obviously, the potential for revenue loss is enormous either by Bell reducing its rates in such market to meet the competition or by loss of business to its competition. Once again, other ratepayers will be called upon to make up the difference.

Thus far, the FCC has created and fostered these new concepts of liberalized interconnection and specialized common carriers without determining their economic impact on the vast majority of Americans. How can the FCC engage in rational decisionmaking on such major issues without knowing such impact?

The NARUC has long urged that resolution of the threshold question of whether there will be an adverse economic impact on ordinary telephone subscribers, and if so, the probable extent thereof, is an indispensable predicate for developing sound public policy concerning specialized common carriers and the interconnection of customer-provided telephone station equipment to the public network. Since the urgings of the NARUC met with no substantive response from the FCC, the NARUC Committee on Communications on November 16, 1973, instituted its Investigation into the Economic and Quality of Service Impact on Telephone Service Subscribers Resulting from the Interconnection of Subscriber-Provided Equipment to the Public Switched Telephone Network, and from Competition by the Specialized Common Carriers in the Provision of Telecommunication Services.

The Investigation included four days of public hearings, the submission of over 500

Footnotes at end of article.

pages of testimony and exhibits, and the development of 700 pages of transcript.

The NARUC Committee on May 15, 1974, publicly released its Report on the Investgation, arriving at the following conclusions on economic impact:

"On the basis of its investigation, including independent analyses by its staff, the Committee is convinced that under current regulatory policies, there will be a substantial adverse economic impact on local exchange telephone subscribers resulting from interconnection (principally of private branch exchanges and key telephone systems) and specialized common carrier competition, and further, that the most likely competitive responses by the existing common carriers will serve to exacerbate the nearterm impact to the detriment of the local exchange subscriber.

"Specifically, the Committee estimates that by 1980 the 'cost' of interconnection and specialized common carriers in terms of higher local serice rates will range at a minimum from approximately $600 million to $1.0 billion annually, depending upon the nature and extent of the competitive responses of the existing carriers, and by 1984 this total is expected to reach approximately $1.5 billion to $1.7 billion annually. On a cumulative basis, these costs are estimated to range at a minimum from approximately $2.0 billion to $4.0 billion by 1980, and from approximately $6.7 billion to $9.6 billion by 1984.

"Of these totals, the minimum cost of interconnection is estimated to be approximately $360 million to $740 million annually by 1980, and $900 million to $1.0 billion annually by 1984, with the minimum cost of the specialized common carriers estimated at approximately $270 million annually by 1980 and $670 million annually by 1984. Translated, these costs amount to a minimum of approximately $8 to $13 annually per residential subscriber by 1980, and from approximately $18 to $19 annually per residential subscriber by 1984.

"The Committee further concludes that residential subscribers almost inevitably will be required to bear the cost of these policies, since they are the only class of telephone user which could absorb such costs without an adverse reaction in the competitive services. By 1980, the Committee estimates that a minimum increase of 8 to 13 percent would be required in residential exchange rates to offset the cost of interconnection and specialized common carriers, and by 1984, a minimum increase of 15 to 16 percent would be required. Such increases would be solely due to competition in telecommunications and would be exclusive of normal increases that could be expected from other causes during this period of time.

"With respect to the impact of interconnection within the telephone industry, the minimum cost to the Independent subscribers is estimated to range from approximately $70 million to $160 million annually by 1980, compared to a minimum of approximately $290 million to $580 million annually for Bell System subscribers, and by 1984 the cost is estimated at a minimum of approximately $120 million to $170 million annually for Independent subscribers, compared to a minimum of approximately $800 million to $860 million annually for Bell System subscribers. Because Independent companies generally serve more rural and less densely populated areas of the country, the Committee concludes that interconnection may well have a significant adverse effect on the availability of local telephone service at a reasonable price in these areas of the country.[8]"

Footnotes at end of article.

REMEDIES PROVIDED BY THE ACT

The foregoing illustrates a type of breakdown in the communications regulatory process which has been occurring under the Communications Act [47 U.S.C., Sec. 151 *et seq.*] and which the proposed Home Telephone Act seeks to remedy.

In part, indifference at the Federal level as to the plight of local exchange ratepayers has been fostered by the erroneous belief that the social policy expressed in Section 1 of the Communications Act, 47 U.S.C., Sec. 151, no longer has relevance to current regulatory decision-making. It is doubtless true that, since telephone service is currently installed in about 94 out of 100 households in the contiguous States, the objective of making telephone service ". . . available, so far as possible, to *all* the people of the United States . . ." [47 U.S.C., Sec. 151. Emphasis added.] has substantially been achieved. Nevertheless, it is clear that ignoring the escalation of local service rates threatens to wipe out a portion of the progress that has been achieved over many years of endeavor, as well as to stop completely any further progress toward the goal of universal telephone service in the United States.

For these reasons, the Home Telephone Act would strengthen the Congressional declaration of purpose in the Communications Act by specifically reaffirming that it is the national communications policy to encourage the establishment and maintenance of rates for telephone exchange service which are within the economic reach of every household in the United States.

In addition, the Home Telephone Act establishes a regular procedure, apart from changes in separations procedures, by which rate relief would be provided to the local exchange ratepayer as needed. One way by which such relief could be granted is to modify current procedures for allocating telephone company plant and expenses between intrastate and interstate operations. However, experience has shown that the FCC is very reluctant to shift costs from intrastate service to interstate service, and when it has been persuaded to make such changes the relief afforded has been too little, too late.

Moreover, the concept of allocating more and more telephone plant and expenses to interstate operations is unsound over the long term because each new allocation diminishes the local control assured by State jurisdiction.

Accordingly, the Home Telephone Act specifies that a Federal-State Joint Board procedure [47 U.S.C., Sec. 410(c)] shall be used to establish a mechanism whereby a portion of the revenues earned by common carriers from interstate services would be credited against the cost of providing residential telephone exchange service. The mechanism provided for herein would supplement rather than supplant separations procedures and would result in the automatic sharing of technological cost efficiencies throughout the telephone system.

Finally, the Home Telephone Act would prevent and correct breakdowns in the communications regulatory process, such has occurred as a result of FCC interconnection and specialized common carrier policies, by requiring the FCC to evaluate in detail any policy or action which may have a significant impact on increasing the rates for telephone exchange service. This requirement would apply to both existing and future such policies or actions.

The purpose to be served by such a requirement is cogently summarized by the *NARUC Report on Interconnection and Specialized Common Carrier Investigation*, which concludes (at 92):

"Had studies similar to the instant investigation been made prior to implementation of the [FCC's interconnection and specialized common carrier policies], no doubt appropriate regulatory strategies would have been devised long ago to ameliorate or vitiate the adverse consequences thereof. *Now, however, regulation must move with particular dispatch to successfully avert the dangers faced.*" (Emphasis added.)

THE FEDERAL-STATE JOINT BOARD: THE GREAT "NON-EVENT" IN FCC DECISION-MAKING

The Congress in 1971 enacted the Federal-State Communications Joint Board Act [47 U.S.C., Sec. 410(c)] to establish a meaningful vehicle for strengthening FCC-State cooperation in solving regulatory problems of joint concern. The Act provided that the convocation of a Joint Board would be mandatory in "any proceeding regarding the jurisdictional separation of common carrier property and expenses between interstate and intrastate operations" and permissive as to "any other matter, relating to common carrier communications of joint Federal-State concern." A Joint Board would be composed of three FCC commissioners and four State commissioners nominated by the NARUC, and would prepare a recommended decision for review and action by the FCC. In addition, the State members of the Joint Board shall sit with the FCC at any oral argument in the proceeding, and the FCC shall afford them an opportunity to participate in its deliberations, but not vote, when it has under consideration the recommended decisions of the Joint Board.

Although the Joint Board procedure does not impair the integrity of FCC decision-making, the FCC has nevertheless consistently avoided any meaningful use of this procedure except in the narrowly mandated area of jurisdictional separations.

The Western Electric Pricing Investigation. The NARUC by letter of January 20, 1972, requested the convocation of a Federal-State Joint Board in the Western Electric Pricing Investigation, FCC Docket No. 19129, pointing out that Western Electric manufactures approximately 75% of all communications equipment sold in the United States and that its prices are reflected in ratemaking by the FCC and State regulatory agencies. 84th NARUC Annual Convention Proceedings, pp. 972–977 (1972).

FCC Chairman Dean Burch by letter of February 23, 1972, to Chairman John O. Pastore of the Subcommittee on Communications of the Senate Committee on Commerce stated that a Joint Board was inappropriate in the Investigation because the FCC determinations therein "will operate only upon interstate rates and services and will have no effect on intrastate rates or revenue requirements." 84th NARUC Annual Convention Proceedings, pp. 977–981 (1972).

This conclusion is fallacious since Western Electric pricing largely determines the intrastate rate base of Bell System operating companies.

The Interconnection Proceeding. The FCC in June 1972 issued a Notice of Inquiry and Proposed Rule Making and created a Federal-State Joint Board[9] to consider and decide issues with respect to the liberalized interconnection of subscriber-provided equipment to the public switched telephone network. FCC Docket No. 19528; 84th NARUC Annual Convention Proceedings, p. 1175 (1972).

Although almost two years have elapsed, the FCC has not yet convened the Joint Board. Worse yet, some of the most important issues in the proceeding, as hereinafter explained, have been siphoned off into other non-Joint Board proceedings.

FCC Interconnection Preemption Decision. The North American Telephone Association (NATA) (a national trade organization of companies engaged in the manufacture, distribution, installation and maintenance of interconnected communications terminal equipment and systems) petitioned the FCC

on August 8, 1973, for a declaratory ruling that FCC decisions on interconnection have preempted State regulatory jurisdiction in this area. 85th NARUC Annual Convention Proceedings, pp. 1242–1250 (1973). Instead of placing the NATA petition in the Docket No. 19528 Joint Board Proceeding (which was to consider and decide interconnection issues in their broadest context), the FCC used the petition to institute an expedited non-Joint Board proceeding (Docket No. 19808).

Accordingly, the NARUC by letter of October 11, 1973, requested the FCC to either merge Docket No. 19808 into the Joint Board proceeding in Docket No. 19528, or convene a Joint Board in Docket No. 19808. NARUC Bulletin No. 43–1973, p. 14. However, the FCC declined by telegram of October 29, 1973, stating that "the question involved in Docket 19808 relates exclusively to the scope of this Commission's authority under the Communications Act with respect to interstate and foreign communications services. NARUC Bulletin No. 45–1973, p. 2.

Data Access Arrangement Tariff. The NARUC by letter of June 5, 1973, to FCC Chairman Dean Burch referred to the fact that FCC Administrative Law Judge Frederick W. Denniston had certified to the Commission the question of whether the "need and technical performance characteristics" of a Data Access Arrangement (DAA) should be deemed an issue in a proceeding captioned In the Matter of American Telephone and Telegraph Company—Long Lines Department (AT&T), Revisions of Wide Area Telephone (WATS) Tariff F.C.C. No 259 and Private Line Service (PLS) Tariff F.C.C. No. 260, and the Western Union Telegraph Company (Western Union), Revisions of Tariff F.C.C. No. 254, FCC Docket No. 19419. This proceeding involved tariffs filed by AT&T on the DAA for customer-provided equipment. 85th NARUC Annual Convention Proceedings, p. 1240 (1973).

The NARUC pointed out that "the need and technical performance characteristics" of connecting arrangements for customer-provided equipment was a principal issue before the Joint Board in FCC Docket No. 19528, and that the issues before the Joint Board should not be prejudiced by a prior determination in a separate proceeding. Accordingly, the NARUC requested that such issue in Docket No. 19419 be deferred until the appropriate determinations had been made in Docket No. 19528, or alternatively that Docket No. 19419 be consolidated with Docket No. 19528 to the extent the issues were deemed to overlap. A third possibility suggested by the NARUC was that determination in Docket No. 19419 should be made only after consultation with the Joint Board and without prejudice to subsequent Joint Board decisions.

The FCC did not respond to this letter. The requests contained therein were denied. 85th NARUC Annual Convention Proceedings, pp. 1240–1241 (1971).

The Land Mobile Communications Proceeding. This proceeding basically concerns the manner and extent to which the frequency band 806–960 MHz should be set aside for the development of land mobile communications services. At an advanced stage of the proceeding the Office of Telecommunications Policy (OTP) submitted its views for the record, which included a suggestion that the FCC preempt State regulation of radio common carriers. In its comments on these views filed with the FCC, the NARUC, *inter alia*, urged the FCC to institute a Joint Board proceeding in the event it wished to consider whether a substantially uniform economic regulatory policy concerning radio common carriers would be in the public interest. NARUC Bulletin No. 44–1973, p. 19.

The NARUC's request was ignored by the FCC, which has recently acted to implement the foregoing views of OTP. NARUC Bulletin No. 19–1974, p. 18.

The Economic Impact Investigation. After repeated requests over several years by the NARUC and other parties, the FCC has recently initiated an inquiry in Docket No. 20003 into the economic impact of its interconnection and specialized common carrier policies on ordinary telephone users, as well as other issues deemed to interrelated. NARUC Bulletin No. 16–1974, p. 23. Specifically put in issue in the proceeding, in addition to economic impact, are the procedures for the separation and allocation of plant investment and operating expenses between the interstate and intrastate operations of telephone companies, and the effects of cost-insensitive rate structures, which generally apply to exchange service regulated by the State commissions.

Incredibly, however, the FCC failed to convene a Federal-State Joint Board for the purpose of conducting its inquiry. Moreover, by instituting this inquiry as a separate docket, the FCC has in effect taken the economic issue out of the Joint Board proceeding in Docket No. 19528.

Accordingly, by letter to FCC Chairman Richard E. Wiley dated April 17, 1974, the NARUC pointed out:

"The economic impact of specialized carriers and liberalized interconnection, whatever it is, will fall most heavily on the users whose rates are regulated by the State agencies. Any change in separations procedures will have a direct and pronounced impact on their rate burden, and any consideration by the FCC of usage sensitive pricing is really an evaluation of the efficacy of State ratemaking methodology.

"If the FCC does not plan to use a Joint Board here, does it ever plan to use one, except in the narrow confine of a separations proceeding instituted "pursuant to a notice of proposed rulemaking"? Obviously, the Congress in enacting Section 410(c) intended that it would be used, and we hope very much that the FCC will use it here." (NARUC Bulletin No. 16–1974, p. 26.)

In summary, therefore, despite many opportunities and requests to do so, the FCC has never used the Joint Board procedure since passage of the Federal-State Communications Joint Board Act. In the one instance where a proceeding was actually designated for consideration by a Joint Board, the Joint Board has never been convened and the substantive issue originally in the case has been siphoned off to a non-Joint Board "inquiry." The NARUC believes that it was Congress' intention that the Joint Board would be a used and useful mechanism for effectuating meaningful Federal-State cooperation, rather than an object to be cast in a corner to collect only dust and the bemused attention of legal scholars and regulatory academicians.

FOOTNOTES

[1] The NARUC is a quasi-governmental nonprofit organization founded in 1889. Within its membership are the governmental bodies of the fifty States engaged in the regulation of utilities and carriers. The mission of the NARUC is to improve the quality and effectiveness of public regulation in America. More specifically, the NARUC contains the State officials charged with the duty of regulating communication common carriers within their respective States and, as such, they have the obligation to assure the establishment and maintenance of such communication service and facilities as may be required by the public convenience and necessity, and the furnishing of service at rates that are just and reasonable.

[2] Report of the NARUC Committee on Communications on *An Investigation into the Economic and Quality of Service Impact on Telephone Service Subscribers Resulting from the Interconnection of Subscriber-Provided Equipment to the Public Switched Telephone Network and from Competition by the Specialized Common Carriers in the Provision of Telecommunication Services*, dated May 15, 1974 (hereinafter referred to as *NARUC Report on Interconnection and Specialized Carrier Investigation*), p. 62.

[3] 77 PUR 3d 417, 13 FCC 2d 420, reconsideration denied, 14 FCC 2d 571.

[4] *NARUC Report on Interconnection and Specialized Common Carrier Investigation*, pp. 39–40.

[5] *Id.*

[6] 29 FCC 2d 870, reconsideration denied 31 FCC 2d 1106. This decision has been appealed to the United States Court of Appeals for the Ninth Circuit. *Washington UTC* v. *FCC*, No. 71–2919; and *NARUC* v. *FCC*, No. 72–1198.

[7] *Re Microwave Communications, Inc.*, FCC Docket Nos. 16509–16519, 18 FCC 2d 953, 81 PUR 3d 209, at p. 225 (1969).

[8] See *NARUC Report on Interconnection and Specialized Common Carrier Investigation*, pp. 18–29.

[9] The creation of this Joint Board had been requested by NARUC letter of October 29, 1971. *84th NARUC Annual Convention Proceedings*, pp. 1172–1173.

S. 3580

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

SEC. 1. This Act may be cited as the "Home Telephone Act".

SEC. 2. Section 1 of the Communications Act of 1934, as amended (47 U.S.C., Sec. 151), is hereby further amended by inserting "(a)" after "Sec. 1" and by adding at the end a new subsection to read as follows:

(b) It is hereby declared to be the national communications policy of the Congress that the regulation of interstate and foreign communication by wire or radio shall be exercised in such manner as to encourage, so far as possible, the establishment and maintenance of rates for telephone exchange service which are within the economic reach of every household in the United States for the purpose of providing the members thereof with the means of promptly summoning medical assistance and fire and police protection, and participating more fully in the business and social life of their communities. To this end, the Commission shall, through the use of the Federal-State Joint Board prescribed in Section 410(c) of the Act:

(1) Adopt and apply such procedures, formulae or criteria as are appropriate to share the economies of interstate and foreign communication with telephone exchange service users by prescribing rates for interstate and foreign communication users in using telephone exchange plant to be paid to common carriers furnishing same for the purpose of reducing the cost of providing residential telephone exchange service;

(2) Include in every proposal, policy statement, report or order, which may have a significant impact on increasing the rates for telephone exchange service in the future, a detailed statement of such anticipated impact; and

(3) Reevaluate, within two years from the effective date of this Act, each existing policy statement, report or order, whose continuation may have a significant impact on increasing the rates for telephone exchange service in the future, and prepare thereon a detailed statement of such impact, both present and anticipated.

Nothing in this subsection shall impair or diminish the powers of any State commission.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 585

At the request of Mr. COOK, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of S. 585, to amend

section 303 of the Communications Act of 1934 to require that radios be capable of receiving both AM and FM broadcasts.

S. 3273

At the request of Mr. COOK, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 3273, to amend the act which created the U.S. Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes.

SENATE JOINT RESOLUTION 197

At the request of Mr. GOLDWATER, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of Senate Joint Resolution 197, to authorize the designation of the 7-day period beginning June 17, 1974, and ending June 23, 1974, as "National Amateur Radio Week."

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1974—AMENDMENTS

AMENDMENT NO. 1380

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

Mr. McINTYRE (for himself and Mr. BROOKE) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

AMENDMENT NO. 1381

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

Mr. CHILES. Mr. President, I submit an amendment to Senate bill 3000, and ask unanimous consent that the amendment be printed in the RECORD.

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

AMENDMENT NO. 1381

On page 17, between lines 20 and 21, add two new sections, as follows:

SEC. 703. Beginning with the fiscal year ending June 30, 1977, the Secretary of Defense shall submit to the appropriate committees of Congress, together with other information in support of the proposed budget for the Department of Defense, the following information—

(1) budget authority, proposed budget authority, outlays and proposed outlays for each defense mission, including all missions necessary to provide a complete presentation of end-purpose functions and subfunctions being performed to provide for national defense; and

(2) for each defense mission identified pursuant to paragraph (1) above—

(A) a discussion and description of the relationship to and role in executing overall defense policy, strategy, and fulfilling foreign policy commitments:

(B) a discussion and description of current and projected levels of mission capability based on existing and approved inventories of systems and those under development together with equipment and support programs;

(C) a discussion and description of current and projected threats to mission capability and the need for increasing or decreasing the level of mission capability with regard to subparagraph (B) above;

(D) the need, if any, to undertake a new major acquisition program to provide an increase or replacement of mission capability and the goals for such new acquisition programs;

(E) the allocation of budget authority from each authorization account to be used for mission-related activities, such allocation to include, with subdivisions to identify the military departments or defense agencies to which such funds are apportioned—

(i) research, development, test and evaluation for exploratory, advanced, and engineering development, or other activities, to explore alternative systems to meet a specific mission need and for final development of preferred systems chosen to meet a specific need, provided that basic research and exploratory development activities not related to any specific defense mission shall be collectively identified as in support of the defense technology base;

(ii) procurement of systems and equipments for mission inventories; and

(iii) to the extent practicable, related manpower, operations and maintenance, and military construction activities.

SEC. 704. (a) Beginning with the fiscal year ending June 30, 1977, funds authorized to be appropriated to the Department of Defense for research, development, test, and evaluation shall be available for such purposes only when the Secretary of Defense has certified to the Congress that—

(1) the activities are in response to a specific mission need and part of a new major acquisition program to increase or replace mission capability;

(2) the mission need and program goals have been reconciled with overall defense capabilities and resources;

(3) the mission need and program goals have been stated independent of any type of system product;

(4) the programs goals have been based on long-term projections of mission capability and deficiencies and clearly specify the total costs within which new systems are to be bought and used; the level of mission capability to be achieved above that of projected inventories and existing mission forces; and the time period in which the new mission capability is to be achieved;

(5) the responsibility for responding to a specific mission need has been clearly delegated to military departments and defense agencies so that either:

(A) a single department or agency is responsible for developing alternative systems; or

(B) competition between two or more departments or agencies is formally recognized with each offering and exploring alternative systems;

(6) alternative systems to meet the mission need have been created by—

(A) soliciting industry proposals for new systems with a statement of the mission deficiency; time, cost, and capability goals; and operating constraints, with each offeror free to propose system concept, technical approach, subsystems, and principal design features;

(B) soliciting system proposals from smaller firms that do not own production facilities provided they have:

(i) personnel experienced in major development and production activities; and

(ii) contingent plans for later use of required equipment and facilities;

(7) alternative systems being explored to meet the mission need have been selected by the head of the responsible department or agency concerned from a review of all systems proposed and with the evaluation and advice of a team of experts including members drawn from outside the cognizant military development organizations;

(8) competition between contractors exploring alternative systems to meet the mission need is being maintained by—

(A) limiting contract commitments to annual, fixed-level awards, subject to periodic review of contractors technical progress by the sponsoring military department or defense agency;

(B) assigning representatives of the sponsoring department or agency with relevant operational experience to advise competing contractors as necessary in developing performance and other requirements for each candidate system as tests and trade-offs are made; and

(C) concentrating activities of in-house development organizations, laboratories, and technical and management staffs on monitoring and evaluating contractor competitive development efforts, and participating in those tests critical to determining whether the system candidate should be continued in competition;

(9) he, or his duly authorized representative, has decided to conduct a full system-level competitive demonstration of two or more candidate systems by—

(A) selecting contractors for system demonstration depending on their relative technical progress, remaining uncertainties, and economic constraints;

(B) providing selected contractors with the operational test conditions, mission performance criteria, and lifetime ownership cost factors that will be used in the final system evaluation and selection;

(C) proceeding with final development and initial long-lead production and with commitments to a firm date for operational use after the mission need and program goals have been reaffirmed and competitive demonstration results have proved that the chosen technical approach is sound and definition of a system procurement program is practical.

(b) The requirements of subsection (a) shall not apply to funds authorized to be appropriated for research, development, test, and evaluation when such funds are used for activities to support the technology base not related to any specific defense mission need, but only if such activities are limited to basic and applied research, proof of concept work, or exploratory subsystem development restricted to less than fully designed hardware not identified as part of a system candidate. Support of technology base activities and the new candidate systems that emerge shall be done competitively.

(c) The requirements of subsection (a) (8) and (9) shall not apply if the Secretary of Defense certifies to the Congress that research, development, test, and evaluation activities should be concentrated on a single system candidate without further exploration of competitive offers and that actions have been taken to—

(1) establish a strong centralized program office to take direct technical and management control of the program;

(2) integrate selected technical and management contributions from in-house groups and contractors;

(3) select contractors with proven management, financial, and technical capabilities as related to the problems at hand;

(4) use cost-reimbursement contracts for high technical risk portions of the program; and

(5) estimate program cost within a probable range until the system reaches the final development phase.

(d) Beginning with the fiscal year ending June 30, 1977, funds authorized to be appropriated for procurement for the Department of Defense shall be available for these purposes only when the Secretary of Defense determines that—

(1) the mission need has been reconfirmed and system performance has been validated in an environment that closely approximates the expected operational conditions; or

(2) the costs of system operational test and evaluation prior to production substantially outweigh the benefits in terms of reduced cost growth for correction of system deficiencies and other factors.

AMENDMENT NO. 1382

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

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to Senate bill 3000, supra.

AMENDMENT NO. 1386

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

Mr. JAVITS submitted an amendment, intended to be proposed by him to Senate bill 3000, supra.

AMENDMENT NO. 1387

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

Mr. MANSFIELD (for himself, Mr. METCALF, Mr. MAGNUSON, Mr. JACKSON, Mr. CHURCH, Mr. HATFIELD, Mr. PACKWOOD, Mr. MCCLURE, Mr. MCGOVERN, and Mr. ABOUREZK) submitted an amendment, intended to be proposed by them jointly, to Senate bill 3000, supra.

MORTGAGE CREDIT FOR FINANCING OF HOUSING—AMENDMENT

AMENDMENT NO. 1383

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

Mr. BEALL (for himself and Mr. MATHIAS) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3511) to increase the availability of urgently needed mortgage credit for the financing of housing, and for other purposes.

EXEMPTION FROM DUTY CERTAIN REPAIRS ON U.S. VESSELS—AMENDMENTS

AMENDMENTS NOS. 1384 AND 1385

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

Mr. GRAVEL submitted two amendments, intended to be proposed by him, to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

ANNOUNCEMENT OF HEARINGS ON FOREIGN ASSISTANCE AUTHORIZATION BILL (S. 3394)

Mr. METCALF. Mr. President, on behalf of the acting chairman of the Foreign Relations Committee, Mr. SPARKMAN, I wish to announce that the committee will begin hearings on S. 3394, the President's request for foreign assistance authorizations, on Friday, June 7 at 10 a.m. in room 4221, Dirksen Senate Office Building, when Secretary of State Kissinger will testify. Secretary of Defense Schlesinger is scheduled to testify on this subject on June 26. Additional hearings will be announced as they are scheduled.

ADDITIONAL STATEMENTS

REPORT ON VIETNAM

Mr. GOLDWATER. Mr. President, in late May my legislative assistant, Mr. Terry Emerson, was invited to spend a week in the Republic of Vietnam as a guest of the Vietnam Council on Foreign Relations. The council is a private association dedicated to promoting complete and accurate information about all aspects of life in South Vietnam.

During his visit, the council arranged for my aide to meet with numerous Cabinet Ministers of the Vietnam Republic, several opposition leaders and writers, and in general, to see and visit anyone and any location throughout South Vietnam which he indicated a desire to meet or inspect.

The schedule which Mr. Emerson requested included 5, 15 to 18-hour workdays of extensive study and travel inspections, ranging from a marine outpost near the 17th parallel in the North to the rich rice growing area of the southern delta.

In view of the great interest of all Americans in the situation in South Vietnam, and, in particular, because of its relevance to the pending consideration of Vietnam-related legislation by the Congress, I have asked Mr. Emerson to prepare a series of reports on the major aspects of his study program for insertion into the RECORD. I believe Mr. Emerson's observations are objective, and certainly they are as immediate as any information which one can read in the various news media.

In order that this current and detailed firsthand information may be available for study by interested students of Vietnam in Congress, the executive branch, and the general public, I ask unanimous consent that the first of a series of reports by Mr. Emerson regarding the situation in South Vietnam be printed in the RECORD.

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

REPORT ON VIETNAM—I

(By J. Terry Emerson)

CONFIDENCE IN MRI

"Ammunition. Ammunition is what we need," Lt. General Lam Quang Thi was telling the visiting group of Americans. We were eating a box lunch of Vietnamese chicken and French bread from Hue, sitting in a clearing not more than 800 yards from a company of Communist soldiers.

We were at a Republic of Vietnam outpost on Thach Han River, near the 17th parallel. In Easter of 1972, three divisions of North Vietnamese forces had crossed in the same area during a massive invasion which almost reached the imperial city of Hue, then was repelled.

We would have made a tempting target for a new attack, across the Cease-Fire line which separates the current Northern and Southern forces. Our group consisted of ten Americans, senior staff aides to U.S. Congressman and Senators. The South Vietnam party included our host, General Thi, Commanding General of Republic of Vietnam I Corps, Forward Headquarters, and Brigadier General Bui The Lan, Commander of the lone division of South Vietnamese Marines.

Confidence filled the Republic forces. Confidence the enemy would not attack us, although we were gathered in direct and open eye-shot of the Communist post. Confidence in their ability to defeat the enemy should he mount another major battle. The same determination and dedication to win for their country marked these military leaders as we had noticed in a week of visiting with free Vietnamese forces in three military districts.

Earlier that morning, we had rested briefly at a refugee resettlement village in Quang-Tri Province, about half-a-mile from Communist occupied territory. A narrow river separated us from contested ground. Yet, we sat with the two Generals at the river's edge, in a picnic-type area, enjoying a cool drink after visiting a refugee city and village being constructed by the military for the homeless victims of the 1972 Communist attack.

This was a major role of I Corps—rebuilding. This is why General Thi mentioned ammunition when we asked him what kind of help he needed most from the United States. Ammunition not for killing, but for protection. For making Quang-Tri Province secure for people to rebuild their lives in freedom.

I Corps intends to construct enough homes for 630,000 refugees by the end of this June. Last year there was not one single house standing in Quang Tri; homes are now rising on absolutely desolated lands. Trees, vegetation, buildings, everything had been wiped away from the face of the earth because of the 1972 invasion.

Now, out of the former barrenness, the new city of Quang-Tri is rising and innocent people are returning to decent homes with an opportunity of a happy survival.

Will these people, beautiful school children, dressed in the traditional white gown and black pants, young infants smiling shyly at their doorsteps, farmers working with the soil they love, will all these living faces we saw be given a chance of life as they enjoy it? Or will many of these same people be condemned to the peace of a living tomb, to be buried alive as thousands of their compatriots suffered in the Tet uprising?

Death or misery are the options the Communists offer to those whom they cannot manipulate. Will America condemn the people of South Vietnam to a life of slavery or the loss of all life, or are we willing to make the small financial sacrifice needed for only two or three more years so that the Vietnamese economy and military can truly be made capable of self-sufficiency?

This is the question which the South Vietnamese people are asking themselves in 1974. The way America answers it may determine not only the fate of South Vietnam, but whether Americans of future generations will look at themselves with pride or shame.

THE FUTURE FOR COAL

Mr. HARRY F. BYRD, JR. Mr. President, over the Memorial Day weekend, I visited southwest Virginia, one of my State's proudest and most beautiful sections, part of which lies in one of the great coal-mining regions of America.

I returned from that visit with the conviction that the long-term future of the coal industry is bright.

In view of the shortages of other fossil fuels, and the long research, development and production time schedules as-

sociated with the newer energy forms, it is clear that coal demand is bound to be high in the years ahead.

We must bear in mind that 88 percent of the proven fuel reserves of the United States consists of coal—but that coal accounts for only 20 percent of our fuel consumption. Our immense reserves, which could last hundreds of years, must be utilized in the effort to achieve greater self-sufficiency in energy.

This does not mean, however, that there will be an "instant boom" in coal, or that new millions of tons will flow into the energy market in a short period of time.

While our reserves are great, and the need is great also, it will take a little time to solve the problems associated with greatly increased coal production.

For one thing, there is some uncertainty in the coal industry with regard to the future policy of the Government.

Delays in the enactment of energy legislation have caused some concern among coal men as to whether or not the Nation's energy policy will include a commitment to development of coal resources.

Moreover, the industry worries that environmental legislation governing the mining and burning of coal may be so restrictive as to make large-scale production increases impractical.

A second reason why shortrun increases in coal production are limited is a shortage of trained workers in the mines. In addition, railroad coal cars are in short supply at times.

A third factor is that large-scale, deep miles require a major investment of capital and time to develop.

Such increases in coal mining as have taken place in recent months, I am told, are primarily the result of small-scale surface mine operations and small drift mines which can be opened easily.

Not only do large-scale mines themselves require capital and time to develop, but so does the technology needed to overcome the environmental problems associated with coal—problems such as destruction of land by the old methods of surface mining, pollution of streams where there is acid runoff, and sulfur emissions from burning coal for power generation.

As we move toward solution of these problems, it is important that we not impose unreasonable restrictions.

In my view, the surface mining bill passed by the Senate last year (S. 425) went too far. Unless modified before final enactment, I fear that it will reduce our supply of available coal and cause unemployment in mining areas such as southwest Virginia.

I do not oppose reasonable restrictions on surface mining. Reclamation of land which has been mined from the surface is essential.

A law along the lines of Virginia's own State statute on surface mining would be acceptable. This law already has shown that surface mining can go forward without major, irreversible damage to the land.

In the long run, there are several areas in which I feel that we must make progress if our coal resources are to play their rightful role in meeting our energy problems.

We must improve our mining techniques, both from the point of view of safety and to protect the environment. Research in these fields, and practical application of the fruits of the research, are essential.

At the same time, we need to find ways to reduce the sulfur content of much of our coal supply. Improvement in the "scrubber" systems which purify stack gases, and development of alternatives to this approach, would be major steps in the right direction.

Finally, there should be a major effort to develop the promise inherent in systems for converting coal into clean-burning oil and gas. Work in this field already is going forward, and it is vital that it continue.

Today coal demand already is running high—well ahead of available supply, in fact—and prices have risen rapidly. Spot market prices are running around $35 a ton, several times the average cost of coal a year ago in Southwest Virginia.

At the same time, mine operators have been faced with skyrocketing production costs. The result is that the margin available for investment in large, new mines and technological improvements has not grown rapidly.

Understandably, the industry does not want to make large-scale investments without reasonable assurance that the necessary capital will not be lost by changes in Government rules—or by abandonment of coal development if the oil-producing States should suddenly make a dramatic price cut.

I am optimistic about the future for coal.

I am sure that the climate will become favorable for coal development, and that technology will lick the difficulties in mining and burning our most plentiful source of energy.

The Roanoke Times, on Sunday, May 26, published an excellent article on coal and its future. It was written by staff writer Ben Beagle. I ask unanimous consent to print it in the RECORD.

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

[From the Roanoke (Va.) Times, May 26 1974]

COAL OVERCOMING BLACK NAME

(By Ben Beagle)

Dirges were sung 20 years for the Southwest Virginia and Appalachian coalfields. Now the tune is more of a quickstep, although it is a quickstep which may slow if certain things do, or do not, happen.

Twenty years ago, natural gas and oil were cheaper than coal and then, as concern for the environment became one of the major issues of the last half of the century, coal got a bad name; its burning a menace to clean air, its extraction a menace to the land itself.

But that was before political decision in foreign lands brought on the oil embargo; the energy shortage; lowered thermostats; lines at gasoline stations.

Now, the federal government sees coal, the nation's most plentiful resource, as the answer to the energy crisis. Coal is seen as a political answer to the shortage of fuel. It is seen as a way to make this country independent again in energy so that it will never have to be hat in-hand again for foreign oil.

Demand has gone up, supply is down and the price of coal has exploded upward.

But with all that, coal has still not made it back to the economic majesty it once had in Southwest Virginia and elsewhere in the coalfields.

Although mine operators are said to be getting rich as they did in the old boom day in the mountains, when a host of sad ballads about the troubles of miners was born, coal has not yet taken off on a broad front.

Coal that brought $6 to $7 a ton a year ago, now brings $35, even more. Strip mining operations in Dickenson County doubled during the first quarter of this year compared to last year. They doubled during the time Virginians fretted in long gasoline lines and sometimes shivered with the thermostat at 68.

There is evidence that overnight millionaires are being made again in the coalfields, but as yet these fortunes have been made by small operators in the "spot market."

The large companies, needing millions of dollars in capital for opening new mines, have not moved into the boom yet.

The "spot market," fed by strip mines and by what some people irreverently call "dog holes"—small drift mines which can be opened cheaply and provide a quick return of investment—is now considered to be about 10 per cent of the total market.

The full blossoming of coal again, say many of the experts, will depend on what Congress does in a number of areas.

One of the most important of these actions will be a national energy bill, still sluggish in Watergate Washington, which will commit the country to coal as one of the major ways out of the energy crisis.

The big operators, the experts say, will also wait on congressional action on the environment and on health and safety standards before they commit themselves.

There has also been labor unrest in the coalfields and the demand for labor is great.

It is not rare to hear coal people claim that legislation put coal into a slump and that this legislation has left big operators unbalanced.

These people say that health and safety legislation and the passage of federal environmental laws kicked coal when it already was down.

And they say the large companies will not gamble huge capital outlays until there is some assurance from Congress that they will stand a reasonable chance of getting their investments back.

Right now, most of the big operators are tied up in long-term contracts with utilities and they are not rushing to open huge new deep mines.

Strip mining itself is part of coal's uncertainty and B. V. Cooper, executive director of the Virginia Surface Mining and Reclamation Association, claims that surface mining is doomed if Congress passes the strip mining bill it now has before it.

On the other hand, the energy crisis has not scared off the environmentalists. They are still active and they are still tough.

The legislation has become a paradox.

The surface miners say it will destroy the industry. The ecologists say the bill is not strong enough. Both sides have joined in fighting the proposed legislation.

Dr. J. Richard Lucas, chairman of Virginia Tech's Minerals Engineering Division, says the major companies, coal or oil, are not going to get into exotic methods of mining coal or of making it into other fuels until they are sure of what the government will demand of them or give them in the way of incentive.

Already, there are techniques for gasifying coal, turning it into natural gas. There are techniques, used in World War II by the

Germans, for actually liquefying coal and putting it into auto gas tanks.

Gasification of coal, Lucas says, is much closer economically to reality than liquification of it.

Lucas says major oil companies also fear another political decision—that perhaps the oil nations, now charging high prices for their product, may decide some day to drop their prices, becoming competitive with a United States which was developing its own oil supplies through coal.

This would drop the bottom out, Lucas feels, and billions of dollars invested in coal extraction and in sophisticated refining methods would be endangered.

There is a strong possibility of a strike by the United Mine Workers this fall and wildcat strikes have been spotted all over Appalachia.

It is said that a man willing to work in the mining of coal can now pick his own hours, not working a full week if he chooses. There are reports that companies hire two men for the same job, just to have an extra man in reserve.

The coal is down there in Appalachia and it is worth a lot of money and coal is not faltering any more. How serious the energy crisis becomes, some of the experts say, will determine whether it will get its old crown back.

U.S. SOVEREIGNTY OVER THE CANAL ZONE

Mr. HANSEN. Mr. President, I am one of more than 35 Senators sponsoring a resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama.

At my request, the Maritime Administration of the Department of Commerce has prepared an excellent detailed report entitled "The Panama Canal in U.S. Foreign Trade." There has been considerable speculation that dilution of U.S. sovereignty in the Canal Zone could lead to increased tolls for shipping, or even to closing of the canal, and this report, completed May 15, 1974, estimates "impact of a toll increase and facility closure."

I am hopeful that all of my colleagues who are concerned with the Panama Canal issue about which millions of Americans are concerned will take advantage of the opportunity to secure from the Commerce Department a copy of this report and its current estimates of some of the damage that could be inflicted upon the American people by change in status of the Canal Zone. The report deals only with an "assessment of the primary economic effects." Secondary effects were not addressed by the study and according to the Assistant Secretary for Maritime Affairs Mr. Blackwell:

The results can be construed as representing short-run estimates which indirect economic response might mitigate somewhat in the long run.

But the report shows, for example, that the annual loss of export revenue and the annual cost to U.S. consumers that may be expected if canal tolls were raised by 50 or 100 or 200 percent would range from on the order of $13 million to $50 million. The present toll is about 90 cents a cargo ton.

Should the canal be closed, for whatever reason following a change in the zone's status, the report warns that the following could be expected:

A 71-percent increase in the average annual consumption of fuel by carriers of U.S. foreign trade;

A 31-day increase in average shipping time;

A $932 million increase in the yearly total delivered price of all exports;

A $583 million increase in the yearly total delivered price of all imports including $78 million for intercoastal deliveries.

According to the report—

An increase in tolls would increase the transportation costs of U.S. exports and imports that are carried through the canal. These higher costs would be passed on as increased delivered prices of traded commodities. This in turn would increase the demand for exports and increase consumer costs for imports.

The report notes that:

A closure of the Panama Canal would increase voyage time and therefore increase the delivered prices of commodities that are normally carried through the canal. This price increase would have two components: one attributable to increased transportation costs, the other due to the increased capital cost of in-transit inventory.

Mr. President, this report, while apparently thorough, seeks to project only one aspect of the consequences that could follow a loss or erosion of U.S. control over the Canal Zone.

WORKER ALIENATION IN AN INDUSTRIAL SOCIETY

Mr. ABOUREZK. Mr. President until the recent economic crunch, the concern of the American worker, and of his supporting unions, seemed to be turning more toward self-fulfillment on the job. There was much discussion of the lack of dignity in certain jobs and how indifference was reflected in the final product.

While we may not be able to feasibly return en masse to the handmade product, we certainly can create systems in manufacturing that instill the feelings of pride and self-esteem any worker deserves.

I believe it is important to continue our investigations into the worker alienation found so prevalently in all industrial societies, and to encourage those companies and unions which attempt to find solutions to the problem.

Recently, Tom Wicker presented two articles in the New York Times, concerning the topic of worker alienation. I would suggest that the title of one of those articles—"A Plant Built for Workers"—be a guide for future production systems.

Mr. President, I ask unanimous consent that the two articles by Mr. Wicker be printed in the RECORD.

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

[From the New York Times, May 21, 1974]

A PLANT BUILT FOR WORKERS

(By Tom Wicker)

KALMAR, SWEDEN.—Henry Ford 2d was here one day last week to look over Volvo's new assembly plant. More Ford executives and other American automobile men are on the way, lured not only by reports that Volvo has found a different, perhaps better way to make automobiles but by the possibility that the Swedish firm also may have found a partial antidote to the worker alienation and discontent troubling industrial societies everywhere.

Volvo has at least made a major effort to adapt technology to human beings, rather than subordinating people to the dictates of the assembly line. The first thing that was eliminated in planning for the Kalmar plant, for instance, was the inexorably moving overhead conveyor belt of the usual assembly line; the second was the conventional method-time measurement technique of reducing every assembly-line function to its smallest dimension, so that the individual worker, too, played only the smallest role in producing the finished product.

The obvious consequences of those two decisions alone were to give workers some control over the pace of their work, and a greater share in—hence more responsibilty for—production of each Volvo.

For such purposes, Volvo was willing to add ten per cent—10 million Swedish crowns or about $2.5 million—to what would have been its investment in a conventional plant. The company is confident that it will recover that and more through reduced absenteeism, personnel turnover and worker discontent, with a consequent rise in the quality of the work being done.

Already in production at about half-speed—fifty cars a day are being built against an expected full production next fall of 110 cars a day—the Kalmar plant is a remarkably technological response to the human problems of an advanced industrial society. To replace the overhead conveyor belt, for example, Volvo developed two ingenious forms of "carriers," battery-powered and computer-guided, that creep silently about the factory bearing body assemblies and engine assemblies until at a prearranged point of one each is finally "married" into a full-fledged automobile.

These carriers enable auto bodies to be tilted 90 degrees, thus eliminating the difficult and tiring overhead work common to conveyor belt assembly lines. Since the carriers move separately, workers in different sections of the plant can vary the pace of production almost to suit themselves. These workers are divided into teams of about 15 men and women; each team has responsibility for one production phase—for instance, installing the electrical system, or interior upholstery, or underbody fittings.

As long as the teams meet their production goal—about 13.7 installed systems an hour for the working day, when full production is reached—they can go slow in the morning and faster in the afternoon, or at whatever pace they set for themselves.

Team members, moreover, can choose to form their own mini-assembly line, with each worker doing a different job in sequence on a number of cars; or, when possible, each worker or a group can do the complete installation on one car. The team system permits each worker to learn each job in the team's assigned function, so jobs can be rotated to avoid boredom and to equalize the distribution of good and bad jobs. From pay scales to job assignment, women are equal members of every team.

The plant's odd design—combining four six-sided shapes on one level and three six-sided shapes on a second level—gives each team its own exterior section with ample sunlight and views of the landscaped grounds. Sound buffers hold noise to conversation levels. Teams have their own entrances, locker and coffee-break rooms, and are encouraged to make collective decisions

and suggestions about their own production practices and working conditions.

So far, about a thousand cars destined for the American market have been built. Volvo is pleased with both the quality of the cars and the attitudes of the Kalmar work force. But the company concedes that it is far too early to be sure that the Kalmar plant represents either a better way to make autos or an adequate response to worker discontent.

That discontent, after all, is common to industrial societies. It surfaced in America in the Lordstown strike, and European industry is ruefully aware of it. It is by no means entirely economic, and it goes deeper than resistance to outmoded assembly-line techniques. Volvo's new plant is only part of Sweden's recognition that something is badly wrong in industrial society.

[From the New York Times, May 25, 1974]

PEOPLE VERSUS PRODUCTION

(By Tom Wicker)

STOCKHOLM.—For many years, about 70 per cent of the young people taking industrial jobs in Sweden had seven years or less of education. By the early seventies, when the Volvo Company began planning its new automobile assembly plant at Kalmar on Sweden's southeast coast, 70 per cent of young people seeking industrial jobs had ten to twelve years of education, and another 20 per cent had more than that.

This was only one reason—an important one—why Volvo developed a radically new production system at Kalmar, abandoning the most dehumanized assembly-line techniques and seeking to adapt technology to human needs, rather than the other way around. Other reasons include the high absenteeism and personnel turnover that had developed in conventional plants; a growing shortage of people who wanted to work in such plants, particularly in a society that provides generous unemployment benefits; and the new demands of women for equal status in industry as in society in general.

Volvo had discovered that Swedish workers no longer accepted the idea that their generally good wages paid them sufficiently for whatever work industry required. As Inge Janerus, the ombudsman of the Confederation of Trade Unions, puts it, "Wages *and* a good job are now demanded."

That is a change in attitude that is being felt in industrial societies worldwide, not just in Sweden; perhaps because there is such a close working relationship between Government, industry and labor unions here, as well as a traditional regard for human needs, Swedish society appears to be making swifter response than others.

Mr. Janerus defines the "good job" that better-educated workers now demand as one in which "the intellectual and the manual" are not so sharply separated in the factory, so that workers can participate to a much greater degree in developing methods and equipment, planning production, administering the plant, setting and safeguarding their own conditions of work.

By that standard, he is not overly impressed by—although he approves—Volvo's Kalmar plant. Volvo, he believes, has gone to the great length of developing a whole new *technological* system to make what ultimately will be seen as a relatively small improvement in workers' lives and conditions. He thinks companies like Atlas Copco (compressed air), Swedish Tobacco, and Perstop, the big chemical firm, will get better results from less technological innovations designed to provide greater worker self-government and to "press decision-making lower in the system."

Labor and industry efforts of that kind have the enthusiastic backing of Olof Palme, the articulate intellectual who is Premier of Sweden and head of the Social Democratic party. The major task of industrial democracy in the last years of the century, he believes, is to "meet people's needs" not just economically and with material goods but by giving "meaning and dignity" to their work—for their work, he says, will remain the governing factor of most people's lives.

The way to meet that goal while maintaining the production on which modern society depends, Mr. Palme argues, is likely to be found in Sweden and elsewhere in Western Europe. The United States he sees as an "aberration of liberalism" unable to use its great power to solve its own problems and fearful of liberal movements abroad; the Soviet Union he sees as an "aberration of Marxism" equally unable to solve its domestic problems and just as fearful of liberal movements in its own sphere.

The result, Mr. Palme believes, is resources squandered on "going to the moon, Vietnam and Czechoslovakia," while the fundamental task of adapting industrial society to human needs has been "exported" to less powerful nations only recently freed by détente from the polarization of the cold war.

If so, it was a formidable export. What Olof Palme and Inge Janerus and even the Volvo Company really are talking about is the subordination of production and economic expansion to human intellectual and spiritual comfort; yet, all insist on the obvious, too, that production levels have to be maintained, perhaps even increased. If industrial society is not entirely happy with its material goods, it would almost certainly be unhappier without them; and there seems to be little that the underdeveloped nations want more.

Even here in Sweden, Inge Janerus concedes, the response to this conundrum is "just beginning in a few plants." But of course "a few plants" is where the Industrial Revolution began, too.

A BUSINESS VIEW OF THE NATION'S HEALTH CARE NEEDS

Mr. FANNIN. Mr. President, too often when the Government attempts to solve one problem, it creates other more severe problems for the Nation. In recent years, Congress has been negligent in not adequately gauging the economic consequences of new programs.

At the present we are engaged in work on national health legislation. Most certainly we want a system which will provide adequate health care for all citizens. Our problem is deciding how to provide such a system, to deciding how far we can go in providing care, and deciding how we can pay for it.

We must have a health care program that is compatible with America's social and economic tradition. We should keep the firm foundation that we have, and build on it—not tear down the entire structure and impose an alien philosophy. We must have a program that will be feasible under our economic system. That is why I introduced S. 3353, the National Health Standards Act, on April 11. This is a bill that will provide health care without bankrupting our economy or making drastic changes in the American philosophy.

Mr. President, on January 25 of this year, Roger C. Sonnemann gave a speech at the National Leadership Conference of the American Medical Association in Chicago. His talk was entitled, "A Business View of the Nation's Health Care Needs," and was based on his experience as chairman of the Special Committee on the Nation's Health Care Needs, Chamber of Commerce of the United States. This is an excellent presentation, and I ask unanimous consent that this talk be printed in the RECORD for the benefit of my colleagues who are working on this important legislation.

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

A BUSINESS VIEW OF THE NATION'S HEALTH CARE NEEDS

(An Address by Roger C. Sonnemann, January 25, 1974)

I am most appreciative of this opportunity to present the National Chamber's views on the subject of health care, and in particular, on those issues of major importance to both medicine and business.

As I listened to earlier presentations, I noted the emergence of what I would describe as the central "theme" of this conference. It was stated best by an earlier speaker when he said: "we gotta get together!"

He was referring, of course, to various segments of the medical community; but this same advice also holds true for other communities of interest, including business.

In health care, however, these words could be directed at our two groups. Business and medicine must "get together" if rational solutions to the problems confronting the Nation's health care system are to be found.

In the past, our two great organizations have all-to-often failed to communicate and cooperate with each other. I regret this and I am sure you do also. But rather than try to place the blame for this failure, we would better serve business, medicine and the American public by building a new and stronger bridge between medicine and business. We should have, and we must have, a continuing dialogue on matters of mutual concern. I viewed your invitation to be here as a step in that direction and I hope you'll view my acceptance and presentation as an indication of our willingness to participate.

During the past few years, I have sometimes been questioned about the reasons business, and the National Chamber, are involved in the health care debate. My answer is two-fold.

First, the Nation is faced with a series of complex and interrelated problems that need to be solved if we are going to obtain better health care for the American people. These problems involve rapidly escalating cost, shortages and maldistribution of medical manpower and facilities, lack of access to care by important segments of the population, mismanagement of medical resources, the need for innovation in the organization and delivery of medical care services, and the need for improvements in health education and preventive medicine. Because of the complexity and magnitude of the American health care system, business believes that all segments of our society must accept the challenge and participate in the debate and resolution of the problem.

Second, business views itself as a "purchaser" of health care and as such is concerned with how its dollars are spent. Last year alone business spent over $20 billion on health care. Because of this vast expenditure, business believes that it has a legitimate interest in the organization and delivery of health care in the United States. And, quite frankly, some employers do not believe they are getting their dollar's worth.

Now let me briefly outline the major health care problems, as we see them.

Spiralling medical and hospital costs are of major concern to the business community. We realize that the "causes" for such increases are many and complex and that it is extremely difficult to separate the "real" ones from those which are not quite so real but we believe that effective steps can be taken to contain costs to a more realistic level.

Let me explain some of the major actions

which we believe should be taken and which, hopefully, will have a salutary affect on the health care system.

First, we need to increase the supply and improve the distribution of physicians, dentists and other scarce health personnel. The current shortage, and let me emphasize that the facts show there are shortages of physicians and dentists, can be eliminated in part by positive efforts by medical and dental schools to enroll additional students where possible and by shortening their training periods without sacrificing high standards of competence. We realize that some schools have made such changes; we commend them for it and encourage others to follow their example.

With respect to maldistribution, we believe that new approaches and incentives to get doctors into remote and rural areas must be devised and tested. We are aware that the efforts of communities to build clinics and to obtain doctors have not been wholly satisfactory. But we do not believe that such efforts should be halted. We must find a solution to the problems of maldistribution.

The delivery of medical care must be improved. We believe that this can be done through aggressive experimentation and development of a variety of systems. Prepaid group practice plans, and this term includes medical care foundations, is one type of experimental model that should be encouraged.

As you are well aware, the President recently signed an HMO bill which closely resembles legislation supported by the National Chamber. We support such legislation because it should provide an excellent opportunity to experiment with one method for improving the health care delivery system. We insisted on an experimental approach because we felt that there are important questions which must be answered about the operation and practicability of HMOs.

Another area of concern to the business community deals with accountability, responsibility and coordination within the health industry. To date, we believe that the industry's response in this area has been largely inadequate.

Hospitals must exercise a greater degree of responsibility in meeting community health care needs. This can be done by avoiding wasteful duplication of facilities and services and needless expenditure of funds. In addition, they should adopt uniform accounting practices, financial reporting and cost finding systems. And most importantly, prospective reimbursement would offer a strong incentive to promote efficiency and economy in hospital operations.

Physicians must pay greater heed to how they spend their patients money. A recent survery conducted by the President of the AMA found that many physicians are not adequately informed about the costs of the hospital goods and services they routinely order for their patients. The Chamber believes that increased "cost awareness" on the part of physicians is absolutely essential. I want to take this opportunity to commend the American Medical Association for including on their conference agenda a seminar called "The Physician as a Purchasing Agent for his Patient." Knowing the actual costs of services and drugs prescribed or purchased for patients should do much to contain raising medical costs.

The business community is also concerned about the mismanagement of our scarce medical resources. For example, physicians performing duties for which they are over qualified by training and experience should be ended and greater use of paramedical personnel encouraged. Duplication among hospitals of little used facilities, such as open heart surgery units, should also be discontinued.

I could enumerate other concerns but time does not allow a comprehensive review.

Let me now give you some indication of what the National Chamber has been doing in the area of health care and what we expect to be doing in the near future.

Health care has been an issue with the Chamber for many years. Recently, however, our activity has increased significantly.

In 1968, for example, our long-range study group analyzed the major health issues which would affect the Nation during the 1970's and submitted a comprehensive report.

A special committee was appointed in 1970 to take a penetrating look at the country's growing needs and to search for ways to deal with the many complex problems. The membership of this committee, which I presently chair, is representative of both the health industry and business community. Currently, representatives of AMA, AHA, Blue Cross/Blue Shield, other health insurance companies and various organizations vitally interested in the Nation's health care system serve on the committee. Because of this broad range of interests, many of our discussions have been quite active, and even "colorful."

In 1971, the Chamber conducted a nationwide referendum among its membership on the committee's analysis of the issues and problems facing the Nation's health care system and the membership voted overwhelmingly in support of major reform.

In 1972 and '73, the committee examined in great depth various legislative proposals, including the pending national health insurange bills. Although many of the plans contaned worthy provisions, the committee was unable to find a single plan which business could support without qualification.

Because of this, the committee decided that it would be best to prepare a series of recommendations on health care which should be included in any national health insurance program. The committee spent the better part of 1973 developing and approving these recommendations. Last November, the Chamber's Board of Directors gave its "stamp of approval" to the recommendations and directed its staff to prepare a draft "bill" incorporating the recommendations.

Let me explain briefly the reasons why the Chamber put together a draft bill and is willing to work hard for its passage in Congress. Our reasons relate to the prospects for Congressional action, the type of legislation now under consideration, the appraisal of these proposals from the purchasers standpoint (as we view ourselves) and the issue of leadership.

First, national health insurance—in some form—seem inevitable. Better than 60 percent of the House of Representatives and more than half of all Senators are sponsoring various national health insurance proposals. Thus, unless some of the Nation's health problems vanish overnight, I think we can expect a new law in the books within the next few years.

Second, the crucial issue facing business, and the National Chamber, is what type of legislation will be passed by Congress. Will it involve a complete, federal takeover of health—a government run insurance program? Or, will Congress build upon our existing systems—using private health insurance in the main—with government assistance where needed?

As the Chamber reviewed the various proposals we found them unsatisfactory for various reasons. Let me mention a couple of them.

Each would mandate a comprehensive health insurance benefit "package" which would represent additional areas of coverage for medium size and small businesses and would increase costs. Many of these plans, for example, propose such things as dental benefits and vision care which are not presently paid for under many group plans.

Because these plans contain unreasonable requirements on benefits, they would be very costly to finance. For example, the cost of the Administration's tentative proposals and the plan recommended by the health insurance industry is estimated at more than $450 per employee a year.

The penalty provisions of these proposals are unsatisfactory; most recommended tax penalities—the loss of business expense deduction for health insurance premiums—as a way of prodding employers to take affirmative action. We think a tax penalty represents poor public policy because it would apply only to those employers with health insurance coverage for their employees, not to those without coverage.

The final factor shaping the Chamber's thinking involves the need for leadership. The business community has been criticized frequently, and unfortunately with some justification, for being against forward looking social legislation. If some national health insurance legislation is inevitable, and we think it is, then the National Chamber should take the lead and support reasonable and realistic legislation.

"Reasonable" and "realistic" are the keystones of the Chamber's recommendations and draft bill. Let me review briefly the Chamber's recommendations on national health insurance legislation.

We are proposing a two-part program. Part I would require all employers to make available a minimum health benefit package to their employees. Part II would provide comparable protection to low-income persons as a replacement for the Federal/State Medicaid program.

With respect to benefits, we are recommending a plan that provides protection against a wide range of hospital and medical care expenses. The "package" would provide protection in 12 areas including payment for hospital care, surgery, medical treatment by a physician, x-ray and laboratory services, drugs and medicines, maternity care and very costly illnesses, the so-called medical catastrophy.

Our plan calls for both deductibles and coinsurance. There is a $100 calendar year deductible for an individual, with a maximum payment of $200 a family. Also, the enrollee would pay 25 percent coinsurance for all covered services in the package up to a maximum personal expenditure of $2,500 a year.

We recognize, of course, that first dollar coverage is prevalent throughout industry—particularly negotiated plans. However, without these deductibles and coinsurance provisions, it would be impossible to cover such a broad range of services at a reasonable price. We would either have to shrink the benefit package considerably or jack up the premium cost to unrealistic levels.

An extremely important provision and one which is unique to our proposal involves what we call "benefit equivalence." Many firms currently provide their employees with a health insurance package which costs more per month per employee than the proposal which we are recommending, but the plan may not be as comprehensive.

We think it is unreasonable to require such employers to change their group plans to reflect every single benefit in the package. We do, however, believe that employers should be required to offer a plan which is equivalent in value, on an actuarially determined basis, to the recommended proposal. This means that claim costs, including administrative expense, of an employer's plan, should be equal to the recommended plan.

An insurance pool would be established to provide coverage for the self-employed and small employers to make the economies of mass purchasing available to them. A second pool would provide coverage for low-income individuals and the Federal Government would pay all or part of the costs of the premiums for the poor and near poor from general revenues.

You will recall that I mentioned earlier

that there would have to be some type of penalty to handle situations where an employer fails to provide a standardized health insurance package. We doubt that there will be many such cases, but in those few instances we think the employer should be encouraged to make the plan available through the process of administrative and judicial relief. If an employer willfully and knowingly fails to comply, he would be liable for an amount equal to twice the annual health insurance premium costs, plus he would be required to reimburse the employees for any "out-of-pocket" hospital and medical expenses. We believe this type of penalty is the least objectionable way to secure compliance with mandated minimum standards.

Now let's consider the matter of cost containment. While the deductible and coinsurance provisions may serve to prevent unnecessary utilization, we also think there are several other steps that can be taken to curb spiralling health care costs.

First, all hospital and medical care services should be subject to peer and utilization review, claims review and audit. This should be carried out by physicians to insure that only medically necessary services are provided to both inpatients and outpatients.

The business community is aware of the many concerns your profession has with the new peer and utilization review program—Professional Standards Review Organizations—or, as it is better known, PSRO. Business also has its concerns with this program, but they are of a different nature. For example, some employers view it as an example of the "fox guarding the hen house" with the fox being analogous to the physician and the hen depicting those who pay the bills. Not all businessmen, however, agree with this position but most agree that PSRO activities should be closely monitored by public and private payors to assure that it is effective and to avoid what some might call a "whitewash".

Although we have many concerns with PSRO, we believe its underlying concept of peer and utilization review is here to stay. Consequently, we urge medicine to "seize the challenge" and provide aggressive and positive leadership in planning and implementing this program. It is our belief that medicine cannot afford to let this program "wither on the vine"—let's make it work!

Second, it is our recommendation that hospitals and other institutional providers be reimbursed on the basis of prospective budgets with payments based on agreed rates for fixed periods of time. This should prove superior to our present "cost plus" method of paying for hospital services.

Third, the process of local health planning needs to be strengthened to avoid duplication of facilities and provision of unnecessary services. What we propose here is simple—don't pay the hospital or other health care institution for the costs of added facilities and services unless these capital expenditures have been approved by a local health planning agency.

Finally, let's turn to the matter of financing. The Chamber recommends that any national program should be financed from both private and public sources. Employers, employees and the self-employed should pay the entire cost of the mandatory program through health insurance premiums. Where an employer-employee relationship exists, we feel strongly that the employer should not be required to pay more than 50 percent of the cost of the coverage. What the employer does voluntarily is, of course, his own business. The program for the poor and near-poor—essentially non-working groups—should be financed from the general funds of the Treasury.

The Chamber hopes to have a draft bill and Congressional sponsors firmed up within the next few weeks. We are not so naive as to think that our bill or any other bill for that matter, will be enacted by Congress without change. Nevertheless, we believe that the introduction of a national health insurance bill which can be supported by the entire business community will serve to apprise Congress of the interests of business and our desire to participate in the formulation of a national health program.

As I stated earlier, I hope this presentation will be the beginning of a continuing dialogue between the National Chamber and the American Medical Association. I believe that there is much that we can do *together* in the health care area.

Although our approach to the health care problems is not identical with yours, there are many similarities. For example, we both agree that any change should build upon our existing system, using private enterprise wherever possible. This position is the exact opposite of the Kennedy approach, which would throw the "baby out with the bath water" and build a new all encompassing Federal system. We reject this approach because it would impose an unconscionable tax burden on the American people and place our health care systems in an untenable position from which they may never recover.

To defeat such a proposal one must have an alternative. I believe that the similarities in our two proposals are of adequate sufficiency to allow us to say that we, the National Chamber and the American Medical Association, do have proposals which are far superior to that of organized labor. Because of this "mutuality of interest" in achieving a "reasonable" and "realistic" health care system, I echo the earlier speaker and say "we gotta get together!"

MILITARY ASSISTANCE FOR SOUTH VIETNAM

Mr. ABOUREZK. Mr. President, Congress is now considering, again, its massive military assistance program for South Vietnam—a program which would continue to maintain what one high U.S. official was reported as calling the "client relationship" between the Pentagon and the Saigon military apparatus.

There can be little doubt that by not only arming and equiping that apparatus but also by paying for most of South Vietnam's budget and artificially maintaining its levels of consumption, the United States still refuses to allow the Saigon government to stand or fall on the strength of its support among the Vietnamese people themselves.

The Thieu government remains essentially a creation of American military intervention in Vietnam. For it is kept in power by a military and a paramilitary control apparatus which the South Vietnamese people never desired and would have been unwilling to finance themselves.

The army lives off foreign aid rather than relying on the support of its own people, and any attempt to reorient it economically, socially, and politically away from the present style of organization would almost certainly end in disaster. Moreover, for Thieu to demobilize most of his 1.1 million man army would mean relinquishing a convenient means of political control over them.

Mr. President, two recent issues of Thoi Bao Ga, a publication which deals with many issues which are of deep concern to the people of South Vietnam, have dealt with the issue of U.S. aid to the Saigon Government. The reports offer an excellent insight into this pressing question. I believe that information provided therein offers an excellent opportunity for everyone interested in the question to learn more of the effects of the U.S. aid program in Vietnam.

Mr. President, I ask unanimous consent that the two Thoi Bao Ga reports be printed in the RECORD.

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

[From Thoi-Bao Ga, March, 1974]

BEGGING FOR AID

Few countries in the history of the world have had a supra-ministerial agency with the name "Committee to Beg for Aid" or "Committee to Pray for Aid," the literal translations of Saigon's latest inventions, the "Uy Ban Cau Vien." To sit on this committee you must be either a three-star general, a Cabinet member with Washington connections, or a former ambassador to the United States. You would have to be one of Saigon's top "American experts."

Dai Dan Toc, a Saigon daily, reported on February 11, 1974, that Nguyen Tien Hung, Saigon's new High Commissioner of Planning and one of Thieu's most trusted advisers, because of his access to the *Washington Post* and to some American Congressmen through his American wife, had been sent two days earlier on a highly urgent mission "to seek every means possible to beg (*xin*) for more aid money for the Republic of Vietnam." The same paper reported on March 6, 1974, that Saigon sent an officially designated "aid-begging delegation" (*phai doan cau vien*) composed of Deputy Premier Tran Van Don, a retired three-star general, roving Ambassador Bui Diem, former ambassador to Washington, former Economics Minister Pham Kim Ngoc, among others, to Japan, Western Europe, and the United States. In fact, as of this month, nearly half of Saigon's cabinet and a large number of its "American experts" are in the United States generously spending American and Vietnamese taxpayers" money to wine, dine, and womanize supporters and potential supporters of increased American aid to the Thieu regime. A deputy in the Saigon Lower House, Mrs. Kieu Mong Thu, disclosed in a highly censored article in the March 19, 1974 issue of *Dai Dan Toc* that the Thieu regime spent 1.2 billion piasters (over $2 million) on its aid-seeking delegation.

WHY DOES THIEU SCRAMBLE FOR AID?

What are the reasons for this overwhelming emphasis on, and desperate scrambling for, U.S. aid? The Thieu regime and its American supporters argue that it is because of "inflation and price increases" (*New York Times*, March 19, 1974) and a North Vietnamese build-up in South Vietnam for a new offensive (*New York Times*, March 4, 1974). The March 4 article in the *New York Times* quoted "Pentagon sources" as saying that:

"The strength of these forces [North Vietnamese] in the South is now at more than 185,000 men, compared with 140,000 at the time of the cease-fire on January 28, 1973.

". . . North Vietnamese armored strength in the South is estimated at between 500 and 700 tanks, most of them Soviet T-54's, and about 200 armored cars."

While neither the Thieu regime nor its American supporters have provided any documentation for their allegations of a North Vietnamese build-up, there orchestrated effort in getting publicity for their unfounded charges is well timed with debates in the U.S. Congress on the question of aid to the Thieu regime. But while some American reporters and politicians take Thieu's stories uncritically, most knowledgeable Americans and

Vietnamese no matter what their political bent, usually disregard or discredit such adumbrations—and for good reasons. For example, Admiral Thomas H. Moorer, Chairman of the Joint Chief of Staff, while trying to push for more military and economic aid to Saigon before the Congress, stressed that in "his view Hanoi continues to try for political gains in the south rather than any new major offensive" (*Washington Post*, March 19, 1974). Even Ambassador Graham A. Martin, whose gung-ho support for the Thieu regime elicited a *Washington Post* editorial on March 14, 1974,* has had to admit that Hanoi has shelved any plans for a major offensive in the south (*Washington Post*, March 15, 1974). According to the same issue of the *Post*, Ambassador Martin is raving mad at critics of increased military and economic aid to the Thieu regime not because of a possible offensive by the other side but because of fear that Saigon will not be given enough money for an "economic takeoff." A Vietnamese view of Thieu's charges is summarized in an article published in the January 15, 1974 issue of *Nguoi Viet*, a publication of a group of Saigon deputies and senators, Catholic priests, and other leaders in South Vietnam:

"In the past few months the government of the Republic of Vietnam and the government of the United States have incessantly charged North Vietnam with infiltrating a large number of men and weapons into the South. President Thieu, in a speech reeking with the smell of war which he delivered in Can Tho on January 4, 1974, estimated that North Vietnam now has 400,000 soldiers from it regular forces, 600 tanks and 600 SAM missiles in the South. This estimate must be an intentional exaggeration both in order to get the Americans to pay attention to the Vietnam problem and in order to rationalize President Thieu's own hard line. The above estimate should logically have had a disastrous impact in that it should have scared people who are anti-Communist in the South out of their wits. This is because during the general offensives in the spring of 1972, according to the official American estimate, North Vietnam had only 170,000 men and 200 tanks. And yet while the armed forces of the Republic of Vietnam were supported by the Americans, they had to make one hasty "tactical withdrawal" after another! Now with 400,000 troops and 600 tanks, what hope is there [for Saigon's forces] of doing any fighting at all when it is not being supported by American forces anymore? The reason why the armed forces of the Republic of Vietnam have not panicked yet after hearing President Thieu disclose the above statistics is because nobody believes that the above infiltration ever happened."

THIEU FEARS THE PRG

In fact, General Thieu himself during moments of sober analysis has always discounted any military offensive by either the Provisional Revolutionary Government (PRG) of the Democratic Republic of Vietnam (DRV). Rather, what Thieu has been most afraid of is that the Paris agreements should be strictly implemented to allow the PRG a chance to compete politically and economically with his regime.

This feeling was summarized succinctly by Thieu himself last summer in an official interview given to the official organ of his newly-formed Democratic Party. Following is an excerpt of the interview from the English translation in the July 15, 1973 issue of *Viet Nam Report*, a publication of the Vietnam Council on Foreign Relations:

"The Viet Cong are presently trying to turn areas under their control into a state endowed with a government, which they could claim to be the second such institution in the South. They probably also hope that when this government has achieved a degree of international recognition, international opinion will force the two administrations to merge into a coalition government. If that were to happen, they would only agree to a pinkish government of coalition, which then will try to enter negotiation with Hanoi easily.

"It can, thus, be stated that the Viet Cong are doing their best to work in the direction of the formation of a coalition government. To seek fulfillment of this objective, they will resort to political agitation or military pressure or to a campaign combining the two." This is how I see things in the coming years. The Communists will lie low for a time while trying to subvert us from within and sabotage our economic potential. If they should achieve a situation of great political and economic difficulties for us, there is bound to be a coup d'etat probably staged by a group of military commanders bought off by them. From this coup will emerge a pro-Communist administration which will seek to coalesce with the Viet Cong in a unique government for the South. The latter will then enter negotiation with Hanoi as I said earlier.

In other words, President Thieu is saying that if the PRG were allowed to administer the areas under its control as specified by the Paris agreements, then they will not only become so popular as to achieve a degree of international recognition that "international opinion will force the two administrations to merge into a coalition government," but they will also win such tremendous support from the ranks of Thieu's own military commanders that the latter might stage a coup d'etat against the unpopular Thieu regime to "seek to coalesce with the Viet Cong in a unique government for the South." For this reason, General Thieu stated in the same interview that "In the first place, we have to do our best so that the NLF cannot build itself into a state, a second state within the South." To this end, the Thieu regime has carried out indiscriminate bombing and shelling of the areas under PRG control since after the cease-fire was supposed to have gone into effect over a year ago.

THIEU'S MILITARY ATTACKS ON PRG AREAS

The degree of shelling, bombing, strafing, and so on, is indicated by the amount of military supplies given to the Thieu regime on a one-to-one replacement basis. According to Pentagon records cited in the February 16, 1974 issue of the Washington Post, during the first 8 months after the cease-fire, the United States gave Saigon 86,000 bombs, 180,000 tons of artillery shells, grenades, and small arms ammunition, and 112,000 ground-to-air missiles, among other military hardware. The same report also quotes Pentagon officials as having expressed "concern that Saigon was wasting artillery shells by firing blindly into free zones because they knew full well they would get all the replacement supplies from the United States." It should be noted here that according to the terms of the Paris agreements, there is no such thing as "free zones" in South Vietnam where you can fire blindly at any time you want. The Accords clearly specify only two zones of control in South Vietnam, one under the Provisional Revolutionary Government and the other under the control of the Thieu regime. Nevertheless, in mid-February of this year, the New York Times Saigon bureau chief, James Markham, toured PRG areas and found random shelling of civilian areas everywhere he went (New York Times, February 18 and 19, 1974).

General Thieu hopes to achieve at least three things with his military attacks on PRG-controlled areas: 1.) to destroy the socio-economic fabric of these areas; 2.) to force PRG cadres and soldiers away from their social political and economic tasks (i.e., reconstruction activities) and force them to take up arms to defend their own territory; and 3.) to make the areas under PRG control both insecure and unattractive so that the population under Thieu's control will not want, or dare to, go back to their native villages. In short, General Thieu has been trying to sabotage the political and economic potential of the other side, something which he accused them of doing in the quote cited earlier, although he never explained how the other side would do it except by "trying to turn areas under their control into a state endowed with a government." It is thus evident that, given Thieu's basic policy as stated above, the more military and economic aid the United States gives his regime, the more encouragement there is for him to increase his attacks on PRG-controlled areas.

Later on in this article we will show the boomerang effects of Thieu's military attacks on PRG territories on his regime. At this point it should be noted that Thieu has used other means to sabotage the PRG's efforts at reconstruction.

THIEU'S SABOTAGE OF PRG RECONSTRUCTION

One such policy of Thieu's is "economic blockade." We discussed several aspects of this policy in some detail in past issues of this newsletter—the so-called "rice-war" which includes the forced sale of rice to the Thieu regime; the prohibition of the transport of rice from one location to another even within the same village, the milling of rice in the villages, and the storage of rice in homes; and the outright confiscation of peasants' rice whether the amount in the home is found to be in excess of the authorized level or not. In the past issues of our newsletter, we also documented in some detail the widespread hunger, and in many cases outright starvation, in the rural areas as the result of this policy on the part of the Thieu regime. In order to make it impossible for the peasants to mill rice in their villages (which are considered difficult to control by the Thieu regime), Thieu's local authorities in the 16 southwestern provinces destroyed all the axles (*truc*) of the peasants' ricemills. This was reported in the January 30, 1974 issue of *Dien Tin*, a Saigon daily, by Deputy Doan Van Luong of the Saigon Lower House after extensive trips throughout these provinces. The deputy also testified that the inhabitants of these provinces were so angry and aggravated that many of them have stopped working in the fields, thereby contributing to the increasingly critical shortage of rice. The antagonism between the people and the officials, the deputy said, became all the more serious.

FOOD SUPPLIES A PROBLEM

The military attacks on PRG areas and the "economic blockade," among other things, have created a sharp decrease in food production. According to the January 13, 1974 *Dien Tin*, statistics provided by Saigon's Office of National Development (*Quy Phat Trien*) show that agricultural production has decreased by an average of 20% in the last 3 months of 1973 as compared to the previous months. This figure, of course, refers only to the areas under the control of the Thieu regime. Consequently, despite the intense drive by Saigon's military and civil machines to seize rice from the Mekong delta, rice deliveries to Saigon decreased drastically during the later months of 1973. According to the October–December, 1973 issue of *Vietnam Economic Data*, a publication of the U.S. Agency for International Development, Delta rice deliveries to Saigon decreased from an average of 57,000 metric tons for the period from August to October, 1973, to only 32,000 metric tons for the last two months of that year. Faced with this situation, Agricultural Minister Ton That Trinh announced that although he person-

*"We apparently have here a classic case study of how an ambassador loses influence with the government to which he is accredited."

ally thought that the importation of rice from the United States should stop, in 1974, Saigon was importing 350,000 tons of American rice at $700 per ton, or 40,000 piasters per 100 kilograms (*Dien Tin*, February 7, 1974). Ton That Trinh also announced at the same press conference, however, that Saigon was exporting rice simultaneous with its import of rice from the United States in order to get much needed foreign exchange. Trinh said that during the initial phase, 50,000 metric tons of Vietnamese rice will be exported at a price of $500 per metric ton. Why export Vietnamese rice at a much lower price than the imported American rice, one may ask, especially when the General Office of Foodstuffs (*Tong Cuoc Thuc Pham*) itself is reported in the February 7 issue of *Dien Tin* as having said that Vietnamese rice is much better quality than American rice?

The answer given by the Department of Agriculture, and cited in the same issue of *Dien Tin*, is that imported American rice is supposed to be for military men and government employees and is therefore subsidized by "the government." This answer seemed so ridiculous to so many Vietnamese that a Saigon columnist, Vuong Huu Bot, in an exasperated mood, ventured his own explanation in the February 10, 1974 issue of *Dai Dan Toc*. He said that since American rice is long-grained, it must add to the sexual potency of male rice-eaters and make their sex organs longer! But ridiculous as the above official explanation may seem, Saigon is being most truthful here. If we think of "the government" as Washington, as Saigon is in the habit of thinking, then everything becomes quite clear. The imported rice is indeed subsidized, not by Saigon but by Washington, through the so-called Food for Peace Program. Under the terms of this program, supplies to Saigon can be resold within the country and the money used for military and other purposes. But goods imported into South Vietnam under the program cannot be exported to other countries. Violation of this term could mean either heavy fines or cancellation of the program, especially if found out by the U.S. Congress. Since Saigon is in critical need of foreign exchange, especially for the purpose of transferring the wealth of Saigon's officials abroad, it is only natural that Saigon should want to export whatever it can get. And it is precisely because of this that most South Vietnamese are greatly angered, especially when most of them are hungry because of the critical food shortages. To illustrate this point, we will cite a few typical comments from the Saigon press:

In the February 1, 1974 issue of Dai Dan Toc, a reporter wrote:

"In the areas of Ky Trong and Ky Phu in Quang Tin province where I travelled, many families have to eat leaves picked from the forest in order to survive. In the areas of Thu Lo and An Cuong in Quang Nam province, in the resettlement areas of Dong Tac, in the villages of Hoa Thanh, Hoa Thinh, Hoa My, and so on, the inhabitants have to eat the bark and the tops of the manoic trees in order to survive. What is more heartrending is the fact that many pregnant women have to eat roots of banana trees in order to save what little rice they have for their young children. This same situation confronts many families in the district of Duc Duc in Quang Nam province. Many families have had to go for three days with whatever greens that are still left on the ground. . ."

On February 19, 1974, Dien Tin reported that in the hamlet of Ma Voi in Phu Yen province, two or three persons died every day because they had to eat snakes, centipedes, leaves, or banana roots. According to the report, doctors at the Phu Yen Health Department confirmed the fact that many people died because "in their hunger they had eaten in a mixed-up [hon tap] manner and had often been poisoned as a result." In other words, while conceding that many people had died, Saigon's health officials were trying to put the blame on the people for not knowing how to eat properly and not on outright starvation. In any case, the report says that the majority of the village population had left for fear of more widespread starvation.

In its February 24, 1974 issue, Dai Dan Toc reported that Deputy Nguyen Ngoc Nghia of the Saigon Lower House said that in the rural areas of Thua Thien province, not a grain of rice was to be found anywhere. In the capital city of Hue, each person could still buy 2.5 kilograms of rice a month, however. The same paper reported in its March 6, 1974 issue that Deputy Tran Ngoc Giao also warned of the extremely critical shortage of food in Thua Thien province. The deputy reported that in the village of Phu Dien, Phu Vang district, the 9,000 inhabitants have had to go down to the sea to find seaweed for their daily meals, that it is the only edible thing that could be found anywhere. The deputy said that anybody who came and witnessed the living conditions of the inhabitants of the area could not hold back his or her tears. The situation was so bad that 140 families had signed up to be resettled in Binh Tuy province, the first time any of the families there wanted to leave their native village. The deputy complained that the government had not done anything to help ease the harsh conditions the people there have had to face.

THIEU SAYS THERE IS ENOUGH RICE—BUT THE PEOPLE CONTINUE TO STARVE!

When asked about the wisdom of exporting rice, especially at such a low price, in the face of undeniable reports of the hunger situation in the country, Thieu's Agricultural Minister gave out a statistic to show that South Vietnam produced more than enough rice for the whole population during 1973 and 1974. Thieu himself stated that the lack of rice had been caused by a "Communist economic offensive" and the Mafia. Their incredible tales embarrassed even some of their own supporters. On February 7, 1974, *Chinh Luan*, long a pro-Saigon and pro-U.S. daily, cited official statements by the Thieu regime extensively and came to the conclusion that "it could not possibly be the case that the present rice shortage has been caused by the loss of rice to the Communists either through robbery or through forced sale by them." On February 10, the same newspaper went on to analyze the situation in very cautious, but nevertheless revealing, manner:

"According to the Department of Agriculture, the total paddy-rice production for the 1973–1974 season is 7.2 million metric tons. The total population of the Republic of Vietnam is 18 million persons. On the average each person consumes 0.5 kilograms a day, which means that in the whole year the total consumption of rice would only be 3.24 million metric tons. There are 7.2 million metric tons of paddy rice milled into 4.68 million metric tons of milled rice (computed according to the conversion rate of 10 parts paddy rice to 6.5 parts milled rice.) This is a figure that the government has issued and it must therefore be correct. If it is not correct, then the government is not the government anymore. . . . According to the statistics there is just too much rice, and therefore logically this should be sufficient reason for export. But the reality dictates that one should export only if one does not leave the people hungry. There should be caution because past experiences still burn hot. Last year the government said that total paddy rice production was 6.5 million metric tons, or 4.2 million metric tons of milled rice. And yet from July to November, the people were dazed by the rice problem and emaciated by hunger. What accounted for this strange situation? The President said that it was because of the Communists and the Mafia. This year the Communists seem to still be around and according to government reports they are also hungry and because of hunger have not been able to stage a second Tet Offensive (again, according to official reports). As for the Mafia, are they still around?"

CITIES IN CRISIS

Whichever scapegoat the Thieu regime may want to find for the disastrous effects of its incessant attacks on the countryside, its "economic blockade," and its export of rice and other Vietnamese foodstuffs, the fact is that the population of South Vietnam is now going through a period of extreme economic deprivation. Deputy Hong Son Dong reported in the February 17, 1974 issue of *Dien Tin* that in recent days incidents of robbery and theft have increased dramatically. He said that the situation has become worse than even during the period of "open warfare" (as opposed to the covert warfare going on at the present time).

The deputy stated that because robbery is so widespread, people have become used to it. What is really significant is that most of the robberies have been committed by military men and army deserters. This is partly because these men have weapons at their disposal and partly because the situation that faces the general population affects military men as well. After all, when a country of 18 million has a regular army of 1.1 million men (not to mention the local forces which number around 4 million), every soldier must have a close relative or member of his immediate family who suffers from the disastrous situation created by the Thieu regime. Here are but a few examples of the widespread armed robbery by Saigon's military men as reported recently in some of Saigon's newspapers:

In its February 7, 1974 edition, *Dien Tin* reported that two military men wearing the insignias of second lieutenants, stabbed a policeman by the name of Nguyen Xuan Minh four times and then disappeared on the policeman's Honda motorcycle. The same newspaper also reported that on February 3, four robbers dressed in army uniforms and armed with guns and grenades, broke into a house in broad daylight (around 10:30 AM) and stole 5 million piasters worth of jewelry and other valuables. In the March 20 issue of *Dien Tin*, there is a report that for weeks there have been repeated armed robberies in broad daylight in the Xom Cui area of Saigon's 8th District. The robbers stole from anyone, rich or poor. The inhabitants of the area repeatedly asked for intervention from the authorities but so far to no avail even though the area of the robberies lies directly behind District Police Headquarters. Presumably the authorities are afraid of retaliation.

CRISES IN THE COUNTRYSIDE

The above are examples in the urban areas around Saigon. The situation in the countryside is much worse. For example, the March 20, 1974 issue of *Dien Tin* reported that according to Deputies Phan Thiep, Le Dinh Duyen and Ly Truong Tran of the Saigon Lower House, in Quang Nam province soldiers and their officers stole crops, cattle, and other foodstuffs from the peasants. The latest example of cattle-rustling was the use of army GMC trucks by a group of army officers and men to carry off 86 cows belonging to the inhabitants of Son Khuong village. The report says that the stealing of the peasants' crops is so serious that corn with only a few kernels on the cob is prematurely picked by the soldiers. The peasants pleaded saying that if their crops were left alone for a period of three months, they would be able to produce more than enough food to feed the province of Quang Nam.

In the same issue there is information about trucks transporting food through the

province being robbed at gunpoint by soldiers. In another article, there is a report that in the provinces of Quang Nam, Quang Ngai, and Quang Tin, army unit commanders divided the land of the peasants among their soldiers. A commander in the province of Quang Tin went so far as to put down stakes on the peasants' paddy-fields to divide the land for his subordinates. The situation in the more prosperous provinces of the Delta with regards to soldiers robbing from the peasants is equally bad, as testified to by Miss Kim Hoang in an article published in the March 21, 1974 *Dien Tin*. (Please see a translation of this article in the second section of this newsletter.) The result of all this, of course, is ever decreasing agricultural yields, which in turn produce worse social effects.

Besides the problem of robbery, there have been many incidents of homicide as a result of the desperate economic situation. (Please see the selected translations from the Saigon press.) General Thieu realizes that the present explosive situation might develop into revolts from within the army and the bureaucracy. This is why last summer he said, as quoted earlier, "If they should achieve a situation of great political and economic difficulties for us, there is bound to be a *coup d'etat* probably to be staged by a group of military commanders bought off by them."

THIEU'S BALANCING ACTS

In an attempt to contain this potential outcome, Thieu has performed three balancing acts:

1. The first act is the promise to Saigon soldiers and bureaucrats they would be given a supplementary salary of 500 piasters per family member and not more than 2,000 piasters per family (*Dien Tin*, March 5, 1974). However, as pointed out by the same issue of *Dien Tin*, even if each family were to receive 2,000 piasters—at most 10% of the total salary—this increase would be nothing compared to price increases, often 100% per week, depending on the commodity.

The real and most pressing problem is the lack of agricultural and other production due to Thieu's policy of military confrontation with the PRG, his "economic blockade," his refusal to allow refugees to return to their native villages in the countryside to put the land back into cultivation, and hosts of other problems such as official corruption which we have documented in some detail in past issues of *Thoi Bao Ga*. For this reason, according to the March 5, 1974 *Dien Tin*:

"Many soldiers and government employees have expressed the view that if government wanted to prove itself it should pay them in rice, cooking oil, fuel, cloth, books and notebooks, and so on, and not in cash. This is because the cash that they receive each month is sufficient for only half a month. Soldiers and government employes always have to seek loans, and 9 out of 10 children [of school age] of military families are unable to go to school."

It is estimated that for a student to leave home to study, he or she must spend from 25,000 to 30,000 piasters a month. This is the total salary of an army officer with the rank of field commander (a major, lieutenant colonel or colonel), a bureaucrat with the position of administrative director (*doc su*), or a senior high schol teacher at the highest pay level (*Dien Tin*, February 6, 1974). Another estimate shows that a grade B bureaucrat receives 24,000 piasters a month, including supplemental payments to his wife and four children. His family never dares to buy milk for the children, never dares to eat meat, smoke cigarettes or drink alcohol and yet they have to spend 56,000 piasters a month in order to meet their most basic needs (*Dia Dan Toc*, February 11, 1974). The salary increase promised by the Thieu regime, therefore, does not go very far.

So far we have been talking about people who are lucky enough to be employed and lucky enough to have a pay raise. On February 25, 1974, *Hoa Binh*, another Saigon daily, quoted Deputy Premier Phan Quang Dan as saying that there are from 3 to 4 million unemployed persons. Most of these are refugees now living in the urban areas and forbidden by the Thieu regime from returning to the countryside. Nevertheless, according to the same issue of *Hoa Binh*, a deputy in the Lower House disclosed the day before that the inhabitants of the urban areas had been risking everything to return to the countryside in large numbers. If this were to keep up for the next three months, he said, at least 20% of the urban population would have left for the countryside. *Dien Tin*, in its February 24, 1974 issue, also reported that on February 20, another deputy disclosed that thousands of families in Ho Nai, Tan Hiep, Tan Mai, Gia Dinh, and Cho Lon left for the countryside to find new means of livelihood. The same deputy also stated that if this rate of departure were to continue, then by May, 1974, the population of Saigon itself will be 20% lower.

2. To check this trend and squash any possible attempt at urban demonstrations or revolt, the Thieu regime has resorted to a second balancing act. This involves a new system of population control. According to the March 6, 1974 edition of *Doc Lap, Song Than*, and *Chinh Luan*, all pro-Thieu newspapers, General Do Kien Nhieu, the mayor of Saigon, in a press conference on March 5, 1974, declared that from then on all the districts of the capital would be divided into sections of 25 to 30 living units. Each section would be under the direct responsibility of a policeman. The families within the sections were to maintain collective public order.

At the same time, the newspapers report, General Tran Thien Khiem had just signed into law Decree no. 247-a/TT which states:

"In order to maintain and safeguard public order, the government considers it necessary to neutralize those elements considered dangerous to the public order . . . by arresting them and imprisoning them; by trying them before military tribunals if there is sufficient proof of their guilt; or, in the event of lack of such proof or if their trials before the tribunals turn out to ineffective, by transferring them to the Commission of Security which will inflict, depending on the case, either deportation, detention, or solitary confinement."

3. The third balancing act of the Thieu regime has been the attempt to get rid of potential leaders of an urban uprising or of a *coup d'etat*. As far as the army is concerned, the normal practice in the past had been to transfer suspect military commanders from one region to another or from one army unit to another. In the last few months, however, Thieu has used the pretense of an anti-corruption drive to get rid of generals of whom he is suspicious either because they have regional power bases or because they have connections that may pose a personal threat to him. The American press has generally been taken in by this kind of trick, that he is trying to shape up at last by carrying out reforms even within the ranks of its army. Nothing could be further from the truth. Only one general, General Pham Van Dong, was accused of a mild crime of protecting illegal gambling in Saigon (*Dien Tin*, February 16, 1974). General Dong might have been the most convenient scapegoat at that for he had been serving as Minister of the Department of Veterans for sometime. During his term of office, millions of piasters for veterans' benefits were siphoned off, leaving most veterans living in abject poverty and deprivation. However, General Dong was never accused of a crime for to do so would get too close to other generals with whom he had shared the money. Of the dozen or so generals who were fired by Thieu in late February, none was actually accused of any crime or corruption (*Dia Dan Toc*, February 25, 1974). This is not to say that these generals are not corrupt. All Saigon generals are involved in corruption, and the real difference between them is only a matter of degree. But what emerges very clearly from the February firings of the generals is that many of them are related in one way or another. Generals Hoang Xuan Lam, Nguyen Van Vy, Linh Quang Vien and Nugen Van Vy, Linh Quang Vien and Nguyen Van Manh, for example are very good friends, who have expressed some dissatisfaction with Thieu, and who are all very closely related to a general whom Thieu exiled to Washington in a power struggle some years ago.

Perhaps that is more significant, but what has gone by unnoticed by the Western press, has been the firing of field commanders. On February 19, 1974, *Dien Tin* reported that Thieu was firing, or "retiring" to use the exact term, 91 majors and colonels. The paper wrote that Saigon high command said this was only the first phase of firing this year, and that any field-grade officer who was not promoted to a higher rank this year will be "retired." This would especially be the case with those field-grade officers who served for 6 years in the army. This order should not be intrepreted as an attempt by the Thieu regime to demobilize the army. The same report documented the fact that the Thieu regime is training 8,000 new soldiers every month and 12,000 new officers every trimester. What this means is that the field-grade officers are usually the highest officers in direct command of troops. The longer they command their units, the better acquainted with the soldiers they become. This is one reason why *coup d'etal*'s (as the *coup* against Diem in the early 60's) are often led by colonels. General Thieu, a colonel during the *coup* against Diem in 1963, must remember this fact well and the leading role he played in it.

Another significant thing about the dismissed generals and the colonels is that they all come from Saigon and the surrounding areas. If a *coup* were to be made, it should first be started by army units close to Saigon. Otherwise, troop movements would be detected well in advance, allowing more than enough time for counter-measures. Again, Thieu must remember this fact very well since he was commander of the 5th division stationed at Bien Hoa, less than 15 miles from the heart of Saigon.

AMERICAN MONEY KEEPS THIEU IN POWER

To be able to carry out all his balancing acts as described above with any hope of success, General Thieu needs money. To pay his huge police force of 125,000 men to carry out repression and population control, he needs money. To keep his huge 1.1 million man army in check as well as to assure that they are loyal, he needs money. But where can he find the funds he needs? Who will finance his regime when, in an attempt to make it difficult for the PRG to carry out reconstruction for fear that they might eventually become so popular that his own supporters may turn on him, he has destroyed much of the countryside and has in the process driven agricultural production down to a level causing near starvation for a large segment of the population? The answer is the United States government. American aid, increased American aid, is financing the Thieu regime. But why military aid and economic aid? Why not economic aid alone? There are several reasons for this. First of all, not all military aid is just for weapons and ammunition. According to the official statistics quoted by the March 3, 1974 *New York Times*, the total cost of the weapons and munitions given to Saigon during the first year after the signing of the peace agreements was put at $284.7 million, or roughly 75% of the cost level for 1972. The rest of

the military aid money is supposed to go for feeding and providing for the Saigon army, as well as for lining the pockets of officials. Secondly, Thieu is extremely afraid of demobilizing the army and releasing all that human energy for the task of reconstruction since many soldiers would return to their native villages (many of these under the control of the PRG), leading to the strengthening of the PRG-controlled areas. However, in maintaining his army Thieu has to provide for the soldiers, and, therefore, urgently needs increasing U.S. aid. But to woo American aid, especially military aid, Thieu has to persuade his American supporters that he is being threatened militarily or that his economic weakness would lead eventually to a "Communist takeover." To this end, Thieu has had to keep his army busy attacking PRG areas, inviting a military response. Hence the vicious circle turns out to be a downward spiral for Thieu, for the more he continues to attack the areas under the control of the PRG to prove to his American supporters that he still needs American aid to win the war, the more problems he creates for himself economically, socially, and politically. A Vietnamese columnist, Chu Thao, wrote the following in the January 7, 1974 issue of *Dien Tin:*

"The reality of history has shown us that it is impossible to conduct a war while trying to develop economically. If you wish to restore production in order to improve the living standard of the people, the first thing you must do is to stop the war. While the war is still going on, there will still be mourning, hunger, and suffering. This is the price we have to pay for war. Don't nourish the hope of economic development while the war is still going on. The problem, therefore, is still the search for peace. The search for peace after a year of ceasefire! The path to peace is the only escape route from death, hunger, suffering and mourning."

Another columnist, Professor Huynh Van Tong, wrote in the March 6, 1974 issue of Dien Tin that:

". . . all realistic programs aimed at feeding and clothing the people must demand one precondition, and that is the restoration of peace. And the restoration of peace can only be accomplished by a correct implementation of the Paris Peace agreements."

But as long as the United States government continues to give military and economic aid to Thieu, as long as Thieu can depend on the United States for more than 85% of his regime's budget, there is no incentive for Thieu to make peace with the Vietnamese people. Thieu must be made to realize by cutting off all aid to his regime that he must rely on the Vietnamese people for his survival, otherwise the United States will have to support him for an indefinite future without any hope of ever making him able to stand on his own feet.

And by relying on the Vietnamese people, that should mean *all* Vietnamese, including the PRG. There are many reasons for this. First of all, politically, the Paris Peace agreements demand national reconconciliation and concord allowing for free political competition without violence. Secondly, South Vietnam will never be able to get back on its feet again with a double economy, with Saigon developing independently of the rural areas under the control of the PRG. And thirdly, there is no guarantee that continued attacks on PRG areas won't invite an appropriate response that could flare into a bigger war. Should this happen, it would not only be costly to the Vietnamese people in terms of life and property; the United States will also be faced with the disastrous prospect of either reintervening in some way to save Thieu or losing face for abandoning him when the going gets rough.

Judging from the present situation, military attacks by Thieu on the countryside, even without provoking the PRG into increased military responses, will more than likely create increased social, economic and political problems for the Thieu regime. In the not-too-distant future these problems will materialize in the form of militant demonstrations, boycotts, strikes, and so on, in spite of Thieu's large police force and his new population control program. In fact, repression of the urban opposition will incite revolts within the ranks of the army because most of the officers come from the urban middle-class and the people repressed are either immediate family members or close relatives. What then will the U.S. government response be?

In the next few months, during debates on continued or increased aid to Saigon, one should take into account the overall implications of continued aid to the Thieu regime.

The short-term discussion of the fine points of whether the transfer of this or that type of weapon is legal or illegal under the terms of the replacement provision is important only in a larger context. It should be kept in mind that U.S. military aid to Thieu is wholly illegal. The Paris Accords specifically forbid military aid to any party in South Vietnam. Article 14 of the agreements states that "The acceptance of military aid by South Vietnam in the future shall come under the authority of the government set up after the general elections in South Vietnam provided in Article 9(b)."

Lastly, if anyone insists that a cut in military aid to Thieu would invite a Communist military take-over, let him or her be reminded of the present situation in Laos where a political accommodation is working out rather well!

[From Tho-Bao Ga, April, 1974]

TAKE-OFF OR RIP-OFF

On March 26, 1974, *Dien Tin,* a Saigon daily, quoted official sources as saying that the Thieu regime was sending many delegations of legislators, officials of the executive branch, and private individuals abroad to seek foreign aid. Three of the more important delegations to be sent at the beginning of April were to be led by former Foreign Minister Tran Chanh Thanh, former Deputy Premier Nguyen Xuan Oanh, and former National Treasury Governor Nguyen Huu Hanh. *Dien Tin* continued: "The sources explained that all diplomatic efforts of the government will be centered on the fight over economic aid in the United States during the period in which the American Congress will discuss the problem of aid to the Republic of Vietnam."

The importance of the aid-seeking mission is not only indicated by the fact that Vietnamese with any connections in the United States are sent on the delegations but also by the fact that Saigon has spent a huge amount of money in wooing aid. Deputy Kieu Mong Thu had disclosed in the March 19, 1974 issue of *Dien Tin,* that 1.2 billion piasters (over $2 million) has been spent on the aid-seeking delegations. This is compared to the 5 million piasters (or less than $10,000) that Saigon's Department of Social Welfare plans to spend as relief to help the inhabitants of the central provinces who are now threatened with famine (*Dien Tin,* March 27, 1974). In fact, there is reason to believe that the actual amount spent for the purpose of lobbying for aid in the United States is much higher than the 1.2 billion piasters reported by Deputy Kieu Mong Thu. For example, for the U.S. fiscal year 1974 Saigon is spending $20 million, or 15%, of the so-called "Humanitarian Assistance" fund in the United States itself (*Senate Hearings before the Committee on Appropriations,* FY 1974, Part 2, page 1056). This is an increase of $15.5 million over Saigon's last year spending from the same fund (ibid., page 1054). Since the "Humanitarian Assistance" fund is "untied procurement," that is it is not tied to any project, there is room for suspicion that some of this increased spending might have been used in lobbying for aid to the Thieu regime.

Why this desperate effort at wooing American aid? Hoang Duc Nha, Thieu's Minister of Information and a most trusted adviser of Thieu's has been drumming up allegations of North Vietnamese infiltration and has been warning of an offensive by Hanoi if aid from the United States were not to be increased or continued (*New York Times,* March 31, 1974). In the last issue of this newsletter, we showed in some detail how the opposite is true, that is, how continued aid to Thieu would only encourage him to continue with his present policy of military confrontation. Let's be reminded, however, that other high Saigon and American officials generally discount the possibility of an offensive by North Vietnam or the PRG. U.S. Ambassador to the Philippines and former Kissinger aide at the Paris Peace Talks, William Sullivan, was quoted in the March 28, 1974 issue of *Dai Dan Toc* as saying that he did not believe that North Vietnam would conduct an offensive in the South in the coming years. General Tran Van Don, Saigon's Deputy Premier in charge of planning and development, declared in a press conference at Orly airport in France that "As far as the military situation is concerned, I don't believe that the Communists will initiate a general offensive at this time. There will be some small attacks, but there is nothing to worry about" (*quoted in Dai Don Toc,* March 26, 1974). Nevertheless, the Nixon administration has requested an 80% increase in military and economic aid for the Thieu regime for FY 1975. This amounts to $1.5 billion in military aid and $789 million in economic aid. Added to this is $283 million under the Food for Peace program.

AID TO "TAKE-OFF"

Another argument used by the Thieu regime and the Nixon administration for increased aid to Saigon is to, as Ambassador Graham Martin has termed, induce an "economic take-off." In order to achieve this "take-off," Hoang Duc Nha explained to a gathering of diplomats and goverment officials on March 30, 1974, "South Vietnam would need some $700 million in economic aid from the United States each year until 1980, at which point it could get along with $80 to $90 million" (*New York Times,* March 31, 1974).

In a January, 1974, report entitled "Current Economic Position and Prospects of the Republic of Vietnam," the International Bank for Reconstruction and Development (World Bank) disagreed. Assuming that the problem of security is immediately restored and assuming that the "high" forecast "that the growth of exports will progressively rise from 20 percent to 30 percent a year between 1975 and 1980 and other exchange receipts will rise 10 percent to 15 percent a year over the same period," the Bank says that "net aid required in 1980 would still be on the order of $770 million a year or about $100 million higher than seems probable for 1974" (pages 33–34). Net aid means total aid minus exports.

Of course the World Bank is projecting here a dream-world, for no country in the real world has ever achieved such incredible growth. But perhaps what is more mind-boggling is the fact that the Bank assumes that either the "high" forecast of export growths or the "low" forecast (which is given as a "rise from 15 to 20 percent") could come about with Saigon having an economy totally separate and independent of the PRG-controlled areas, maintaining the present gigantic armed forces and bureaucracy, and with refugees wallowing in the squalor of the urban areas because they have been prohibited from going back to PRG-controlled and "contested" areas.

In the last issue of *Thoi Bao Ga,* we docu-

mented the fact that no nationally-based economy is possible in South Vietnam without dependence on the PRG-controlled areas. We also pointed out that the maintenance of the gigantic Saigon army and bureaucracy as well as the huge refugee population in the urban areas have had adverse effects on the prospect of economic development and postwar reconstruction. But, of course, what the Saigon regime and the World Bank have in mind is not a nationally-based economy but a foreign-based one. They hope that with continued American aid for an indefinite period in the future they can turn the part of South Vietnam under the control of the Saigon regime into a way-station for servicing foreign corporate interests, a colony where labor and natural resources such as timber and sea-products can be cheaply exploited. American aid, therefore, is a subsidy for foreign investments; and the gigantic army, bureaucracy, and unemployed refugee population are pools from which cheap labor is drawn. The natural resources exploited and the finished products made by cheap labor can in turn be exported to bring in enormous profits for the investors.

There can be no doubt why the World Bank talks optimistically of a "low" forecast in which the growth of exports will rise from 20 to 30 percent during the next 6 years. After all, this is an "export economy" to be paid for by the American taxpayers at the level of about $700 million in "economic aid" alone for at least another decade. In short, there won't be any real "take-off," only a very real rip-off. And the losers are the American people and the Vietnamese people.

In what follows we will give some examples of the way the Thieu regime takes advantage of the Vietnamese people and how American aid has made this possible. We will also show that if the present trend continues, there is a strong likelihood that the dream world the World Bank and the Thieu regime are projecting will shatter, not like a bubble but like a bomb.

LAND USURPATION

First of all, in stressing export the Thieu regime has allowed its high officials to drive the peasants off of their land even in the areas under the control of the Saigon regime, to steal peasants' crops, and to chop down trees for timber. We have documented this fantastic upsurge of land usurpation in past issues of this newsletter, but in recent days the situation has become worse and the use of violence by the officials has increased.

One example is the situation in Long Khanh province as reported in the February 4, 1974 issue of *Dien Tin*. Six thousand hectares of virgin land in the La Nga forest had been given to 600 families of refugees that the government had resettled under its "Virgin Land Development and Hamlet Construction Program." The refugees began building their settlements and turning the once rocky land into paddyfields. However, gangs of thugs hired by powerful officials were sent to the settlements to destroy the refugees' camps, steal their farming equipment, and cut down the trees in the resettlement with power saws and bulldozers until large patches of the forest were completely flattened. Finally, when the peasants voiced their concern to the authorities, their camps were shot at and an old woman was killed. Phan Quang Dan, the present Deputy Premier in charge of Resettlement and Land Development, had known about the cases of violence against the inhabitants of the area for a long time before the actual killing of the woman and had sent a telegram asking the provincial chief to protect the people. But that was as far as he went. In fact, after the death of the woman and waves of demonstrations, the government refused to do anything at all about the whole affair. So, according to the April 2, 1974 issue of *Dai Dan Toc*, the local authorities continued to beat the people, log their timber, toss teargas grenades into the camps, burn down their homes, and even take their men away after having beaten them up. (Please see the two translations on this issue later in this newsletter.)

The usurpation of the land in the La Nga region, which is expressly for the purpose of logging timber for export, is a typical case concerning the usurpation of relatively newly cultivated land owned by the people. The logging has been carried out with such speed that much of the once dense forests in many provinces have been largely denuded.

Besides the logging on usurped land, Saigon officials have also allowed "Legal" logging on public land. According to the March 15, 1974 *Dai Dan Toc*, 85% of the "legal" contractors are close relatives of high officials in the Department of Forest Inspection and do not have to pay any taxes to the government for logging the forests. Although the taxes for logging permits are small, the amount of trees felled has been so high that it is estimated, according to the same report, that last year the regime lost 70 to 100 billion piasters in taxes. This amount is equal to 2 to 3 times the entire budget for education for 1974 (*Dai Dan Toc*, November 20, 1973)!

According to the Saigon Lower House sources cited in the March 24, 1974 issue of *Dien Tin*, this frantic logging has caused widespread flooding in the highland and central provinces which in turn has destroyed much of the crops and property of the population in those areas. The article continues:

"In recent days many directors of the provincial forest inspection offices have been forced to issue logging permits to a number of people who specialize in exporting timber.

"In many provinces, government inspectors, if they themselves are not conniving with regional authorities in logging timber for private benefit, are powerless in the face of the loss of precious timber in the forests as the result of heavy-handed methods of the regional authorities.

"Very recently, a provincial chief ordered his henchmen to liquidate a director of forest-inspection because he dared to oppose the provincial chief's disastrous practice of taking his own soldiers into the forests to chop down trees and gather it in the most unsparing way. . ."

HUNGER AND STARVATION IN CENTRAL AND HIGHLAND PROVINCES

The combined effect of the usurpation of land for logging and the usurpation of thousands of hectares of cultivated land and the stealing of crops and other agricultural products has been the further impoverishment of the rural population and hunger and starvation in many central and highland provinces (*Dai Dan Toc*, March 14–18, 1974). In its March 29, 1974 issue, for example, *Dien Tin* reported:

"According to the reports of Caritas, the province of Thua Thien has 777,771 persons and of these people 40% have enough rice for two meals a day, 30% have a meal of rice and a meal of rice gruel, and the remaining 30% can only have one daily meal of gruel mixed with roots and greens.

"Many deputies from the provinces of Thua Thien, Quang Nam, Quang Ngai, and Quang Tin have disclosed cases of people who have to eat wild greens, banana roots, cacti, and so on, and many people have become sick or died as a result. . .

"The important thing that must be honestly recognized is that famine is not threatening a number of central provinces alone. . ."

When the hunger situation in the central provinces and the various reasons for it (one of which is Saigon's export of rice and other foodstuffs) were brought to the attention of the Saigon government, the Director of the Office of Foodstuffs Tran Quang Minh retorted that there was more than enough rice in the central provinces and that the only problem was that the prices were somewhat high and some people just could not afford to buy rice (*Dien Tin*, March 29, 1974; *Dai Dan Toc*, April 2, 1974). Thieu himself was reported as having blamed the people for not responding to his call for increased production, implying that the people were responsible for the hunger situation facing them (*Dien Tin*, March 28, 1974). Having said this, Thieu exhorted the people to be "self-reliant" (in other words, don't expect help from the government) and tighten their belts. The people could help themselves, said Thieu, and help increase production by raising 3 pigs, 10 chickens, a brood of ducks, etc., per family. Other members of the Thieu's cabinet have held public conferences to tell the people that the reason for their present predicament is their ignorance of birth control methods. This kind of official talk in the face of serious food shortages, caused by official bungling, corruption, and so on, led Saigon newspapers to carry repeated editorials using daring words. *Dien Tin*, for example, wrote on March 3, 1974: "Even if there were birth control, the poor working people will continue to be poor as long as the present economic system still remains a system for servicing a powerful minority."

PADDYFIELDS TO PLANTATIONS

Another aspect of the "export economy" of the Thieu regime is that commodities are exported only if they are in demand by foreign markets, if they can be produced cheaply, or if they can be stolen with little effort. Therefore, Saigon officials and landlords, who own a very large percentage of the paddyfields, have turned many of them into banana and other fruit plantations while others simply have not cultivated their paddyfields. There are several reasons for this. First of all, countries like Japan are demanding bananas and other fruits. Secondly, rice cultivation requires more labor and more capital investment, making it costlier and more difficult to compete with countries like the United States and Burma on the international market. Added to this is the recent "energy crisis" which pushed the price of gas and fertilizer up so that rice cultivation is not as profitable anymore. For these and other reasons, according to the report of the Office of Development, agricultural production decreased by 20% during the last three months of 1973 as compared to the previous months (*Dien Tin, January* 13, 1974). Since peasants normally cultivate their land for survival and not for profit, even under adverse conditions they would still continue to cultivate their land. But according to the February 24, 1974 *Dai Dan Toc*, a number of deputies in the Saigon Lower House disclosed that in the Delta provinces 20% of the paddyfields growing "miracle rice" have been left fallow because the peasants simply could not afford to buy fertilizer which, according to the same article, cost 8,000 piasters per 50 kilograms at the official price and was to be increased to 10,000 piasters the following month.

"Miracle rice" needs an abnormally large amount of fertilizer as compared to regular varieties of Vietnamese rice. Although no one knows exactly how much fertilizer should be applied to a certain hectare of land, simply because the Saigon government has never done any research on the subject, the officially recommended amount per hectare is given as 50 kilograms (*Dien Tin*, January 12, 1974). In addition, because of the rent of power plows and the cost of gas, a peasant has to spend at least 10,000 piasters to have each hectare of paddyland plowed (*Dai Dan Toc*, January 28, 1974). This is not to mention other production costs such as irrigation, planting, reaping, insect control and so on. Under optimal conditions, a hectare produces about 2.5 to 3 metric tons of paddy rice.

The peasants have to sell rice at the official price of only about 2,000 piasters per *gia* or

about 5,000 piasters per hundred kilograms. Again, this is not to mention the fact that most of the peasants are tenant farmers or sharecroppers who have to pay about 30% of their crops in rent. As a result, there is virtually nothing left for them and their families. The reason why the peasants have to spend so much money on fertilizer and on power plows rentals is because most of the water buffaloes in the country have been killed by bombing or shelling, for fun and for meat by American soldiers and Saigon soldiers, or intentionally for meat by landlords so that they could force fertilizer and power plows on the peasants. Even as early as November 26, 1970, *Tin Sang*, a Catholic daily in Saigon, had reported that over 200,000 water buffaloes had been killed and that in the relatively prosperous province of Can Tho in the Mekong delta, there were only about 1,000 water buffaloes, or only a few in each village. At the present time, although many rich peasants own power plows, most of the power plows are left unused because of the shortage as well as the cost of gas (*Dien Tin*, January 15, 1974).

USURY WIDESPREAD

The effects of all the above are further contributions to the poverty of the population. This in turn makes usury the most profitable way for the rich and the powerful to make money. As a result, according to the February 22, 1974 issue of *Dien Tin*, "the two most developed economic sectors are pawning and the cheap sale of household goods in order to get money to buy rice." According to the same article, the interest rate at pawnshops is 20% a month. Since usury is the most profitable way to make money, rich people do not see why they should invest in agriculture and industry and receive a much lower return. As a result, according to the official report of the Office of Development, cited in the March 27, 1974 *Dien Tin*, during the months of January and February, 1974, agricultural and industrial production decreased by about 40 to 50% as compared to the average for the same months in 1973. The food processing sector decreased by 60 to 70%.

The Saigon regime, of course, blames the whole thing on the "energy crisis." What is even worse is that the regime's Agricultural Development Bank, instead of lending the billions of piasters earmarked for agricultural production to the peasants, lent billions of piasters at very low interest rates to powerful officials and businessmen (*Dai Dan Toc*, January 9, 1974). Presumably these sums are in turn lent to the peasants and others at exorbitant interest rates! In its March 22–23, 1974 issue, *Dien Tin* reported that the Nationalist Party deputies in the Lower House had disclosed figures indicating fantastic corruption at the Saigon National Bank. The preliminary investigation shows that in 1973 about 3 billion piasters were spent on luxuries for bank officials alone. On April 5, 1974, *Dien Tin* and *Dai Dan Toc* reported that on April 4, 9 Saigon daily newspapers had been confiscated because they published a report on the activities of a Saigon bank!

PEOPLE EVICTED FROM FOREIGN-OWNED LANDS

Another aspect of Saigon's foreign-oriented economy is that it requires the regime to protect the interests of foreigners vis-a-vis the interests of its own people. A recent example of this is the passage of Decree 487 BTP/VP which in effect allows landlords and real estate owners to evict people who live on their land at any time without having to obtain permission from the Department of Civil Laws. According to the March 17, 1974 *Dien Tin*, from 70 to 80% of the privately owned land in the Saigon-Giadinh area belongs to foreigners—French, Chinese, and Indian. The new decree has created such an upsurge in evictions by the landlords in the urban areas that, according to the same issue of *Dien Tin*, many people have become so angry they burnt down their own houses and killed themselves. According to the February 19, 1974 issue of *Chinh Luan*, Frenchmen who left in 1954 are now coming back to claim their land, land which Vietnamese have cultivated and on which people have built houses. The article reported that "Frenchmen have spread the word that they will take back the houses and the land in the cities of Da Nang, Hue, Nhatrang, Qui Nhon and many other cities including Saigon itself." All this happens at a time when there are about 3 to 4 million people who are unemployed (*Hoa Binh*, February 25, 1974).

The economic situation in the cities has become so serious that 40% of the student population has dropped out of school for lack of money and becuase of hunger. Many students have become so hungry that they have fainted in class, while others go begging for any kind of job at all that would allow them something to eat (*Dien Tin*, March 26–27, 1974; *Dai Dan Toc*, March 27, 1974). What are these children to do? Where are they going to go if their families are evicted from their homes? No one in the Saigon regime has given much thought to this problem. The problem is how to please the foreigners and to make Saigon look attractive enough for foreign investors and tourists. One of the most energetic programs carried out by the Saigon government at the present time is the program to "beautify the cities."

Evicting Vietnamese tenants from land owned by foreign and Vietnamese landlords would serve both goals: the foreign investors would be pleased and the urban shacks would be replaced by hotels and offices for foreigns firms.

It is most evident then, that for the sake of "post-war reconstruction," "growth of exports," and other such programs, the Vietnamese people have had to be sacrificed. But these people are not pieces of earth which can be pounded and stepped on and molded into any form whatsoever. They too have feelings. After all, this is what the whole war has been about. The present "development" direction of the Thieu regime cannot but force the people into violent reactions at some point. But of course all that is taken care of. For the urban areas, the Saigon regime has created a new system of population control. In the words of a Saigon reporter:

"The city government just announced that the Capitol City will be divided into sections in order to control the population. Each section will be composed of a certain number of families to be supervised by a policeman who will provide security and keep track of the financial situation, the supply situation, the corruption situation—everything . . . Each person will not be free to eat, to sleep, and so on, according to his or her own liking and his or her own living conditions. Rather, from now on you must be careful because there are policemen snooping around ready to interfere in your private life although you have never broken any law or have never had any connection with the Communists."

As for the rural population, the situation is easier to deal with. After, all, there is a regular army of 1.1 million men armed with the latest American weapons. Then, according to the news release from Saigon's Defense Ministry, cited in the April 5, 1974 issue of *Dien Tin*, over 1 million so-called Self-Defense Forces have undergone "iron-training" in order to replace the Regional Forces which will be incorporated into the regular armed forces. Revolt anyone? The wrath of American weapons will come down on you!

What guarantee is there that the soldiers themselves won't revolt? After all, they too are directly affected by this situation. In a country of 18 million people, and army of 1.1 million regular forces and 4 million regional and local forces, every soldier is related to someone who is suffering because of Thieu's policies. Again, this situation is taken care of as long as there is continued American military support. Generals, colonels, and other potential *coup* leaders could be removed periodically. Army units could be used against one another or moved from one area to another. And if any section of the army revolts, you can always say that the Communists have overrun them and then you could bring in air power to wipe them out.

So far, thanks to U.S. miliary and economic aid and thanks to "post-war reconstruction" and "economic development" plans of foreign corporations and the foreign banks, the Thieu regime has managed to progress a decade beyond the present. It is now 1984 in Saigon.

REMINGTON DISPLAY HONORS DR. HAROLD McCRACKEN

Mr. HANSEN. Mr. President, the largest collection of the work of the renowned western documentary artist Frederic Remington is on display this year at the Buffalo Bill Historical Center at Cody, Wyo.

I know that many of my colleagues are admirers, as are most of the people of the United States, of the great works of Remington, and the exhibition at Cody provides a signal opportunity for close examination of the greatest collection of his works ever assembled.

The exhibition is in honor of the retirement of the center's director, the distinguished Dr. Harold McCracken. Dr. McCracken is known internationally, and is as highly regarded in his field as Remington was in his.

At ceremonies June 15 and 16, Dr. McCracken will retire from his seat as director of both the Buffalo Bill Center and the Whitney Art Gallery, and will assume the title director emeritus.

In addition to the Whitney Gallery, the Buffalo Bill Museum and the Remington display, the center also has a Plains Indian Museum—and the assemblage has the reputation for being the most complete collection of western art and memorabilia in the world. The Remington exhibit includes more than 100 pieces of the artist's work that is on loan for the occasion, in addition to the extensive Remington collection that is permanently on display at the center. One of the more famous of the paintings on loan for the special exhibition of Remington paintings and sculpture is the "Cavalry Charge on the Southern Plains," from the Metropolitan Museum of Art in New York.

Mr. President, I have great personal admiration for Dr. McCracken, and ask unanimous consent that a brief outline of his life career be printed in the RECORD for the benefit of those who may be unaware of his many accomplishments. The passage is from the May 23 edition of the Villager, and reads as follows:

DR. HAROLD MCCRACKEN

Dr. McCracken, well-known author and widely-recognized authority on Western art, will observe his 80th birthday on Aug. 31. Other highlights of 1974 for him will include the publication of his 32nd book and his 50th wedding anniversary.

Born in 1894 in Colorado Springs, Colo., McCracken spent his boyhood on a small

Idaho ranch along the Snake River. When he was 18 he was working on the Canadian National Railroad and running a small trading post on the upper North Thompson River in British Columbia.

In 1916, McCracken led his first scientific expedition to Alaska for Ohio State University. The expedition, which lasted two years, resulted in a magnificent group of natural history specimens, including six giant Alaska brown bears.

Following service in World War I, McCracken made three more expeditions to Alaska. A long career of adventure followed, including expeditions from Arctic Siberia to the swamps of Cuba and the South Pacific. He also became a pioneer of motion picture documentation and began to write and lecture on his adventures.

"Iglaome," McCracken's first book, was published in 1930. This book, and more than a dozen of his subsequent books, were about his Alaskan experiences.

Today, Dr. McCracken is an acknowledged authority in a variety of fields. He is an Honorary Life Member of the Explorers Club, a Fellow of the American Geographical Society, and a Fellow Founder and Life Member of the Pacific Geographical Society. He has received three honorary doctorates from Hope College, the University of Alaska and Colorado State University.

"Frederick Remington: Artist of the Old West," published in 1947, launched still another career for Dr. McCracken. Since then, he has published nearly a dozen books and as many articles on Western Art. The life and work of Remington has always held a special fascination for McCracken, and he is, today, internationally recognized as "The" authority on the work of the documentary artist.

McCracken was the first director of the Whitney Gallery of Western Art when it opened in 1959. He has taken particular pride in the gallery's acqusition of the Frederic Remington Studio Collection.

TAX CUT FOR LOWER INCOME BRACKETS ADVOCATED

Mr. HUMPHREY. Mr. President, in a recent interview on the state of the economy and what to do about it, Dr. Leon Keyserling, former chairman of the President's Council of Economic Advisers, called for a tax cut for lower and middle-income families.

I am very pleased to report support for a tax cut, of the type proposed by several other Senators and I, from this noted economist.

Dr. Keyserling observes that many of the Nation's current economic problems are the result of an inadequate volume of business. The cure, he believes, is to get more money into the hands of the Nation's lower- and middle-income families.

One way to get money into the hands of these people, Keyserling states, is through a tax reduction for them—"for which there is still plenty of room." I fully agree with Dr. Keyserling that this "could be recouped by closing some of the loopholes."

Mr. President, the Keyserling proposals are exactly what our people and our economy need today. That is we must have relief from some of the crushing burden of inflation for most of our families, and a stimulus to the sagging American economy. The combination of tax cut and tax reform advocated by Dr. Keyserling is precisely what I have advocated for several months. I am convinced that it would help pull our economy out of its recession by providing a "shot in the arm" to consumer spending.

Mr. President, I ask unanimous consent that Robert Donovan's interview with Dr. Leon Keyserling, published June 2 in the St. Paul Sunday Pioneer Press, be printed in the RECORD.

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

[From the St. Paul Pioneer Press, June 2, 1974]

TAX CUTS IN LOWER BRACKETS ADVOCATED

(By Robert Donovan)

WASHINGTON.—The way to ease our economic woes is to get more money into the hands of lower-and middle-class consumers, in the view of Leon H. Keyserling, president of the Conference on Economic Progess and a former chairman of the President's Council on Economic Advisers.

Among the ways this can be done, he believes, is to cut taxes in the lower and middle-income brackets or greatly to increase government spending on programs designed to improve the quality of American life or to reduce interest rates drastically.

"The energy thing is a hoax," Keyserling said in a recent interview. "I don't mean there isn't an energy shortage, but I do mean that most of the difficulties which are attributed to the energy shortage and by way of excuse for paralysis of action existed long before the energy shortage.

"In other words the problems arising out of recessions, low economic growth and poverty and income maldistribution didn't start with the so-called energy crisis. The energy crisis, fairly measured, is only a very small part of the difficulty.

"For the most part the problem is not due to the actions the Arabs have taken on oil. Because of the thinking of our scarcity school of economics and because of a lack of long-term planning, the problem is due mostly to our serious shortages of plans, serious shortages of pipeline and so forth. We have had blackouts and dimouts in all the big cities, and we have had pleas to curtail the use of power for many years now.

"We knew we were having shortages, but we were not developing our resources to the requirements of a healthy and growing economy."

Keyserling has long been one of the country's most outspoken liberal economists. A graduate of Columbia University and Harvard Law School, he came to Washington with the New Dealers in the early thirties. When the Council of Economic Advisers was created by law in 1947 President Truman appointed him as one of the three original members. In 1950 he became the council's second chairman.

He had a good deal of influence not only on the economics, but on the politics of the Truman administration. He was an exponent of economic growth, arguing that economists should concentrate not on slicing the economic pie, but on enlarging it. To this day he is carrying on his fight against what he calls the scarcity school of economics, which he believes, aggravates inflation by restrictive measures intended to cure it.

Tight money and exorbitant interest rates, he holds, have kept down the annual rate of economic growth, which has made it all the more difficult to distribute wealth fairly.

"The whole problem today," Keyserling said, "is distributional. The main way to cure the profit shortages and the investment shortage is to increase the volume of business. That would come by getting more spending power, by getting more income into the hands of the middle- and lower-income consumers and more public spending for necessary priority programs. I mean programs for education, health, slum clearance and housing, antipollution and mass transportation.

"How do you get the money in their hands? Well, you can do it in several ways.

"One is tax reduction for those people—for which there is still plenty of room. This could be recouped by closing some of the loopholes and even by raising some of the rates at the top, which were reduced too much. My taxes were reduced too much.

"I am not talking about robbing Peter to pay Paul. I am not saying that by putting more into the hands of these people that it would be taken from others in the same amount."

In other words, in his view, if the growth rate were raised, everybody would be better off, rich and poor.

"Another important way of getting more money into the hands of middle- and lower-income consumers," Keyserling said, "would be a drastic change in the whole monetary policy of the Federal Reserve System to do something about these fantastically high interest rates.

"If you compare them today with where they were—and should have remained—as of, say, 1953, the difference represented by the higher interest payments is about $100 billion a year.

"What is happening to that $100 billion? The easiest way to express it is that it is being transferred from those who borrow to those who lend. That is obvious. Who borrows and for what? The average American family—and not the poor families—borrow to buy the car to go to work, they borrow to pay for their homes and for consumer durables, they borrow to educate their children.

"The fantastically high interest rate policy is deliberately transferring $100 billion a year now from those whose incomes should be increased to those who incomes don't need to be increased. Who's getting the money? The banks, financial institutions and others who are very substantially engaged in lending money."

The higher rates, he said, are also costing the government $9 billion a year more than it would have had to pay for interest, if the rates had remained where they were 20 years ago. The $9 billion plus $40 billion that Keyserling believes the government is losing annually on "tax give-aways" would be sufficient, he said, to carry on adequate public programs.

"If you undertook a national income support program, which even Nixon at one time advocated," he said, "the amount of money required annually to lift all poor families out of the poverty cellar is only between $11 billion and $13 billion.

"The policies which have distributed income in the wrong directions, creating social injustices, are not just a matter of being unfair. They have also raised havoc with the economy. Because of the declining rate of the Gross National Product we are in a recession now. And this is a big one, and it is going to get worse before it gets better.

"It is just because we have neglected these moral and human considerations that we have done such a poor job in purely economic terms. In other words, if we made the American economy moral, it would be a far, far healthier economy."

NORTHWESTERN RAILROAD'S EMPLOYEE OWNERSHIP PLAN

Mr. PERCY. Mr. President, a former member of my staff, John McClaughry, has written a most perceptive article on the Northwestern Railroad's employee ownership plan, which has just been printed in the spring issue of Business & Society Review.

The article details the development of

the employee ownership plan, how it has helped the railroad remain a viable entity, and the very beneficial effect it has had on the spirit and motivation of the employees. In short, this experiment makes a strong case for this type of employee ownership plan.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

[From Business & Society Review, No. 9, spring, 1974]

EMPLOYEE OWNERSHIP: A NEW WAY TO RUN A RAILROAD

(By John McClaughry)

(EDITOR'S NOTE.—John McClaughry, a contributing editor to *Business and Society Review*, recently founded the Institute for Liberty and Community in Concord, Vermont. His long-term research involves expanded ownership of property.)

A funny thing happened to the president of the C&NW Railroad during his tour of Milwaukee's Butler yards this year. A prim, gray-haired secretary caught him by the arm in the yard office and whispered, "Say—how're we doing with our stock?"

That kind of happening would be most unusual on other railroads, but bulky, forty-six-year-old Larry Provo is getting used to it. For in June of 1972 his Chicago and North Western railroad became America's only completely employee-owned major railroad, and probably America's largest employee-owned corporation as well.

The Northwestern, founded in 1836, was the first of the great Illinois-based railroads. By 1900 it boasted 9,000 miles of track and over 1,200 great steam locomotives. By the Fifties, however, the railroad was in deep financial trouble. Competition from airlines and trucks had cut into its revenues. Management was dispirited. Bankruptcy seemed inevitable.

Then came Ben W. Heineman. He made the Chicago commuter service the finest in the nation and put the railroad in the black. He added two profitable chemical companies, and formed a holding company—Northwest Industries. In 1968 Heineman bought a conglomerate, Philadelphia & Reading, then yielding about $350 million annual revenues from such components as Fruit of the Loom underwear and Lone Star Steel Co. And in doing so he found out something: a railroad is not a very good thing to build a conglomerate empire around. The railroad contributed $400 million in debt and very little in profits to the Northwest Industries account books. It was easier to make money in manufacturing. In addition, the ICC was claiming jurisdiction over conglomerates that included a railroad. This made investment banks shy away from the whole enterprise.

So in 1969 Northwest Industries decided to dump the Northwestern. Since Heineman had been having merger talks with the Milwaukee road, he offered to sell them the railroad, but Milwaukee wasn't interested. Also among those not interested in such a sale were the top management of the Northwestern Railroad. Their reason was simple—they didn't want to be swallowed up in the Milwaukee's management structure—and they dared to think that they could run a railroad profitably themselves. So North Western president Larry Provo, who had come in with Heineman in 1956 as a twenty-nine-year-old CPA, decided to make Heineman an offer. And a deal emerged.

A NEW COMPANY EMERGES

First, Northwest Industries wrote down the book value of the railroad from $800 million to about $400 million, giving the holding company a nice tax shelter. The newly formed North Western Employees Transportation Corp. (later renamed the Chicago and North Western Transportation Co.) agree to assume the railroad debt and to pay Northwest Industries $19 million in twenty-year notes. The holding company kept the two chemical companies and agreed to guarantee $9 million of the railroad's debt resulting from joint obligations for facilities shared with other railroads. The new company pledged not to diversify and not to pay dividends for five years.

Provo proposed to sell up to 300,000 shares of new stock to railroad employees. Provo was no visionary about this. Railroading was in his blood, and he had watched with scarcely disguised discomfort as the railroad was in ill repute as a member of the conglomerate. He firmly believed that a railroad should be run by railroad men who own a major stake in their railroad, and who are determined to make money by running a first-class railroad. The horrible example of the diversified Penn Central's slide into bankruptcy was on his mind. "We should run a railroad," says Provo, "and not create a company beholden to Wall Street."

To stay out of the clutches of investment bankers, and yet come up with enough working capital to make the railroad a success, pointed to only one strategy—accumulating capital from as many employees as could be interested in the deal. The staff of the ICC, with jurisdiction over the transfer, was nervous about this plan. Its Bureau of Enforcement found lots of reasons why the scheme wouldn't work, even predicting bankruptcy. The ICC staff, accustomed to regulating railroads owned by large investors and corporations, saw grievous consequences if it put its stamp of approval on the kind of transaction customarily regulated by the SEC—the sale of stock to potentially unsophisticated investors. Still smarting over the Penn Central fiasco, the staff held back its approval.

But gradually the ICC came around. Strong letters of support came from Sen. Philip Hart of Michigan, chairman of the Senate Antitrust and Monopoly Subcommittee; Sen. Vance Hartke of Indiana, chairman of the Senate's Surface Transportation Subcommittee; Charles Percy, senior Senator from Illinois; and crusty Wright Patman of Texas, the powerful chairman of the House Banking and Currency Committee, who had long waged war with banks and insurance companies over their meddling in railroad management. Three influential labor leaders, headed by the Railway Clerks' C. L. Dennis, told the ICC that employee ownership would increase motivation, morale, and benefits to the workers. And Robert Brooker, former chairman of Marcor, who had had long and favorable experience with profit sharing at Marcor and Sears Roebuck, lent his prestige and influence to the railroad's case.

In his 1971 findings on the C&NW proposal, ICC examiner Edward J. Reidy, after noting some pitfalls of employee ownership, gave a remarkable endorsement of its advantages. Said Reidy:

"In some particulars the rail industry seems uniquely suited to employee ownership. Considerable railroad work is performed by teams or units without supervision. Necessarily the attitude and motivation of these individual workers become important characteristics of the work product. Properly motivated, as an owner could be, the employee is discouraged from wasting time or goods, and is encouraged to discover savings or improvements which could be made by the railroad. The employee-investor would tend to voice strong support for management decisions patterned to promote improvements on the rail fleet and properties, for he would want his railroad to be the 'best' railroad. To some extent an ownership plan could encourage thrift, in that money which might otherwise be spent would be invested by the individual in stock. With respect to labor-management relations, the attainment of susbtantial employee-shareholder participation should have an irenic impact, resulting in greater harmony in this troublesome area. Very possibly employee-investors might become more civic-minded as they are made keenly aware of the obvious relationship existing between community development and adequate transportation, for employee-owners of NETCO are also citizens of many communities in the 11 States this carrier serves. Although it is not possible to quantify the benefits accruable from employee ownership, the examiner is convinced that as long as the road is profitable, the benefits are not illusory, but real. Briefly, as an employee-investor, the shareholders should gain a fuller appreciation of the importance of maintaining his railroad within a sound transportation system; by intensifying worker pride and incentive, such ownership ought to increase efficiency and productivity; and finally, ownership of the railroad by its employees will enable those who participate in the betterment of the carrier to derive whatever benefits their efforts achieve."

SALE IS APPROVED

On April 28, 1972 the ICC gave its approval to the sale. On May 5 the prospectus appeared, and for twenty days C&NW employees, plus certain labor union leaders, had a chance to buy stock in their own railroad. Provo, Dennis, and Vice-President Richard M. Freeman bought the maximum $100,000 in stock; Brooker, now a director of the new company, bought nearly as much. When the sales were added up, 1,000 of the 13,000 active eligible C&NW employees had purchased 72,825 of the 300,000 available shares at $50 each, raising an equity capital of $3.6 million.

The stock sale, however, later brought criticism of the management—when earnings produced offers of up to $500 a share! Critics charged that the whole transfer had been a deal to enrich top-level personnel. The ICC was persuaded to go along through enthusiasm for giving the ordinary blue-collar worker a capital stake in the business—but only 400 of the more than 12,000 blue-collar employees actually invested. The management and the union leaders like Dennis, said the critics, had deliberately failed to explain to the workers the advantages of buying in at the initial offering.

The criticism fails to understand the securities laws to which the railroad is subject. The railroad needed working capital to start. It could not rely on multimillion dollar investments from Wall Street, because it was determined to stay free from outside control. If it offered a payroll deduction plan at the beginning, it would fail to accumulate the working capital needed at the inception. It had to ask for the biggest chunks of money its employees could advance—a $500 minimum investment.

But on the other hand, it could not aggressively sell its stock to its employees: the laws forbid any effort by management to push the stock, and the ICC did not want to be criticized later for collaborating in the possible impoverishment of thouasnds of unwary railroad workers.

The company sent the offering prospectus to every employee. Like all prospectuses, it emphasized the speculative nature of the investment. It required considerable expertise to unravel the detailed financial tables. Ordinary working men who had had no occasion to deal with the intricacies of corporate tax laws could hardly be expected to understand, for example, that when Northwest Industries wrote down the book value of the railroad by $400 million, that automatically produced a $9 million pretax reduction in the charge, against earnings, for

depreciation. This resulted in a $427,000 addition to earnings every month. Said one suburban commuter conductor a year later, "If I had understood about the writeoff at the time, I would have bought all the stock I could have got my hands on."

A GOOD REPORT SO FAR

The company did the best it could to acquaint employees with the offer, within the strictures imposed by law. A battery of knowledgeable officers manned phones at the main office to explain the prospectus to potential owners. Almost inevitably, callers listened dutifully to a detailed explanation of the pro forma balance sheet and the tax considerations, and then asked, "Look—is this a good deal for me or not?" To that question, the company was forbidden to reply. As a later survey revealed, only 17 percent of the railroad's employees ever had owned corporate stock at any time in their lives, and only 10 percent owned any at the time of the offer. Six hundred of the 1,000 new shareholders, not surprisingly, were management personnel. In the year following the stock sale, the C&NW has made money—lots of it. At the end of its first seven months, it reported pretax earnings of $16.5 million. Since large tax offsets are available, this rate of earnings promises to return nearly $400 per year to the holder of each $50 share. For this reason, offers of up to $500 per share have been reported, but few are selling. The company has offered employees a second chance to buy in early 1974, following a 60-for-1 stock split. This time there was a payroll deduction plan.

There is no assurance, of course, that the Northwestern will remain so profitable. The massive Soviet grain sales of 1972 caused a profit bulge that may not be repeated. Abandoning 2,000 or more miles of little used feeder track would cut operating costs and permit reconstruction of main line trackage. But new environmental laws are complicating abandonment and have produced a lawsuit at the Northwestern's ore loading docks in Escanaba, Mich. Competition from the subsidized Chicago Transit Authority will doubtless cut into the thin profits of the suburban commuter service, unless a regional transportation authority is created.

And some of the theoretical benefits of an employee-owned concern have yet to be experienced, due to the relatively low number of employee-owners outside the executive offices. With only 400 blue-collar shareholders spread over 10,719 miles of line, it is doubtful whether employee ownership will yield anticipated productivity gains or political opposition to the overtaxing of railroad property by local jurisdictions. Union leaders say they will strike the Northwestern just as readily as any other railroad, employee-owned or not.

But it cannot be doubted that there is a new spirit at the Northwestern. The fact that top management and 600 officers own a major stake in the railroad, and are dedicated to making it strong and profitable, has filtered down to the section hands. Track is being modernized; trains are running faster; employee training has been stepped up; management has been visibly invigorated. When Provo visited the Clinton, Iowa, shops last August, over 1,200 employees and their families truned out to express to him their faith in their railroad. Its future may be well worth watching.

COUNTERFORCE STRATEGY

Mr. MUSKIE. Mr. President, for many years the declared strategic doctrine of the United States has been deterrence—a policy which seeks to persuade a potential aggressor not to initiate nuclear war by confronting him with the certainty of unacceptable destruction in return. It has been generally assumed that such a policy is most effective when our retaliatory forces are targeted against the civilian population and industrial centers of the adversary.

During this same period, our strategic nuclear forces have developed the capacity to fulfill other roles. For over 10 years we have had, in addition to the deterrent forces, weapons capable of destroying military targets or capable of damaging our adversary's missile reserves so that they could not be used against us. With progress in technology—such as MIRV, improved command control and retargeting systems, smaller warhead size and the like—the ability of our forces to perform these secondary functions has advanced to a very sophisticated level, while we still maintain an overwhelming deterrent capability.

In recent months, Secretary Schlesinger has initiated a national debate on the question of whether the United States can improve the character of its deterrent by improving and stressing what have heretofore been deemphasized as the secondary characteristics of our nuclear forces. He has proposed, among other things, changes in the structure of our forces, further improvements in their accuracy and destructive capacity, and shifts in our declaratory policy.

This week, as the Senate considers the military procurement bill, we will consider these proposed changes in our strategic thinking—the necessity for them, their costs, and their likely effects. During the debate, I am hopeful that the Senate will not lose sight of the primary purpose of our nuclear forces—to deter aggressors from initiating hostilities.

In this regard, I believe we must do everything possible to enhance the survivability of our deterrent forces and to lessen tensions with such potential aggressors. I have serious doubts whether Secretary Schlesinger's proposed changes in our strategic forces will help achieve these goals. Improvements in the accuracy and yield of our land-based missiles and the development of a terminal guidance MARV program at this time may well lead to an escalation of the arms race with the Soviets taking countermeasures which could increase the threat to our land-based forces and heighten tensions between the world's two major nuclear powers.

Within the last 24 hours, two articles have been written about Secretary Schlesinger's proposed changes in our strategic doctrine that make this argument most persuasively. One of these articles, "Increasing the Nuclear Danger," was written by Senator McINTYRE and appeared in this morning's Washington Post. The other article, "New Strangelove Scenario," was written by Richard Wilson and appeared in yesterday's Washington Star. During the last several months, Senator McINTYRE, as chairman of the Armed Services Subcommittee on Military Research and Development, has played a constructive role within committee analyzing and questioning the wisdom of Secretary Schlesinger's proposed counterforce measures and will undoubtedly make a major contribution to the discussion of these measures on the floor.

Mr. President, I ask unanimous consent that both of these articles be printed in the RECORD.

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

[From the Washington Post, June 4, 1974]

INCREASING THE NUCLEAR DANGER—OUR THREAT TO SOVIET ICBMS MIGHT MOTIVATE THEM TO STRIKE FIRST IN A PERIOD OF INTERNATIONAL TENSION

(By Thomas J. McIntyre)

(This week, or possibly next, the Senate will be voting on an amendment to the military procurement bill, drawn up by Sen. Thomas McIntyre of New Hampshire and designed to eliminate funds for three new nuclear weapons programs the Senator considers to be dangerous. The following is an adaptation of remarks Sen. McIntyre made on the subject, which were printed by the Senate Armed Services Committee.)

Buried in the obscure details of the military procurement bill's Research and Development section are three programs which, if approved, would drastically and dangerously alter our national strategic policy.

These programs would greatly increase the accuracy of our Minuteman III landbased intercontinental ballistic missiles, double their yield, and develop a terminally guided MARV (maneuverable re-entry vehicle) which would give our submarine-launched ballistic missiles, as well as our Minutemen, nearly perfect accuracy. The net effect of these programs would be to give us the ability to destroy large numbers of Soviet missiles in their hardened silos.

I have opposed these counterforce programs in the Armed Services Committee and will continue to do so on the floor of the Senate for the following reasons:

(1) These counterforce programs will put a hair trigger on nuclear war. The stable nuclear peace that the world has enjoyed in recent years has been secured by the confidence each side has had in the survivability of its retaliatory force—even after an all-out attack. This stability would be undermined by greater counterforce capabilities on either side.

Our threat to Soviet ICBM's might motivate them to strike first in a period of international tension. These programs would, therefore, produce an international wild-west filled with the fears and dangers of a nuclear "fast gun."

(2) Whatever the Soviet threat to our Minuteman, these counterforce programs would do nothing to meet that threat. Our real choice is not between strength and weakness but choosing a kind of strength that will meet the threat. And no matter how accurate or powerful our Minuteman may become, these improvements would not make them one iota less vulnerable to any projected Soviet threat against them. In fact they would make them less secure since they might draw Soviet fire.

The effective counter to any projected threat to our Minutemen from Soviet MIRVed heavy missiles are programs that will insure the survivability of our own deterrent. This is our critical Research and Development task in strategic arms.

The Military R&D Subcommittee, which I chair, therefore recommended support of all Department of Defense requests, even some questionable ones, which will insure the survivability of our strategic forces. R&D programs in this bill would give us a number of alternative ways to deny the Soviets any real counterforce advantage—by mobile deployment of our ICBM's in the air or on the

ground; defending our ICBM's with a special missile defense; or augmenting our strategic force through alternative systems such as the air launch cruise missile.

The continuation of the R&D arms race is unattractive no matter what route we choose. But R&D programs dedicated to survivability do meet the threat and they do not add to nuclear instability.

(3) There is no military requirement for these counterforce programs. The R&D subcommittee I chair held searching hearings into our strategic requirements.

The Defense Department's witnesses assured us that we can now confidently destroy all Soviet civilian targets, all soft military targets, and a number of hard military targets. The only thing we cannot do is confidently destroy a large number of very hard military targets (hardened silos) efficiently. Such an increased counterforce capability is not necessary to our deterrent even as defined by the new flexible response doctrine.

(4) These programs don't give us the kind of strength we need to succeed at the Strategic Arms Limitation Talks. These counterforce programs will give the Soviets a military reason to go ahead with their MIRV deployment and will, therefore, work against our key goal at SALT—a Soviet acceptance of a verifiable agreement to restrict deployment of their new MIRVed heavy missiles.

Moreover, since these programs will require the Soviets to further harden their silos, their earth moving and construction will complicate any independent verification by obscuring detection of MIRVed deployment or other modernization they might do at the same time.

Our imposing, dynamic Trident program *plus* our continued development of B–1, *plus* continued modernization and improvement of our Minutemen, *plus* our active retention of the option of MIRVing additional Minutemen, *plus* our R&D of Mobile ICBM's, *plus* our R&D of missile site defense, *plus* our continued MIRV conversion of our submarine fleet, *plus* R&D on sub- and air-launched cruise missiles, will insure that our military position at SALT II will be a powerful incentive for the Soviets to come to a serious and secure agreement.

But most important, concentrated support of those R&D programs which would enhance the survivability of our deterrent speaks with unmistakable clarity and force to the Soviets that we will never let them put a subsantial part of our strategic force at risk. We, thereby, give them the most compelling motive to restrain their destabilizing MIRV technologies and come to a secure agreement at SALT. If they refuse, we will have technologically prepared ourselves to take whatever practical steps are necessary to assure the survivability of our deterrent.

[From the Washington Star, June 3, 1974]

NEW STRANGELOVE SCENARIO

(By Richard Wilson)

People don't like to think about or talk about The Bomb but perhaps their attention can be drawn back to it by some quite audacious policies which are under discussion in the Nixon administration.

Think first about this one point: the Defense Department wishes to develop crisis plans for the relocation of many millions from 250 critical target areas to appropriate host areas as far out of harm's way as possible. Defense Secretary James Schlesinger is quite sanguine about this, noting the vast population movements in and out of Manhattan every day.

Emphasis also is returning to fall-out shelters after the nationwide scare of a few years ago and the census surveys showing that running to the basement would be no good.

It clearly can be seen that high authority is trying to lead public thinking back to the theoretical plausibility of a nuclear attack on this country under certain circumstances. There is hellish and involuted logic involved as there is in all things nuclear.

If the Soviet Union can be made to believe that the United States has developed a plan for limited nuclear attack on military targets, one way to persuade them of this policy change would be preparations to suffer the probable consequences of doing so. Thus we get people ready for mass relocation and running to the fall-out shelters (which is what the Russians do also) to give credibility to the proposition that we might use nuclear weapons in some degree, and that will help to deter Russian gambles.

The common wisdom up to now is that any use of nuclear weapons will mean the whole shebang and the planet will be done with as a livable abode.

But Dr. Schlesinger and those associated with him have a different Strangelove scenario: The credibility of our use of weapons against military targets with pinpoint precision will make it all the less likely that adventures will be undertaken by our adversaries, nuclear or otherwise.

Bluff or not, the policy is going forward and will undoubtedly be very expensive in the end. The planning for mass relocation and surveys of fall-out shelters will cost relatively little, but such things upset congressmen who do not wish to comprehend nuclear celestial mechanics.

Making missiles pinpoint accurate will cost a great deal and the whole retargeting process won't be cheap but we have the technology to do it. It is estimated that as a starter, $250 million can increase accuracy, focus on military targets and put into effect Dr. Schlesinger's new strategy. Theoretically, this backs up Dr. Henry Kissinger in his dealings with the Russians, but Kissinger seems to be a little nervous about the whole thing and there are recurrent reports of his differences with the Schlesinger doctrine.

It is probably a difference in emphasis more than anything else but actually the cost will mount up to the billions in due time which may make it appear that nuclear agreement with the Russians is not a budget saver.

Dr. Schlesinger is not too well understood, as may be suggested by Vice President Gerald R. Ford's stated inclination to replace him if Ford ever becomes president because he thinks Schlesinger's congressional relations are not good.

The rebuttal to Dr. Schlesinger is that his limited nuclear war doctrine will not reduce the threat of nuclear war but make it more likely because when the Russians comprehend what we are doing they will prepare countermeasures. The never-ending spiral of terror would thus continue. If the results were well thought out in advance there would, of course, never be a nuclear war, but it takes only a little reading of history to appreciate that such logic does not apply and statesmen make bad mistakes.

Sometimes, when Congress is relieved of its overwhelming preoccupation with impeaching Nixon, it will get around to examing anew what is likely to happen to the human race at this juncture in changing nuclear policy.

CAPITAL PUNISHMENT FOR CERTAIN SERIOUS CRIMES

Mr. BARTLETT. Mr. President, the abduction and ransom of Walt Helmerich, of Tulsa, brings home to Oklahomans the near anarchy condition which exists around our country. Mr. Helmerich's kidnaping is only the latest in a series of such violent crimes which have recently occurred.

I am thankful, and Mr. Helmerich is quite fortunate, that he was unharmed.

This offense once again points up the need for the reinstitution of capital punishment for certain serious crimes such as murder, hijacking, and kidnaping.

History has proved that this ultimate punishment is a deterrent to crimes such as kidnaping. After the kidnaping of Charles Lindberg's child in the 1930's, the death penalty was expanded to include such crimes. Immediately, the number of such terrible offenses was dramatically reduced.

I am sure the FBI will be relentless in pursuing the persons who perpetrated this offense. However, prevention is necessary as well as apprehension to reduce the likelihood of future attempts to abduct a hostage for a ransom.

I have cosponsored legislation to reintroduce capital punishment on the Federal level. I urge the Senate Judiciary Committee to begin serious consideration of this legislation.

PURCHASING POWER OF DOLLAR CUT IN HALF IN LAST 25 YEARS

Mr. HUMPHREY. Mr. President, the average consumer has been caught in what is aptly called a two-way squeeze—rising prices combined with a higher tax burden together they mean that in 1974 a family must earn double what it did in 1949 to maintain the same living standard. A study by the prestigious Conference Board of New York shows that a family which earned $5,000 in 1949 must earn $10,750 today to maintain its 1949 standard of living.

During this time period prices at the consumer level have doubled, and personal and social security taxes have increased 300 percent—in 1949, the family with a $5,000 income paid $344 in taxes and had a disposable income of $4,656; in 1974, the family with the same disposable income of $4,656 had a higher nominal income of $10,750 but higher prices ate away over $4,000 of that income and the tax burden increased to $1,627.

As disappointing and frustrating as these figures seem, the average worker suffered a particularly sharp decline in purchasing power during the past year. From April 1973 to April 1974, the average worker with three dependents suffered a decline of 5.6 percent in his real spendable earnings. If real earnings continue to decline at this rate, purchasing power will fall much more in the next 25 years than it did since 1949.

Mr. President, I ask unanimous consent that the article, which appeared in the Miami Herald describing the conference board study be printed in the RECORD.

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

DOUBLE INCOME NEEDED FOR 1949 PURCHASE POWER

A family of four today must earn more than twice the income of a similar family a generation ago to equal its purchasing power.

Today's family must make nearly $11,000 to equal the buying power of a family with

$5,000 income in 1949, according to a study by The Conference Board, an independent business research firm in New York.

Inflation, higher federal income taxes and increased Social Security contributions are blamed for what the board called "the two-way squeeze" in its Road Maps of Industry, No. 1735.

The study did not take into consideration state or local incomes taxes, which cut deeper into the average family's buying power.

Twenty-five years ago, a $5,000-a-year family had $4,656 to spend after taxes. In 1974, a same-sized family needs $10,750 to match this buying power, the study found.

Rising prices have siphoned off $4,467. Federal income and Social Security taxes eat up $1,627 from a family's income of $10,750, it noted.

Four-person families with incomes of $10,000 in 1949 today would need $21,080 to maintain the same standard of living.

The board's study also noted that total personal income advanced 10.3 per cent last year, the largest increase in more than 20 years. However, this gain was pared to 4.5 per cent after taxes and price adjustments.

This rise still is considered faster than the long-term average of 2.7 per cent since 1949, the study said.

This year, the taxable earnings base for Social Security has been raised by $2,400, to $13,200, increasing the tax to a maximum of $772 per employe to finance an 11 per cent increase in benefits paid out this year.

Last year, the board noted, individual income taxes accounted for 22.8 per cent of total personal earnings. The Tax Foundation estimated the average American worked until May 1 this year to earn enough to pay his taxes.

Here is a table showing 1974 income needed to equal 1949 buying power.

	1949 gross income—				
	$1,500	$3,000	$5,000	$10,000	$25,000
Less: Income and social security taxes	$15	$63	$344	$1,112	$4,410
Equals: Income after taxes	1,485	2,937	4,656	8,888	20,950
Equivalent 1974 gross income	3,089	6,480	10,750	21,080	54,307
Less: Income and social security taxes	170	725	1,627	3,666	13,953
Less: Lost purchasing power	1,425	2,818	4,467	8,526	19,750
Equals: Income after taxes in 1949 dollars	1,485	2,937	4,656	8,888	20,590

MARYLAND'S PIONEERING APPROACH

Mr. BEALL. Mr. President, during the hearings the Health Subcommittee conducted on S. 2994, the National Health Planning and Development Act, testimony was received from Mr. Alvin M. Powers, chairman, Maryland Health Services Cost Review Commission.

Because of the unique approach taken by the State of Maryland, I believe that his testimony will be of interest to my colleagues in the country.

Mr. Powers is also director of the Bon Secours Hospital in Baltimore. I ask unanimous consent that his testimony describing Maryland's pioneering approach be printed in the RECORD.

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

STATEMENT OF ALVIN M. POWERS REGARDING "THE NATIONAL HEALTH PLANNING AND DEVELOPMENT ACT"

MARCH 26, 1974.

Mr. Chairman, members of the Committee; My name is Alvin Powers. I am Chairman of Maryland's Health Services Cost Review Commission and Director of Bon Secours Hospital, Baltimore, Maryland. I appreciate the opportunity to testify today on S. 2994, the "National Health Planning and Development Act of 1974."

I would like to begin by emphasizing that I support the testimony of Governor Noel, of Rhode Island, in requesting greater flexibility at the State level in responding to the particular problems associated with the health care industry.

The main portion of my testimony, Mr. Chairman, details the controls existent in Maryland.

The Health Services Cost Review Commission was established in 1971. The Commission was given specific responsibilities and certain powers to achieve those responsibilities.

The Commission regulates hospitals.

The Commission's first responsibility was public disclosure of the financial position of the institutions. This responsibility began the day the Commission was appointed (July 1, 1971).

The second main area of responsibility between costs, services, and charges. The Commission must certify that total costs are reasonably related to total services offered; that aggregate rates are set in reasonable relationship to aggregate costs; and that rates are set equitably without undue discrimination. These responsibilities begin July 1, 1974 for hospitals and July 1, 1975 for related institutions.

The Commission has certain powers to meet these responsibilities. We can collect accounting records (we have subpoena power) and hold public hearings. We developed a uniform accounting and reporting system for related institutions. The institutions, by law, had to adopt the appropriate system at the start of their fiscal year beginning on or after April 1, 1973. This power is important for both meaningful disclosure and to assure that costs, rates, and services provided are reasonably related. We can require full or partial audit and verification by independent CPAs.

A key power for today's discussion is rate review which, in effect, makes the covered institutions public utilities in the State of Maryland.

The Commission consists of seven persons appointed by the Governor for staggered four year terms. Our law requires that four of the seven members "shall be persons who have no connection with the management or policy of any hospitals or related institutions". Further, our regulations, which call for subcommittees of three, require at least two of those to be chosen from the "unconnected" members. Further, "no action of the Commission shall be effective unless at least four (4) of its members concur therein." (Section J). This means that even if the three "connected" persons found themselves in the majority at a Commission meeting, they could not make any effective changes without some "unconnected" support.

My next topic, Mr. Chairman, is that of our relationships with other regulatory groups in the State.

While there need be no direct administrative liaison with the licensing agency or with the P.S.R.O., very close liaison must exist with the Insurance Commisisoner or whatever body regulates Health Insurance. Close liaison with the Insurance Department is assured by having one of the two Deputy Insurance Commissioners as a member of the Health Services Cost Review Commission.

We have close coordination with the Maryland Comprehnesive Health Planning Agency. CHP has the certificate-of-need legislation. We are separate agencies, both in the Department of Health and Mental Hygiene.

Maryland has had CHP for five years, certificate-of-need legislation covering hospitals for three years and nursing homes for one year. The Health Services Cost Review Commission, under an agreement with the CHP "a" and "b" agencies, performs financial feasibility reviews of all major proposals.

Mr. Chairman, the Commission is currently developing its rate setting methodology. We have received a grant from the Bureau of Health Insurance, Department of Health Education and Welfare under Section 222 of Public Law 92–603, to develop a prototype model for rate setting at the state level.

The Commission will be setting prospective rates. The Commission's regulations require each hospital submit, one month prior to the start of its fiscal year, a budget for the next fiscal year and a report based upon nine months of actual data and a three month forecast for the current year.

The Commission has the responsibility to see that costs are related to level of service. The uniform accounting and reporting system provides for uniform definitions of overhead functions such as housekeeping, dietary, etc., and requires the reporting of a uniform statistic for each function. This will allow us to identify those hospitals which have excessive costs in a particular service. The Commission can disallow costs as excessive and require management audits of overly high cost hospital functions.

Additionally, we have divided the hospital, where relevant, into three parts, patient care centers (obstretrics, recovery room, etc.), auxiliary, or business like, enterprises (gift shops, rental of physicians' offices, etc.) and other institutional services (nursing education, medical research, etc.). After overhead costs are allocated between these we can then step down costs to the various patient care centers and compare the cost per unit of service of the patient care centers. We have chosen standard output measures for the patient care centers. For most centers we have mandated that "relative value units" will be maintained Again, the Commission can disallow some expenses as excessive and call for management audits of particularly expensive centers.

Certain aspects of the rate level are important. The budget review will assure that rates are based upon reasonable costs at effective utilization levels. No longer will hospitals be reimbursed for all costs they experience in "allowable cost" areas. Reasonable costs will be required. Rates will be set by dividing these reasonable costs by target occupancy levels; not by achieved

occupancy. Pressure will be put on hospitals to close unneeded facilities. Maryland's CHP, with its grandfather clause, cannot initiate a request to eliminate existing services. The Commission will place financial pressure on hospitals to work with CHP and among themselves to achieve regionalization of underutilized departments.

The rate structure being developed by the Commission eliminates the long standing practice of subsidizing losing areas, notably obstetrical and related services, with profits in radiology, pathology, pharmacy, etc.

In addition, Maryland has an active P.S.R.O. system. The medical society foundation has a contract with the State under which the Maryland Admissions Review Program (MARP) is currently performing the P.S.R.O. function on all Medicaid patients. MARP is also negotiating with the Health Insurance Council and Blue Cross for expansion beyond Medicaid patients.

In summary, Mr. Chairman, Maryland is performing almost all the functions specified under S. 2994. Comprehensive Health Planning has planning responsibilities and certification-of-need responsibilities; the Health Services Cost Review Commission has prospective rate review responsibilities, uniform accounting and reporting responsibilities and requirements for annual auditing and verification; and the Insurance Commissioner has regulation responsibilities of commercial and non-commercial insurance carriers.

Close liaison does not require that all parts of regulation—including plan development and licensing—be put in one agency. Close liaison exists in Maryland.

In conclusion, Mr. Chairman, many unsolved issues exist on how to apply the utility regulation model to hospitals and nursing homes. The model offers potential solutions to major problems if handled correctly. I do not believe all states should adopt this approach until it has been given a chance to prove itself. We in Maryland invite careful government scrutiny at all levels and close federal involvement as we apply this model.

Dr. Harold A. Cohen, the executive director of the Commission, and I would be happy to answer any questions you might have.

JIM FARLEY RECEIVES COVETED LAETARE MEDAL

Mr. WILLIAMS. Mr. President, recently, at a dinner in New York City, Notre Dame University presented its highly coveted Laetare Medal to James A. Farley.

Those of us who have had the rare privilege of knowing Jim Farley over the years would, I am sure, unanimously applaud his selection for this honor. Jim, who celebrated his 86th birthday last week, has been a fixture on the American political scene for more than four decades. He has been a political leader in every good sense of the term, and has certainly left a significant imprint upon the history of the momentous events in which he has been a participant.

Mr. President, the award of the Laetare Medal to Jim Farley was chronicled in fine newspaper columns by Ernest Cuneo and by Bob Considine. I ask unanimous consent that these columns, together with a description of the Medal, be printed in the RECORD at the conclusion of my remarks.

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

[From the Paterson Morning News (N.J.), May 29, 1974]

ANOTHER AWARD FOR BIG JIM

(By Ernest Cuneo)

WASHINGTON.—Notre Dame's intellectual first team, every bit as fit and quick as its football varsity, took the field the other night at the Starlight Roof of the Waldorf to award the Hon. James A. Farley the Laetare Medal, the University of Notre Dame's highest accolade.

Since it is a toss up as to which is the more famous, James A. Farley or the University of Notre Dame, it was more or less like an exchange of honors between Harvard and Yale.

Appropriately enough, those two sportswriters and fans, Ed Sullivan and Bob Considine, were on hand to record the momentous proceedings.

The name of James A. Farley is, of course, as familiar in the world of sports as it is in politics and international business.

For all practical purposes, the New York Yankees would no more start the game without Big Jim in his first base box than they would without a first baseman, both are necessary fixtures of the club.

Big Jim is the loyalist of Yankee fans, but to append the word "loyal" to Farley is a redundancy. Loyalty, happily enough, begets loyalty, and it detracts not in the least from the glory of the Notre Dame award that thousands of the Hon. James A.'s friends reacted with the observation, "It's about time!"

Actually, it was about time, because the melted snows of the Great Blizzard of 1888 were still tumbling to the sea when James A. was born that May day in the lovely little Hudson River community of Grassy Point. Jim's father was the captain of a Hudson River schooner, which carried the area's chief products, bricks, to the great metropolis downstream.

One morning, Farley's dad was kicked by the family horse as he was hitching him to the carriage. Two mornings later, the 10-year-old lad looked out the window and saw a hearse in front of the house and from then on his widowed mother took charge of her very young children.

James A. Farley recalled the other night of how his mother had told him never to take an alcoholic drink and that he never had. He was roundly cheered for this and, since the University of Notre Dame had thoughtfully provided three excellent wines, Bob Considine, and I, whose mothers had executed no such pledge, were happy to keep the team batting average by taking slugs of all three.

Actually, Farley and that immediate Hudson River locale are something of a cross-section of dynamic America. Some 60 miles upstream at Hyde Park, a wealthy squire's son, Franklin D. Roosevelt, was playing with his pony.

A few miles west, an athletic child, W. Averell Harriman was cavorting about his railroad-financer father's near one million acres. Across the Hudson, was the vast private domain of John D. Rockefeller, Pocantico Hills. All three of these wealthy families, the Roosevelts, the Harrimans and the Rockefellers, were to produce governors of New York state.

James A. Farley, however, has the distinction of being the only one who turned down the Governor's Mansion, though Franklin D. Roosevelt as President, all but begged him to make the easy run for it.

Jim couldn't; he had a growing family to educate and he felt that was his first duty. The one-time powerful postmaster general was interrupted with thunderous applause when he stated that he left public office in 1940 owning $100,000. One could not help but feel sorry for our country that its present state is such that Farley's statement was regarded as evidence for continued faith in the Republic.

[From the Union City Dispatch (N.J.), May 25, 1974]

ON THE LINE

(By Bob Considine)

James A. Farley, 1974 winner of Notre Dame's treasured Laetare Medal, enthralled his audience at the Waldorf with an account of his life in politics and his 35 post-political years with Coca-Cola. It was a feat of total recall, a remarkable summation of the times, lives, triumphs and disasters of a vast tapestry of Americana. It's a pity that his response to the conferring upon him by Father Theodore Hesburgh of the award, which dates back to 1883, could not be heard by history scholars across the land.

Big Jim, perhaps the last honest politician, breathed life into the images of Presidents, Popes, kings, king-makers, dictators, tycoons and common folk he met along the way. He thanked the long-gone constituents (Farley will be 86 "and holding" as he says in this space age, on May 30) who launched him on his political career by electing him town clerk of Stony Point, N.Y., in 1912. And he especially thanked a man who moved him into the big leagues of politics, Jimmy Walker.

He told of a meeting he had with Walker in Paris during Walker's troubles with New York's imperious Judge Samuel Seabury. A New York Times correspondent asked the two to pose. Walker, perhaps the most photographed politician of that time, demurred. He didn't think it would be a good thing for Farley, by then on his way to making Franklin Delano Roosevelt the President of the United States. Farley said nonsense, and the picture was taken. It appeared on the front page of the Times. Seabury had some harsh things to say about Farley for consorting with a man who had fled the country, and when he returned by ship Farley was questioned about the Seabury blast by reporters who had "gone down the Bay." One of them, Jim recalled the other night, was Jimmy Duffy of the N.Y. Telegram.

"I knew Jimmy well," Farley reminisced at the Waldorf. "He was the dean of that crowd. So I said to him, 'Jimmy, it's apparent that Judge Seabury doesn't know what it means to have a friend'."

UNIVERSITY OF NOTRE DAME, DEPARTMENT OF INFORMATION SERVICES,

March 24, 1974.

THE LAETARE MEDAL

("The Laetare Medal has been worn only by men and women whose genius has ennobled the arts and sciences, illustrated the ideals of the Church, and enriched the heritage of humanity."—Excerpt from Laetare Medal citation presented to General William Starks Rosecrans in 1896.)

These are the exacting criteria employed by the University of Notre Dame in awarding its Laetare Medal each year. Established in 1883, the medal was restricted to lay persons until 1968, when it was announced that henceforth priests and religious would also be eligible. Over the years the Laetare Medal has been presented to 74 men and 19 women—soldiers and statesmen, artists and industralists, diplomats and philanthropists, educators and scientists.

The Laetare Medal is the American counterpart of the "Golden Rose," a papal honor antedating the eleventh century. The name of the recipient is announced each year on Laetare Sunday, the fourth Sunday of Lent and an occasion of joy in the liturgy of the Church. The presentation of the medal is normally part of the University's commencement exercises in May.

The idea of the Laetare Medal was conceived in 1883 by Professor James Edwards. His proposal met with the immediate approval of Rev. Edward F. Sorin, C.S.C., founder

and first president of Notre Dame, and the Rev. Thomas E. Walsh, C.S.C., then president of the University. Through the years the recipients of the Laetare Medal have been selected by an award committee headed by the president of Notre Dame.

Generally regarded as the most significant annual award conferred upon Catholics in the United States, the Laetare Medal consists of a solid gold disc suspended from a gold bar bearing the inscription, "Laetare Medal." Inscribed in a border around the disc are the words, "Magna est veritas et prevalebit" (Truth is might and will prevail). The center design of the medal and the inscription on the reverse side are fashioned according to the profession of the recipient.

LAETARE MEDALISTS

1883, John Gilmary Shea, historian.
1884, Patrick Charles Keeley, architect.
1885, Eliza Allen Starr, art critic.
1886, General John Newton, engineer.
1887, Edward Preuss, publicist.
1888, Patrick V. Hickey, founder and editor of the Catholic Review.
1889, Anna Hansen Dorsey, novelist.
1890, William J. Onahan, organizer of the American Catholic Congress.
1891, Daniel Dougherty, orator.
1892, Henry F. Brownson, philosopher and author.
1893, Patrick Donohue, founder of the Boston Pilot.
1894, Augustine Daly, theatrical producer.
1895, Mary A. Sadler, novelist.
1896, General William Starke Rosecrans, soldier.
1897, Thomas Addis Emmet, physician.
1898, Timothy Edward Howard, jurist.
1899, Mary Gwendolin Caldwell, philanthropist.
1900, John A. Creighton, philanthropist.
1901, William Bourke Cochran, orator.
1902, John Benjamin Murphy, surgeon.
1903, Charles Jerome Bonaparte, lawyer.
1904, Richard C. Kerens, diplomat.
1905, Thomas B. Fitzpatrick, philanthropist.
1906, Francis J. Quinlan, physician.
1907, Katherine Eleanor Conway, journalist and author.
1908, James C. Monaghan, economist.
1909, Frances Tiernan (Christian Reid), novelist.
1910, Maurice Francis Egan, author and diplomat.
1911, Agnes Replier, author.
1912, Thomas M. Mulry, philanthropist.
1913, Charles B. Herberman, editor-in-chief of the Catholic Encyclopedia.
1914, Edward Douglas White, Jurist and Chief Justice of the United States Supreme Court.
1915, Mary V. Merrick, philanthropist.
1916, James Joseph Walsh, physician and author.
1917, William Sheperd Benson, admiral and chief of naval operations.
1918, Joseph Scott, lawyer.
1919, George L. Duval, philanthropist.
1920, Lawrence Francis Flick, physician.
1921, Elizabeth Nourse, artist.
1922, Charles Patrick Neill, economist.
1923, Walter George Smith, lawyer.
1924, Charles D. Maginnis, architect.
1925, Albert Francis Zahm, scientist.
1926, Edward Nash Hurley, businessman.
1927, Margaret Anglin, actress.
1928, John Johnson Spaulding, lawyer.
1929, Alfred Emmanuel Smith, statesman.
1930, Frederick Philip Kenkel, publicist.
1931, James J. Phelan, businessman.
1932, Stephen J. Maher, physician.
1933, John McCormack, artist.
1934, Genevieve Garvan Brady, philanthropist.
1935, Francis Hamilton Spearman, novelist.
1935, Richard Reid, lawyer and journalist.
1937, Jeremiah Denis M. Ford, scholar.
1938, Irvin William Abell, surgeon.
1939, Josephine Van Dyke Brounson, catechist.
1940, General Jugh Aloysius Drum, soldier.
1941, William Thomas Walsh, journalist and author.
1942, Helen Constance White, author and teacher.
1943, Thomas Francis Woodlock, editor.
1944, Anne O'Hare McCormick, journalist.
1945, G. Howland Shaw, diplomat.
1946, Carlton J. H. Hayes, historian and diplomat.
1947, William G. Bruce, publisher and civic leader.
1948, Frank C. Walker, Postmaster General and civic leader.
1949, Irene Dunne, actress.
1950, General Joseph L. Collins, soldier.
1951, John Henry Phelan, philanthropist.
1952, Thomas E. Murray, member, U.S. Atomic Energy Commission.
1953, I. A. O'Shaughnessy, philanthropist.
1954, Jefferson Caffery, diplomat.
1955, George Meany, labor leader.
1956, General Alfred M. Gruenther, soldier.
1957, Clare Boothe Luce, diplomat.
1958, Frank M. Folsom, industralist.
1959, Robert D. Murphy, diplomat.
1960, George N. Shuster, educator.
1961, John F. Kennedy, President of the United States.
1962, Francis J. Braceland, M.D., psychiatrist.
1963, Admiral George W. Anderson, Jr., chief of naval operations.
1964, Phyllis McGinley, poet.
1965, Frederick D. Rossini, scientist.
1966, Mr. and Mrs. Patrick F. Crowley, founders of The Christian Family Movement.
1967, J. Peter Grace, industralist.
1968, Robert Sargent Shriver, diplomat.
1969, William J. Brennan, Jr., jurist and Associate Justice of the Supreme Court of the United States.
1970, Dr. William B. Walsh, physician, project HOPE originator.
1971, Walter Kerr, drama critic, and Jean Kerr, author.
1972, Dorothy Day, founder of the Catholic Worker Movement, journalist and author.
1973, Rev. John A. O'Brien, author.
1974, James A. Farley, business executive and former Postmaster General.

PROBLEMS OF THE PHILIPPINES

Mr. ABOUREZK. Mr. President, with strong U.S. support, the Philippines has been converted from Asia's oldest and proudest democracy into a dictatorship. For the last 16 months, President Ferdinand Marcos has ruled under martial law. Meanwhile, U.S. economic and military aid to this regime has inched upward.

Many Americans have reacted with horror. A group of 114 prominant U.S. educators and clergymen who know the Philippines well have appealed jointly to Marcos to restore constitutional democracy. But in both Manila and Washington, their pleas have been ignored.

The United States, which has planted democracy in the Philippines, has avoided official comment on the drastic change under Marcos. But while there is not a word of Washington rhetoric on the situation, U.S. aid has increased. Economic aid rose from $77.6 million in 1972 to $87.5 million in 1973. Military aid rose from $14 million to $15.7 million in the same time period.

According to many recent reports, U.S. Special Forces are cooperating with the Philippine army, although its accent is on "civic action"—developmental work in the countryside.

It is clear that the heavy dose of U.S. assistance to the Marcos regime has contributed heavily to sustaining the Philippine military before martial law. In fact, through this outright military welfare system, Marcos is building an even larger military apparatus than ever before.

Again, this year, the Congress is being asked to appropriate an even greater amount of funds to support the military of the Philippines. Yet, there is little question that the regime is using its military muscle to enforce some of the most repressive and inhumane policies found anywhere in the world on its own people.

Mr. President, the time has come to stop this oppressive support of the Marcos regime, for without that support, there can be little question that the present Philippine Government would fall. It simply cannot stand on the support of its own people.

Recently, Mr. Benedict J. Kerkvliet, a professor of political science at the University of Hawaii and currently a fellow at the Woodrow Wilson International Center for Scholars here in Washington, testified before the Subcommittee on Foreign Operations. Having read his statement, I believe that Mr. Kerkvliet offers a tremendous insight into the problems which the people of the Philippines have faced under the Marcos regime. In addition, he poses a strong argument for the termination of U.S. military assistance to that government—as long as the despotic rule under President Marco continues.

Mr. President, I ask unanimous consent that the statement of Professor Kerkvliet be printed in the RECORD.

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

TESTIMONY BY BENEDICT J. KERKVLIET

Mr. Chairman and Members of the Subcommittee: I am Benedict J. Kerkvliet, a professor of political science at the University of Hawaii and currently, for 1973–74, a Fellow at the Woodrow Wilson International Center for Scholars here in Washington. I am speaking today on behalf of myself and an organization of concerned Filipinos and Americans called Friends of the Filipino People (FFP).

We have been following closely events in the Philippines since President Ferdinand Marcos imposed martial law and curtailed all civil liberties in that country. I, for example, lived in the Philippines from March 1969 through November 1970 while doing research on peasant movements there, especially the Huk rebellion (1946–1954). And since then I have studied political developments in the Philippines and other countries in Southeast Asia, partly in connection with my teaching and my own research. My studies and those of others in the Friends of the Filipino People and organizations with similar interests have caused us to be alarmed at trends in the Philippines. We fear increased repression and violence under the present martial law regime. And we fear that the United States will continue to contribute directly to this repression. We want the United States government to show to the world this year that it will no longer continue to support military dictatorships. We want the United States to end all military and military-related assistance to the Marcos regime, the newest dictatorship in Southeast Asia. If the Administration of President Richard Nixon fails to stop this aid, then we want at least the 93rd Congress of the United

States to refuse to appropriate any more money to the martial law regime in the Philippines.

The basis for this position is the following argument. First, the martial law regime in the Philippines is a repressive one. Repression and abusive government practices have been major themes in the country's politics during the last one and one-half years. They far exceed whatever shortcomings the country had prior to martial law. Second, repression and abuses have provoked Filipinos from many different backgrounds and political orientations to resist, often rebel. Rebellion is more extensive than before martial law. Third, the response of the Philippine government, in turn, has been more repression and further militarization of the government and the entire society. Fourth, this military apparatus, including the country's enlarged armed forces and modernized national police, is heavily dependent upon the United States. Whether or not Congress has approved, the United States government is perpetuating this dictatorship and its repressive policies. This not only makes a farce of our democratic principles and heritage, but it could easily drag the United States into another "Vietnam" type of war in Southeast Asia. That prospect scares me to death, and I should think that it would millions of other Americans and Filipinos, too.

POLITICAL REPRESSION IN THE PHILIPPINES

Since September 1972, the Republic of the Philippines has been under martial law. This country, which once was widely known as America's "showcase of democracy" and one of the few countries in the Third World to have any semblance of democracy, has become a dictatorship. The dictator is Ferdinand E. Marcos, who is both President and Prime Minister of the Republic.

The laws of the land under martial law are the Presidential Decrees, Letters of Instructions, and General Orders that only President Marcos or his own ministers can issue. He has proclaimed over 440 Presidential Decrees so far. He has destroyed the legislative and judicial branches of government, silenced the press, ordered the arrests of thousands, and mobilized the military.

One of President Marcos's first acts after declaring martial law was to dismiss the Philippine Senate and House of Representatives. He banned all political parties and cancelled all elections, including his own. His second, and final, term as President should have ended December 1973. He arrested prominent Senators and several delegates to the Constitutional Convention, which was then in session. These persons had been Marcos's political enemies and outspoken critics of the militaristic tendencies of the Marcos administration prior to martial law.

He also destroyed the previously independent judicial branch. General Order No. 3, which Marcos issued the first day of martial law, disrobes the court by excluding all acts, decrees, and other orders of Marcos or his representatives from judicial scrutiny. Also excluded are criminal cases involving such issues as "national security," the fundamental laws of the State," and "public order."[1] He added four members to the Supreme Court, appointing persons known to be loyal to him. Then, as a journalist recently wrote, "to seal the collapse of the old independent judiciary, President Marcos not only squeezed resignation letters from all judges down to the Court of First Instance level (presided over by district judges); he also made sure the nine carry-over Supreme Court justices took new oaths of office under his Constitution."[2] The President has also formed "military tribunals," one or more for each military region of the country, to try both civilian and military cases involving "crimes" against the government.

The Marcos government was not content with simply cancelling all elections. It has wanted to give the appearance of free choice, especially for the benefit of the outside world. It has called, therefore, two referendums: one to approve a new Constitution, which allowed Marcos to stay in power indefinitely, and the other to approve the programs of the "New Society." For these referendums, the Marcos regime created "Citizen Assemblies" throughout the country. People had to vote in public, frequently in the presence of armed police, and with government officials coaching them on the "correct" ballots. As the highly respected Bishop Francisco F. Claver wrote recently:

"Probably the single most resented aspect of martial law (and this is true among the privileged as well as the underprivileged classes) is the loss of freedom of choice at the polls. The past two referendums have been unparalleled farces, a fact that is not lost on even the regime's staunchest supporters. For a people used to turning out of office unpopular administrations in the past through the instrumentality of the free ballot, having to vote according to 'suggested answers' is the ultimate indignity. The people feel the insult deeply, but they also realize they are not going to achieve anything in open demand for their rights."[3]

The New Society prohibits the civil liberties of the "old society." As one recent study concluded, ". . . there is no freedom of the press, no freedom of speech, no freedom of assembly, no freedom from arbitrary arrest, and no guarantee of a fair trial."[4] Where there were 15 or 20 daily newspapers before martial law, there are only three now—all of them strictly controlled by the government, and one of them with close ties to President Marcos. The number of radio and television stations has similarly declined. All media must abide by the government's rules of censorship. These rules prohibit any criticism, let alone any dissent, of government policies and the President himself. "The media report virtually nothing but praise for the Marcos administration," wrote one scholar.[5] A correspondent remarked, as others have, "Manila's press after martial law counts among the dullest and most obedient in the world."[6]

Media people must adhere to government censorship lest they lose their licenses, be imprisoned, or both. Since martial law, the government has imprisoned numerous journalists, publishers, and broadcasters. At least one of them has been tried on charges of "subversion," and sentenced to several years of hard labor. Under martial law, "subversive literature" is, as Maryknoll priests told a *Washington Post* correspondent last November, "any article even mildly critical of the regime—even articles from magazines such as *Time* or *Newsweek* . . . ."[7] The government has banned from the country at least nine issues of *Time*, for example, because they had stories containing criticism of Marcos's policies.[8]

The government has outlawed strikes, political organizations, and unauthorized political meetings. "Strikes are a luxury we cannot afford in the 'New Society'," said Alejandro Melchor, the Executive Secretary to Marcos.[9] The regime has also dissolved labor courts and imposed compulsory arbitration in order to suppress labor and peasant unrest that had been common prior to martial law. Peasants, who comprise nearly 75% of the population, can only form associations that have the government's approval. In most localities the government has outlawed chapters of the two largest peasant organizations prior to martial law, the MASAKA (*Malayang Samahang Magsasaka*, or Free Farmers Union), and the FFF (Federation of Free Farmers).

Fear and force are principal means the government uses to get compliance and obedience. Both the censored Manila newspapers and the foreign press report numerous police raids and mass arrests. During the first three months of martial law, the Philippine Constabulary (PC) stated that 8,261 persons had been arrested. After one year of martial law, the government admitted that it had arrested or, in the government's language, "detained" 11,697 persons.[10] The figure must be far above that now because arrests and police raids have continued unabated in the eight months since last September. A common practice of the specially trained "Metrocom" (Metropolitan Command) police attached to the Philippine Constabulary is to surround an entire neighborhood, usually at night, force everybody out of their homes, and arrest people who look suspicious. These are called "zona" raids, named after the similar methods of the military during the Japanese occupation in World War II. In recent months, the police have focused especially on intellectuals and clergy. In December, for example, the PC raided the Baguio City branch of the University of the Philippines and arrested 150 professors and students. The PC released some of them a short time later, but they took the others to a PC prison or "detention center" for interrogation and imprisonment. Among the prominent persons recently arrested are Dr. Nemesio Prudente, former president of the Philippine College of Commerce in Manila; Attorney Charito Planas, a critic of martial law and a former delegate to the Constitutional Convention; and Lorenzo Tañada, Jr., a media executive and son of former Senator Tañada who has been a lawyer for several of those people arrested during martial law.[11] As for the clergy, the government has raided convents, church schools, church universities, and private homes in order to arrest ministers, priests, and nuns. At least 22 priests and nuns had been "detained" as of November 1973, according to a *New York Times* report.[12] By now the number is larger because the government, angry with those in the Catholic Church who continue to criticize the military for its abuses and martial law in general, has quickened its drive against the clergy despite military assurances earlier that arbitrary arrest of Catholic clergy would stop.[13]

Frequently, people arrested are never charged with a crime. People suffer, as priests in one Philippine province recently protested, "arbitrary arrests and acts of harassment on [grounds of] mere suspicion of so-called subversive activities."[14] Others, such as Baldomero T. Olivera, a former press secretary to a late Philippine President, are arrested for "rumor mongering," a punishable crime according to Presidential Decree No. 90.[15] "Anyone who utters any criticism automatically becomes an enemy of the State," reported Professor John M. Swomley, Jr., after returning from a visit to political prisoners in Manila.[16] Still others are accused of specific crimes, including "subversion," but languish in prison for months without trial. From time to time, the government releases "detainees," after they agree to endorse the New Society and to report regularly to assigned police and military officers. Others, however, have been in prison for months. Senators Jose Diokno and Benigno Aquino, Jr., for instance, have been in prison since the first day of martial law. They still have not yet been formally charged. Their only offense seems to be that they were strong critics and threatening political opponents of Marcos prior to martial law.

Inside the prisons, government authorities often abuse the prisoners. A peasant whom the PC arrested, for example, fought the guards at the "detention camp." The guards, in turn, electrocuted his penis. He had

Footnotes at end of article.

fought the guards in the first place because the reason he had been arrested was because he had tried to get the landlord to follow the rules of Marcos' land reform program.[17] A former prisoner wrote that many of those people arrested for subversive activity never make it to prison; "often as not, they are killed at the time of their capture by ambitious military men anxious to report 'battle' victories." Those who escape murder "are taken to secret apartments and at times to military camps where they are squeezed for information through the use of a wide range of crude to sophisticated torture techniques."[18] In mid 1973, 27 priests reported in a joint letter that they had documentary proof of men who had been "killed in jail even before their guilt could be investigated and established."[19] A pastoral letter of Sulu and Mindanao priests read to hundreds of congregations on Easter Sunday 1974 protested, "That some detainees, according to a growing number of reports, have been subjected to torture in violation of the United Nations Declaration of Human Rights, yet there are no signs that steps are being taken to correct this."[20] A study in November 1973, based on a survey of key informants throughout the Philippines, found that, "There are frequent reports of physical torture from all regions of the country. The families and relatives of prisoners are [also] kept under surveillance.[21]

Outside the prison, too, military officers and other government authorities abuse civilians and continue practices of corruption and favoritism. In the provinces, people report that military authorities get away with everything from murder to stealing funds from relief projects to siphoning gas from civilian trucks into their own vehicles.[22] A study of all regions in the country found, for example:

"In the cities of Central Luzon, the 1st PC Zone Command protects gambling and houses of prostitution. In Cebu and Eastern Visayas, the 3rd PC Zone Command protects smuggling and vice, which are reported to be much worse now than before martial law. From Zamboanga del Norte, there are many reports of crimes committed by the military against defenseless Muslim civilians. In Mindoro, the PC are accused of land grabbing from the Mangyans (a tribal group)."

The study concluded that instead of controlling the abuses of local politicians, who are by and large the same people as before martial law:

"The military in most of the eleven regions of the country are . . . party to the abuses. There is a marriage of convenience from which both military and politicians profit. The ordinary people are the ones who suffer. There is no one to defend their rights. No one to whom they can appeal their grievances. They are intimidated, fearful. They have no recourse from either the abuses of the military or the politicians, and abuses are common."[23]

A lawyer for recent refugees from heavy fighting in Sulu province said, "The efforts of the President to establish his New Society by martial law have failed because despite the various decrees, . . . the people are still suffering from want, fear, corruption, and iniquitous treatment from the people who have been charged with carrying out his presidential orders."[24]

Since martial law began, the Marcos regime has increased its budget for propaganda from 3 million pesos to 68 million pesos ($10 million) in order to sell the New Society both at home and abroad.[25] But appearance of reform is not enough, not when repression is so harsh and the "reforms" themselves so empty. As a *Wall Street Journal* reporter wrote a year ago, "Despite a few promising indications, his [Marcos's] 'New Society' remains more a matter of public relations than of profound reforms. Its momentum, moreover, seems to be sagging."[26] Land reform, for example, which Marcos has said repeatedly should be the only gauge of success or failure for the New Society, has so far been a failure. And it shows every likelihood of continuing to be so because it excludes most tenant farmers, while those who are affected will probably end up as poor as they were before martial law.[27] Corruption continues, even at the highest levels of government. The major difference is that corrupt military officers have replaced some of the corrupt politicians.[28] The widely advertised claim that "crime in the streets" is wiped out appears to have been only a temporary reality. Even the government censored press reports more stories of crime now than it did a year ago. Last October, the Department of Defense admitted to a delegation of Catholic bishops that crime rate was on the rise and was fast approaching pre-martial law proportions.[29]

Those who have benefited from martial law include the foreign investors, particularly large American, Japanese, and multinational corporations.[30] Other beneficiaries include Filipino political and economic elites. Talk about redistribution of wealth and undermining the wealthy families notwithstanding, the martial law regime has not posed a threat to the elite as a whole. Only a few of the oligarchal families have lost some wealth and political clout. They did because they were political enemies of Marcos, who took his revenge once he had acquired so much power by virtue of martial law. Marcos and his family have benefited, too. Reputed to have been the wealthiest man in Southeast Asia before martial law, Marcos must be one of the wealthiest men in Asia now. He is also, in effect, President for life—or for as long as he can hang on to the position.

GROWING RESISTANCE AND REBELLION

Social, economic, and political conditions in the Philippines were bad before martial law. Since then, they have become in several respects even worse. But now Filipinos have far fewer legal options in order to express their discontent. The result, almost inevitably, has been increased illegal actions, resistance, and even armed rebellion. The authorities characterize the people who do these things as "subversives," "communists," and "Maoists." If there is any truth at all to this, it accounts for only a small number of people. It is the government—its repressive policies and bad economics—that is provoking people to resist and to rebel.

Take wage laborers, for example. Inflation exceeded 30 percent last year and it is still climbing; unemployment is increasing; employers lay off workers in violation of their contracts; and corporation executives connive with government officials to ignore minimum wage and other labor laws. The result is that workers want the right to strike. But the government continues to refuse. Some workers have publicly protested and gone on strike, anyway, risking imprisonment or even death.[31] The PC and local police have arrested many of the workers' leaders.

Squatter families, who compose one-fourth to one-third of Manila's population, have been organizing for years in order to protect themselves against forced eviction and government abuses. Now, under martial law, the evictions have been stepped up in order to make way for the regime's "beautification projects," yet the squatters can no longer demonstrate or hold rallies. But because the situation had become so serious late last year, several hundred people dared to march toward the President's palace to protest "the government's violation of an agreement that no squatters would be ejected beyond the six-meter distance from the Manila Bay shoreline." The PC's Metrocom police confronted the squatters, forced them to disperse, and arrested several leaders. The next week, the Metrocom raided the homes of those in the squatters' "ZOTO" organization and arrested more leaders.[32]

Presidential Decree No. 33 prohibits the "printing, possession, distribution, and circulation" of leaflets, handbills, papers, graffiti, or any other materials that might "incite" people or criticize the government.[33] Despite this decree and the prison sentence it carries, "underground" papers and leaflets continue to appear in increasing numbers. Many university people who were active in numerous nationalist organizations prior to martial law have now resorted to secret meetings and surreptitious methods in order to collect information and publish news that never gets into the government censored press. They do this despite the fact that police and the PC arrest and imprison people for these "subversive" and "communistic" activities.

Meanwhile, there is considerable evidence that the number of groups prepared to fight in armed rebellion is increasing. One group, called the Filipino Freedom Fighters, pleaded with Marcos in a publically circulated letter last September to lift martial law. When his term of office under the pre-martial law Constitution expired at the end of 1973, the Freedom Fighters stated that Marcos, in their view, was no longer the legitimate president and warned that force may be necessary in order to oust him. The Freedom Fighters reportedly include lawyers, professors, students, some libertarian-minded wealthy families, and even some disgruntled officers in the Philippine military.

In the countryside prior to martial law, organized rebellion was confined mainly to the small New People's Army in parts of the Cagayan Valley and Muslim rebels in parts of Mindanao. But since martial law, organized resistance and rebellion have appeared in most regions of the country. Reports from the Manila and foreign press show armed groups have clashed with the Philippine military in several provinces in the following regions: Ilocos, Cagayan Valley, Central Luzon, Southern Luzon, Biscol, Western Visayas, Eastern Visayas, Mindanao, and Sulu—virtually every part of the country. The province of Pampanga in Central Luzon, for example, had a clash last October for the first time in over four years between "insurgents" and the PC.[34] Armed rebels are also appearing again in other areas, such as Bulacan and Nueva Ecija, where the peasant-based Huk rebellion had been strong in the 1940s and 1950s.[35] The island of Panay in Western Visayas has become, according to another report, "a veritable powder keg," with 200 or more well armed rebels scattered across the three provinces there. The rebels reportedly have considerable village support.[36] Many students from universities in Manila and other cities have gone underground to join peasants in armed rebellion in different parts of the country. Prior to martial law, these students and peasants had been active in student political organizations and peasant associations. Martial law has banned these groups. A study last Fall noted, for example, that many of the approximately 100 armed rebels in Davao Oriental and Davao del Norte (in Mindanao) were young people who had been active in the "Khi Rho" before.[37] The Khi Rho was a Catholic youth group that worked especially with peasant associations. Another report tells of four rebels whom the PC recently killed. One had been the secretary-general of the SDK, which was a legitimate student political organization prior to martial law. Another had been the editor of the University of the Philippines student newspaper. Two more had been "campus activists."[38] Several priests and nuns, too, have joined armed peasant groups to prepare for armed rebellion.[39] Although the number of rebels may still be

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small and the degree of cooperation among these various groups may be weak, the rebels seem to be growing in strength—and even in cooperation. Reports recently have said that the various underground groups within the "Christians for National Liberation" are making a "united front" with other underground groups and the so-called "Maoist" New People's Army.[40]

The New People's Army, too, seems to be larger now than it was when Marcos declared martial law in September 1972. A news report on a province in the Bicol region said, for example, "No more than a communist toehold before the imposition of martial law, this southern tip of Luzon has developed in the 16 months since September 1972 into what appears to be a solid spreading base of the . . . New People's Army. The NPA has taken hold of Sorsogon because it is rooted in the community. Its leaders here are former student activists, born here, . . . and former Marcos political opponents led by a former local mayor." [41] The Philippine army has said that the number of "Communist regulars" has increased during martial law from 1,710 to 2,266.[42]

Although the government characterizes most of these rebels and other "subversives" as "communists" and "Maoists," this is not a fair description, as I have tried to indicate here. A few may be communists, such as some of those in the New People's Army. But most people are doing things that the government considers illegal, including armed rebellion, first, in order to protect themselves against repression, and second, to work for improved conditions in their country. Most of these Filipinos would prefer legitimate channels of criticism, dissent, and protest, but martial law has closed those off.

The situation reminds me very much of the conditions in which the large peasant movement in Central Luzon in the 1940s became a strong peasant rebellion that lasted until the mid 1950s. This was the Huk rebellion. Peasants had not wanted to take up guns to fight for economic justice and against the police and landlords' violent practices. But because of officially sanctioned repression beginning in 1945 and 1946, peasants had to fight back. They were forced to rebel. The government and US authorities at that time, too, called the Huks a "communist" rebellion. But it was not.[43] One would think that government officials would have learned better over the years since then.

The largest and strongest rebellion during martial law thus far has been the Muslim movement in Mindanao and Sulu, the southern extreme of the Philippines. The Marcos regime has been terribly anxious to portray the Muslim rebels as "Maoists." It is in the Marcos regime's interests to do this, first, in order to keep Muslim countries, upon whom the Philippines depends for most of its oil, from accusing the Philippine government of waging a genocidal war on Muslim brothers. Second, the Marcos government knows that the United States government is more likely to help in the counter-insurgency if the insurgents are "communists" and "Maoists."

But the Muslim rebellion is far more complicated than communist subversion. "The . . . charge—that the rebels are 'Muslim Maoists' . . . remains the best illustration, among many, of the Manila [government] failure to see itself, or the problem, as Muslims see it," wrote Harvey Stockwin, a close observer of the situation. "The rebels are no nearer reconciling Maoism to Islam than are, for example, Sabah's Tun Mustapha or Libya s Colonel Moammer Kadaffi." [44] The first complication is that there are several Muslim rebel groups, not just one. They do not want exactly the same thing and they are not under one unified leadership. Second, the current rebellion among Filipino Muslims is part of a long history of trouble between this minority group and the central government in Manila—whether under the Spanish, Americans, or Philippine Republic—and the Christian Filipino majority. The issues go way back: Muslim identity, landownership, and independence or at least an automonous Muslim state.[45]

Although fighting between Muslim rebels and the Philippine military occurred off and on during the 1960s, it was martial law that pushed an even larger number of Muslims into full-scale rebellion. One important reason was the increased presence of the Philippine military itself. The military's reputation is extremely bad among Muslims, and as the military started to exercise its new power under martial law, it easily angered these people. A second important reason was the government's demand that all citizens turn over their weapons to the military. Because Muslims have so frequently had to resort to weapons to protect themselves from the encroachments of Christian Filipinos and the central government, this demand was tantamount to surrendering their only means of self-defense. This was all the more so in a martial law situation since other legitimate grievance channels were blocked. From the earliest months of martial law until now, the rebellion has been gaining momentum among people in several provinces in Mindanao and in the province of Sulu. According to numerous reports, the rebels controlled much of Sulu. In January and February, the government decided it could no longer tolerate this and launched a series of heavy attacks.

MILITARY FORCE AND MILITARIZATION

On several occasions last year, the Philippine military used airpower, naval bombardment, and heavy assaults against Muslim rebel positions in Mindanao and Sulu. A few months ago, in February 1974, the government put their full might behind a sustained attack on Muslim rebels, numbering between 400 and 2,000, who had moved from the countryside to take control of the Muslim city of Jolo in Sulu province. It had been a city of 150,000 people. Afterwards, according to a Manila newspaper, it had only 20,000 people.[46] The city was in ruins, said a *New Yorks Times* reporter; "it was acres of charred rubble and blasted concrete, from which bodies were still being recovered . . . more than a week after the Philippine armed forces finally took Jolo back from the Muslim insurgents." [47] Another reporter said that Jolo was 90 percent destroyed.[48] Between 1,000 and 2,000 people were killed.[49] The government's air force had bombarded and napalmed the city, its navy had bombarded it with heavy artillery, and its army had fielded 5,000 heavily armed soldiers. This was, in Philippine military language, "a mailed fist approach" to end the rebellion. After the battle, the Marcos regime's Secretary of Defense, Juan Ponce Enrile, reflected on the method: "We should have taught these people a lesson a long time ago. We have been too easy on them. They must be forced to give up this foolish idea of dismembering a portion of our country." [50] One Muslim rebel told a foreign correspondent, "The [Philippine] army's aim is genocide, to wipe out all Moros [Muslims] and take our homeland. Why? Because Sulu is rich. Oil in the sea, crops, prestige for President Marcos's Manila Government. But Sulu [and] the greater islands of Mindanao and Palawan are Muslim lands, and we will die to keep them." [51]

Since the large battle in February, the Philippine military has continued what it calls "sanitizing operations" against Muslims beyond the ruins of Jolo.[52] Several thousand Filipino refugees, both Muslim and Christian, try to find shelter and food in Zamboanga, Cotabato, Basilan, and other places. The Prime Minister of Malaysia recently reported that in his country alone, on the island of Sabah, there were 22,000 Filipino Muslim refugees.[53] But reputable observers say that rather than bringing the war to a halt, the government's military methods have strengthened the Muslim rebellion. As one foreign correspondent wrote recently about Jolo's destruction, "First, and last, it has increased the polarization between Christian and Muslim in the Southern Philippines. . . . Some of the younger [Muslims] inevitably feel that joining up with the rebels is the only way out. There are numerous swirling cross-currents, eddying all the more because of Jolo. They add up to vicious, gathering, circles of fear and suspicion, hatred and violence." [54]

Other Government military attacks similar to the one on Jolo have occurred during martial law. In October 1972, for example, a military commander in Northern Luzon forced 50,000 Filipinos to move just as they were preparing to harvest their rice crops. The commander said he wanted to "sanitize" the area with a "big military operation." It was an area where the New People's Army was strong. "Everyone who remains in the area is NPA," General Tranquilino Paranis is reported to have said as he prepared the attack. Martial law, he added, had helped to persuade local government officials to cooperate with this military method.[55]

I fear that government attacks like this, the one in Jolo, and other repressive methods will continue in many parts of the Philippines as the government continues to militarize and resort to large scale violence in order to rule.

A major theme in Philippine politics under martial law has been militarization. Previously, the military played only minor roles. Now it has the center of the stage. In terms of size, for example, the military numbered between 60,000 and 65,000 when Marcos declared martial law in September 1972. By late 1973, government news report said that the Philippine military was about 80,000. By May 1974, the number was 100,000. The Marcos regime plans that by mid 1975 the military will number 256,00.[56] Some of the new recruits will be volunteers, but the majority will be draftees. For the first time in the Republic's history, it will have a national draft.

Military expenditures, too, are way above previous amounts, and they continue to rise. Although the regime's budget has been secret, one report said that, "a number of economists . . . believe that military expenditures are far more substantial than the level authorized in the pre-martial law budget." [57] These military expenditures were a major cause for last year's record deficit of 1.2 billion pesos ($150 million).[58]

Under martial law President Marcos has given this growing military organization increased powers in nearly every aspect of government. Several provinces have had Philippine Constabulary and Philippine Army colonels and generals for governors. In most regions, military officers are in charge of the important Regional Offices for Development, which supervise, among other things, public works and parts of the land reform program. Marcos has also made military officers responsible for the management of the Manila Electric company, a steel mill, and other companies that the regime took from rival political families after martial law. And there are the new military tribunals mentioned earlier that try civilians accused of certain crimes against the state.

In addition to the military itself, there is the national police system. The National Police Commission, which was established a few years ago, is now making steady progress in bringing all of the country's 1,500 police departments under one integrated police system. The chief of the National Police Commission is the Secretary of Defense, Juan

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Ponce Enrile. As the police departments are integrated, the Philippine Constabulary will take control and supervise all police functions.[59] In this way the integrated national police forces will come under the Philippine armed forces. Accomplishments of this integration program thus far include, for example, unification of all police forces in metropolitan Manila, centralized data banks and communication systems for police work throughout the country, and training schools for all policemen and police chiefs. The Marcos regime has also released special funds to raise the salaries and add fringe benefits for policemen throughout the country.[60] This comes at a time when wages for most Filipino workers have been declining.

Another important part of militarization is the government's efforts to watch or, as government reports say, "monitor" people. One part of this is the expanding role of several security, investigation, and spy agencies. In addition to enhancing the role of the National Bureau of Investigation (NBI) and the National Intelligence Coordinating Agency (NICA), the regime has created related organizations, such as the Civil Intelligence and Security Agency (CISA). The job assigned to CISA is to gather intelligence information on students, teachers, professors, and non-academic personnel at schools and campuses across the country.[61] Another method to keep track of people is the compulsory registration system that the regime has begun. This system requires, according to Presidential Decree 278 issued in August 1973, that, ". . . all citizens of the republic . . . shall be assigned a reference number and issued a national reference card . . . Citizens or nationals of foreign countries resident in the Philippines shall likewise be assigned" a card to serve as "the official identification of the person to whom it is issued."[62] These numbers and the registration information, together with the centralized computer system that will store the data, will help the government to track down criminals, subversives, critics, and complement its other surveillance methods.

AMERICAN SUPPORT

When President Marcos declared martial law, the US Embassy in Manila and the State Department in Washington had "no comment." Since then US diplomatic officials have avoided a categorical endorsement of martial law in the Philippines. But by its actions, the United States does support President Marcos' regime and apparently it plans to continue to do so.

For example, when the Philippine Constabulary and other police forces arrested thousands of civil libertarians, prominent Senators, and other critics of Marcos' government during those first weeks of martial law, the United States Navy's Naval Command helped. It provided information to the Philippine police that led to the arrest of Filipinos and Americans who had been providing legal services to American GIs there.[63] More significantly, US military and economic assistance has continued—even increased. Aid under the Military Assistance Program (MAP), which had been going down since the mid 1960s, is now going up again. MAP aid increased from $14 million in FY 1972 to $15.7 million in FY 1973, and to $18.9 million in FY 1974. President Nixon's Administration this year is asking for $17.9 million for FY 1975. On several occasions, US Ambassador to the Philippines William H. Sullivan has assured the Philippines that US assistance will continue. To the Marcos government and its supporters, this assistance, which exceeds $100 million per year, constitutes both support and approval of marital law. For instance, a report in a government censored newspaper said when the US Senate voted last year for more assistance that, "In effect, the Senate action in committee constituted an unmistakable approval of the New Society being established in the Philippines by President Marcos."[64] Another government censored newspaper said in its editorial, "In the case of the Philippines . . . the US Senate action constitutes an unmistakable approval of the new order. It was held in US circles that affairs here are our own concern and that there are no indications that martial law has endangered democracy in the Philippines."[65]

What is so disturbing is that aid from the United States has been the main source of money, materiel, and technical assistance for the buildup of the military apparatus in the Philippines over the years. Now, US economic and military aid have borne fruit—a dictatorship that relies increasingly on its military, which in turn relies heavily on more aid from the United States. It is hardly the kind of legacy that one would expect the oldest democracy in the world would like to leave.

The modernized police forces, including the Philippine Constabulary's infamous Metrocom, has raided hundreds of homes, arrested thousands of Filipinos, interrogated them, and collected dossiers on suspected "subversives" during martial law. This police system is, in large measure, the result of US AID's "Internal Security Program." So far the program has spent nearly $3.5 million of US taxpayers money. According to the Executive Branch last year, AID is reviewing the program "for possible increase in funding."[66] The program, according to AID, has achieved most of its original objectives. The Philippines now has facilities to train 4,000 policemen per year; it can give advanced training to some of these police—including training at such US counter-insurgency centers as Fort Bragg and the John F. Kennedy School for Special Warfare; 35 of the planned 55 police communications networks have been installed; and Philippine municipalities have developed a coordinated records system.[67] Put into other terms, the program can take credit for such achievements as the ID card system now under way; the arrest of over 12,000 persons held in new "detention centers," and 1,500 modernized police departments in which many policemen have the latest American riot guns, walkie-talkies, and patrol car computer consoles.

US AID continues to help the Marcos regime train and equip its police forces and integrate them under the command of Philippine Constabulary. Last year, Secretary of Defense Enrile thanked "our friends from the United States Agency for International Development" for their assistance for police training when he spoke to a graduating class of the new Police Commission Academy.[68] Just recently US AID gave the police department in Angeles City, Pampanga, 10 new motorcycles with radios (previously the department only had 2) and 15 jeeps with two-way radios.[69] US assistance for "narcotics control," too, seems to be helping the Marcos regime build a police state. The Philippine Constabulary's Anti-Narcotics Unit, which receives US aid, is known to arrest suspected critics and "subversives" in Manila. In at least one instance, the arrested person, a young Filipino named Liliosa Hilao, died while detained at the Anti-Narcotic's Unit's building at Camp Crame (the PC headquarters in Quezon City). According to Liliosa Hilao's relatives, the PC officers who arrested her molested her at her home, then tortured her to death at Camp Crame.[70] For FY 1975 the Nixon Administration has requested $250,00 for "Narcotics Control."

Turning to US assistance designated specifically for the Philippine military, it seems doubtful that without US aid, the Philippine military could have developed to where it is now or continue to expand in the years ahead. According to the US General Accounting Office in 1972, "During fiscal years 1964 through 1971, 55 percent of the US military grant aid was used to cover the Philippine Armed Forces' operating costs, and the percentage has been growing during recent years." The GAO found that US assistance paid for 72 percent of the Philippine military's operating costs in FY 1969, 78 percent of its operating costs in FY 1970, and over 82 percent of its operating costs in FY 1971. US assistance is also the Philippine military's major supplier of weapons and materiel. As the GAO reported in 1972, "With minor exceptions, the United States has provided all major items of military equipment and most of the training received by the Philippine Armed Forces."[71] In 1969 General George B. Pickett, then Chief JUSMAG-Philippines, graphically illustrated this dependence when he told the Senate that all the Philippine military's ammunition comes from the United States.[72] In addition to ammunition, weapons, planes, and other strictly military equipment, the Philippine military, according to General Robert H. Warren, has depended upon the US Military Assistance Program since the 1960s for such consumables as the following: batteries, clothing and individual equipment, medical supplies and equipment, industrial supplies and materiel, and general supplies and support equipment.[73] In FY 1973, the United States gave over $41 million to the Philippines in MAP money, training, and defense property transfers. In that same year, the Philippine military purchased from the US only $187,000 worth of military equipment.[74]

In addition to US military assistance funds, the Philippine military has used funds from "Food for Peace" or Public Law 480 (Section 104) to buy essential military equipment and construct its bases. General Warren reported to the Senate, for example, that by 1969 the Philippine military has used over $9 million from these funds to complete projects such as "naval facilities," "air force facilities," "three aircraft control and warning sites," a "Long Lines Communication System."[75]

The principal justifications over the years for US assistance to the Philippine military have been to protect American bases and business interests and to help the Philippine government fight "communism" and "insurgency." Just last year, for example, Admiral Thomas H. Moorer, chairman of the Joint Chiefs of Staff, told Congress during hearings on US military assistance:

"Economic growth of the Philippines . . . has been slow and is still insufficient to permit the country to meet its full military requirements. This is particularly true in the face of the current insurgency. The people of the Philippines require assistance to modernize their armed forces and their constabulary. The security assistance material program amounting to $19.3 million and $3 million FMS credit are designed to provide mobility, firepower, and communications—the three basic elements required to combat insurgency forces."[76]

It was because of the "insurgency problem" in the Philippines last year that the Nixon Administration asked for more US military and military-related assistance to the Philippines for FY 1974.

During martial law, the Philippine military and police have continued to rely almost exclusively on weapons, materiel, and other US assistance in order to suppress growing dissent and rebellion. In order to combat insurgency, Admiral Moorer said, the United States supplied the Philippines in 1973–74 with "helicopters and transport aircraft, machine guns, recoilless rifles, and other weapons, together with long-range communication equipment."[77] The Pentagon said last year that in order to help Marcos regime "cope with the current situation," the US military has been "moving up the delivery dates of some of the equipment

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most urgently needed by the Philippines Armed Forces—such as, M–16 rifles and UH–1H helicopters. . . . In addition we are . . . providing the Philippines C–123K aircraft to help provide greater inter-island mobility" [78]

Since the rebellion in Mindanao and Sulu has been the strongest one this past year, the importance of American weapons systems has been particularly noticeable in fighting there. When the Philippine armed forces bombed and attacked the city of Jolo in February for example, they used howitzers, .50-cal. machine guns, F–86 Sabre jets, C–47 gunships, armed helicopters, and naval batteries—all supplied by the United States.[79] The Philippine Air Force not only dropped US supplied bombs and fired US supplied machine guns, but they also dropped US supplied napalm. In other battles, too, according to a Filipino consul in Honolulu, the Philippine armed forces has used napalm.[80]

Surplus supplies from Vietnam, which were supposed to be used for peaceful purposes, and at least some US economic aid also went last year to the Marcos regime's counter-insurgency efforts. *A New York Times* correspondent reported that during heavy fighting against Muslim rebels in 1973, the Philippine military used "crates of supplies, some adorned with the red, white, and blue handshaking label of the United States Agency for International Development." [81] Last October, an American official in Manila admitted that the Philippine air force had misused some planes that the United States had given to it from Vietnam surplus. Rather than using the planes for development projects, the air force mounted machine guns on them to battle Muslim rebels and to ferry troops between the islands.[82]

In addition to US money and supplies, there are indications that American military personnel are also involved in helping the Marcos regime to suppress rebellions. If so, it would not be the first time that American troops have assisted the Philippine armed forces in counter-insurgency. In 1969, for example, the Philippine Constabulary asked the US Air Force at Clark Air Force Base to give helicopter support for a PC raid on "Huk insurgents," to do aerial photography inconnection with counter-insurgency, and to provide transportation and communication services to Filipino officers directing counter-insurgency operations.[83]

One example of US military personnel directly involved with the Philippine military's operations is the assistance General Louis H. Wilson, commander of the United States Fleet Marine Force Pacific, has given. According to a Manila newspaper, Marcos awarded General Wilson the Philippine Legion of Honor "for his work in developing the Philippine Marine brigade. . . . He added immeasurably to the development, expansion and enhancement of the capability of the marines [in the Philippines] to perform their role in the New Society." Among other things, General Wilson led US Marines on joint exercises "with the Filipino marines without cost to the Philippine government to keep the marines abreast of developments in amphibian warfare." [84] In this context, it is important to remember that Filipino marines and "amphibian warfare" have been important during the campaigns against Muslin rebels, whose strongholds exist on several southern islands.

Another example of US military personnel helping the Marcos government with military and counter-insurgency is the work of US Army Green Berets. Over the last two years, the Green Berets have done "civic action" in many provinces. Some provinces are known to have rebel groups, such as the provinces of Iloilo and Capiz in the Visayas region, Zamables, Baataan, and Pampanga in Central Luzon, and Nueva Vizcaya and Isabela in Northern Luzon. The Philippine government and US military admit that the Green Berets are there; they say their purpose is to help build schools, distribute medicines, dig wells, and other "civic action" projects. American officials have added that the Green Berets are also in the Philippines for "training exercises." [85] Both American and Filipino officials deny that the Green Berets give military support to the Philippine government. But the underlying purpose of these Green Beret exercises appears to be counter-insurgency. Major J. Brunner, a Green Beret spokesman, told one reporter, "The Special Forces achieved a tainted image through Vietnam, as spies, killers, bayonet baddies. We're trying to change that image." By conducting civic action with Filipino soldiers, he said, "you can build up the image of respectability of the host country's forces, and another Vietnam can be avoided." But a Filipino priest and other Filipinos interpreted the Green Berets' presence slightly differently. The priest told the correspondent, the Americans are "getting smart. They're getting to know the terrain where the resistance is operating, trying to poison the water before the guerrillas get to swim in it." [86] A study by several Filipino clergy last November said that for one area. "The presence of US military personnel directing the anti-dissident campaign on Panay has been confirmed by very reliable sources." [87] The Green Berets were on Panay.

There are several other disturbing reports. One is a newspaper's story from Manila last November that a United States Air Force helicopter crashed in a village of Nueva Vizcaya, a province in Northern Luzon.[88] The immediate question, of course, is why was the helicopter flying over that area? That province reportedly has had some rebellion. Another report comes from a person who works in the Marcos government. He claims that he saw a film, taken by Filipinos working with a government agency, that shows uniformed American soldiers with Filipino soldiers fighting in Mindanao and Sulu a few months ago. A related report comes from an American Air Force officer who, until recently, was stationed at Clark Air Force Base in the Philippines. He claims that it is widely known at Clark that American pilots flew American planes in bombing missions over Mindanao last year.

CONCLUSION AND RECOMMENDATION

Democracy and civil liberties are dead in the Philippines. The Marcos regime is a dictatorship. Resistance and rebellion, as a consequence of worsening conditions and political repression, are growing. And the Philippines is developing into a military state. These things are clear from what has happened since martial law.

It is also clear that the United States, through its military and military-related assistance, has contributed immensely to sustaining the Philippine military before martial law. Today it continues to help the Marcos regime build an even larger military apparatus. If Congress appropriates more of the American taxpayers' money to give military or military-related assistance to the Philippines for FY 1975, that money, too, will further support the dictatorship.

For this reason, the Friends of the Filipino People (FFP) and I recommend that Congress appropriate no military or military-related assistance for the Philippines. This year is an excellent opportunity for the United States Congress to draw the line. It can say now, before the situation in the Philippines becomes worse, that it will no longer be party to the growth of another anti-democratic regime.

We further recommend that Congress conduct a thorough investigation to find out exactly what American military or para-military personnel have done or are doing in the Philippines. I have presented evidence that American military personnel seem to be helping the Marcos government's counter-insurgency efforts. I have also reported what I have been told, but have not been able to verify positively, that American personnel in fact are directly involved in counter-insurgency. This situation is reminiscent of the 1950s and 1960s when there were many hints and unconfirmed reports that the US government was directly involved in counter-insurgency in Vietnam. Today we have similar hints and reports about the Philippines. And there are other similarities that seem ominous: Civic action missions, which the US government tried earlier in Vietnam, have reappeared in the Philippines. The Philippines' national police system is an outgrowth of AID's internal security program in Vietnam. And William H. Sullivan, an architect of the US government's Vietnam policy in the 1960s and the ambassador to Laos who coordinated the bombing of that country, is now the US ambassador to the Philippines.

This time, hopefully, Congress and all other Americans will learn the truth of the matter before it is too late—before an American President presents a *fait accompli* and says Congress must appropriate much larger amounts to support "our boys" or "our commitments" in the Philippines.

Thank you very much, Mr. Chairman and members of the Subcommittee.

FOOTNOTES

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FREE ENTERPRISE AND THE FREE MARKET SYSTEM

Mr. FANNIN. Mr. President, America is blessed with the greatest problem-solving mechanism in the world.

It is not the Federal Government.

It is the free enterprise and free market system.

If we will only let free enterprise work, we can solve most of the problems facing America today.

The Arizona Republic last Wednesday ran an excellent editorial pointing out the fallacy of trying to solve all our problems through Government bureaucracy.

I ask unanimous consent to have this editorial printed in the RECORD:

There being no objection, the editorial

was ordered to be printed in the RECORD as follows:

[From the Arizona Republic, May 29, 1974]

ENOUGH IS ENOUGH!

Reputable physicians long ago learned how to handle the anxious hypochondriac with imagined ailments. A placebo of innocuous and meaningless compounds is put together to provide gratification at little or no cost.

What a pity the same technique has not been applied by the healers in Washington when social hypochondriacs come running to the great Potomac trough looking for surcease to their peculiar economic and political maladies.

But, no. Congress instead enlarges the size of sprawling agencies, bureaus, departments, commissions and studies; throws in tens of millions of dollars as a cure, and then adds yet more bureaucracy when the first treatment fails.

An intellectually inert American public still has not reacted with shock, dismay, resentment or hostility to this ripoff (imagine what the consumer would do if private business failed to deliver promised services at such cost). Instead, the public goes back for more.

The sheer size and power of government has become awesome. One out of every five working Americans (14 million) are on a government payroll. Fifty per cent of all federal income taxes are needed to support the salaries and fringe benefits of federal employes.

Not even the government in Washington has an accurate roster of the standing federal departments, agencies, commissions and advisory groups formed at taxpayer expenses.

And the rules, regulations and guidelines written and enforced by nonelected civil servants have become so ubiquitous and pervasive that large and small businessmen calculate that as much as 15 per cent of their operating costs arise from government-required bookkeeping and administrative programs.

But a revolt of sorts is in the making, starting from the top. It is neither Democratic nor Republican, liberal nor conservative. Its genesis lies in an expanded awareness among leaders close to America's overburdening bureaucracy that government is on the verge of strangling the essence of social and economic freedom for everyone.

Earlier this year, the Cost of Living Council's original chairman, Dr. C. Jackson Grayson, delivered a manifesto which predicted that the remnant of America's free enterprise system would be wiped out in 20 years. Government would finally be in control entirely.

Last month, University of Rochester Prof. Henry G. Manne testified before the Senate subcommittee on antitrust and monopoly with a warning of further government controls and regulations.

"The solution to inefficiencies created by government controls cannot lie in still more controls," Manne testified. "The politically responsible task ahead for Congress is to dismantle our existing regulatory monster before it strangles us."

Now comes Arthur F. Burns, chairman of the Federal Reserve Board, the economy's chief supplier of money.

Burns said that excessive government spending, which has caused higher rates of inflation, threatens to cause "a significant decline of economic and political freedom for the American people."

The statistical measurements weigh in favor of the warnings. A recent finding by General Electric's economic research group predicts that American business needs to find $4.5 trillion in the next 12 years to meet its capital needs—three times more than it needed in the past 12 years.

Government single-handedly has aided and abetted the crisis. The federal budget has increased 50 per cent in the last five years, the debt limit has been raised $100 billion and congressional proposals for fiscal 1975–77 already are over $800 billion.

November will be a test for the American voter. It will be the time to choose congressmen whose programs and philosophy reflect more and more bureaucracy and thus more economic oppression for the American public.

Or, it will be a time for sending congressmen to Washington who will stand up and say, in behalf of every American, that enough is enough.

WEATHER PLAYS HAVOC WITH FOOD ESTIMATES

Mr. HUMPHREY. Mr. President, I wish to call the attention of my colleagues to an outstanding article, "Droughts May Spread in Big Climatic Shift, Some Studies Indicate," in the May 30 issue of the Wall Street Journal.

We have been discovering new information on how the world's weather is changing and how precarious this makes predicting world food production and world food supplies.

The administration's optimism—that all will automatically turn out all right—is not prudent and flies in the face of this information.

I have repeatedly warned that we need to take this key variable into account in our crop forecasting. Above all, we need a food reserve program to prevent disaster if droughts do take place.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

[From the Wall Street Journal, May 30, 1974]

DROUGHTS MAY SPREAD IN BIG CLIMATIC SHIFT, SOME STUDIES INDICATE—COOLING EARTH COULD REDUCE WORLD'S FOOD PRODUCTION; ARE SUNSPOTS A FACTOR?—THE CLUE OF STICKY WICKETS

(By Barry Kramer)

Sexy locusts in north Africa, sticky wickets in England and ice fields in the Arctic wouldn't seem to have much to do with drought blistering the lands bordering the southern Sahara in Africa and, to a lesser extent, northwest India.

But they do. And they and a host of other apparent or obscure clues are coming under close scrutiny of scientists seeking to unravel the mysteries of droughts—what causes them and how to forecast their duration. So far, the evidence is scant, and the conclusions drawn from it are highly theoretical and speculative. But there are indications that the droughts appear to be part of a massive climatic shift that doesn't bode well for mankind. For one thing, there is the possibility that the droughts could last for decades and could spread.

Through history, droughts periodically have denied man the sustaining rains for his crops and livestock. Occasionally, they have been long and dry enough to severely disrupt and even destroy civilizations. Before man, geological records show that droughts swept large land areas, raising great clouds of dust into the atmosphere and depositing them thousands of miles away. (Even today, dust blown from the African drought area is blocking some sunshine in the Caribbean and thus affecting the weather there.)

There is hardly an area of the U.S. that hasn't had drought at one time or another; currently, west Texas and south Florida are bone-dry. Serious droughts have occurred regularly about every two decades in the Great Plains and the Midwest. The last one was about 20 years ago in the mid-1950s, and the one before that caused the Dust Bowl of the mid-1930s. The U.S. is due for another such massive drought in the mid-1970s, proponents of the 20-year-cycle theory warn.

FAVORABLE RUN OF WEATHER?

Despite the horrors of the Dust Bowl and other droughts, preliminary evidence indicates that so far in the 20th Century, the world may have experienced one of the most favorable runs of weather in its history. But many experts fear that weather patterns are reverting to "more normal." For one thing, in the past three decades the earth has been gradually cooling. The drop in average temperature is barely perceptible but may be enough to cause significant changes in weather.

The implications are staggering. Cooler temperatures could begin to shorten the growing seasons, thus affecting the crop yields in the world's grain belts, encompassing the U.S., Canada, Australia and Argentina. Moreover, crop varieties and farming methods based on the good weather of the past 70 years may fail under changed conditions to provide the food needed to feed the world's growing population.

Small wonder, then, that on land, at sea and in space, a small army of scientists and others are measuring ocean currents and temperatures, tracking the changes in the cyclonic winds that sweep from west to east around the globe, mapping the changing polar snow cover and monitoring hundreds of other weather variables hoping to determine whether changes from past weather patterns are temporary or long-lived.

Some key observations about the current drought were first made in 1970 by Derek Winstanley, who then was with the Anti-Locust Research Centre in London. Seeking to learn what caused the large swarms of desert locusts in north Africa the year before, Mr. Winstanley concluded that unusually heavy rains had enabled prolonged breeding by the locusts, resulting in a population explosion of the crop destroying insects.

PUSHING THE MONSOONS SOUTH

He noted that the heavy rains came from moist air that normally dumps precipitation in the northern Mediterranean. But the moist air had been pushed hundreds of miles south by the prevailing circumpolar air currents that push across Europe, which themselves had shifted southward. In turn, the even hotter and more moist airflows called monsoons that boil up from the equator also were pushed south of their previous paths along a broad line from Mauritania on Africa's west coast, across Africa and the Indian Ocean into northwest India—the exact areas of the current drought.

Air patterns in the northern hemisphere are controlled to a large extent by great masses of cold air that come spinning out of the Arctic. As the earth has cooled in the past 30 years, the cold-air mass surrounding the North Pole has expanded, as has the snow-and-ice cover in the Arctic. The cold-air masses have been breaking into the circumpolar air currents with increasing frequency.

"The shift, in all likelihood, has produced a significant change in the hemispheric heat balance," conclude George and Helena Kukla of the Lamont-Doherty Geological Observatory at Columbia University.

The Kuklas note that the expanding Artic ice exacerbates the heat imbalance. The atmosphere is heated primarily by sunlight absorbed as heat by the earth. Vegetation absorbs more than 80% of the light

and oceans absorb more than 90%, but snow and ice absorb only about 20%, reflecting the rest back into space. This represents a "deficit in the earth's energy balance," the Kuklas say. In addition, the expanded ice pack almost completely cuts off warming of the air by the ocean, they note.

The changes in the Artic and in the weather may be due to the sunspot cycle, some observers believe. Every 11 years, the number of relatively "cool" areas on the sun's surface (which appear as dark spots when viewed through a light filter) reaches a maximum. At such times the sun is in its most turbulent state. Solar storms throw large clouds of particles into space, some of which reach the earth.

J. W. King, a scientist at the Radio and Space Research Station in England, contends that the energetic solar particles interact with the earth's atmosphere at northern latitudes, changing upper-air pressures and thus altering weather patterns throughout the hemisphere. He asserts that the evidence linking sunspots to weather trends is "very strong."

He cites a study showing that the growing season in northern England between 1916 and 1969 tended to be longest about one year after the sunspot cycle reached its peaks. He says that another study shows the most severe winters in the northeastern U.S. and north-central Europe corresponded to high and low extremes of the sunspot cycle.

A third study showed that English cricket batsmen tend to hit 3,000 runs in a single season—a relatively rare event—more often in years of sunspot maximum. Because the wicket (the part of a cricket field on which the ball is thrown and bounced to the batsmen) would tend to be sticky (wet) during the rainy weather, the conclusion is that summers of sunspot maximums would tend to have lots of dry, sunny weather. Also, fewer games would be canceled during sunny weather, so more runs would be scored in such a season.

THE TROUBLE WITH DUST

In the U.S., some observers think that sunspots are related to the drought cycle in the Great Plains. But the droughts don't occur exactly every 20 years; the interval has varied from 17 years to 25 years. There also is considerable scientific debate around the world about sunspots and their effects, so the link—if any—between sunspots and weather isn't well accepted.

Another theory is that more pollution in the air is contributing to changing weather patterns. A leading advocate, Reid A. Bryson, director of the Institute for Environmental Studies at the University of Wisconsin, contends that greater volcanic activity in recent years has increased the amount of dust in the air; this filters the sun's rays and account for much of the cooling trend, he says. Man, too, adds to the dust from smokestacks in industralized areas and from slash-and-burn farming in underdeveloped lands, he says. Additional man-generated dust is stirred up when drought strikes mariginal lands that are overfarmed, as in the African Sahel.

Mr. Bryson contends that man also is throwing a lot of carbon dioxide into the atmosphere by burning fossil fuels such as coal and petroleum; the carbon dioxide content of the atmosphere has increased by more than 10% since 1850, some studies estimate. That's confusing, because carbon dioxide absorbs heat from the sun, resulting in a warming, "greenhouse" effect. At one point scientists thought the extra carbon dioxide might eventually heat the earth enough to melt the polar ice caps—a theory that lost favor quickly when the cooling trend was observed.

"THE CLIMATE IS CHANGING"

But Mr. Bryson thinks the heating effect of carbon dioxide is disturbing the temperature gradient between the ground and the upper atmosphere and between the equator and the North Pole so that "normal" air circulation is disturbed. He says this might explain the southward shift of the weather patterns of the northern hemisphere and the disappearance of the monsoons in the present drought areas.

"The evidence is now abundantly clear that the climate of the earth is changing . . . in a direction that is not promising," he told two Senate committees earlier this year. He warned that if his analysis is correct, the monsoons on which great areas of the world depend for survival "probably won't return regularly in this century."

Other respected scientists think that Mr. Bryson's analysis isn't correct. For example, J. Murray Mitchell Jr., an expert on climatic variation with the National Oceanic and Atmospheric Administration (NOAA), an agency in the U.S. Commerce Department, asserts that natural fluctuations account for most of the world's temperature changes in recent decades. Carbon dioxide may become a problem in future years if it isn't controlled, he says, but he contends that more active volcanoes, not man, have generated the increased dust that is an important factor in the post-1940s cooling.

NOAA scientists estimate that atmospheric dust of all kinds keeps the earth's atmosphere 1.3 degrees Centigrade cooler than if there weren't any dust. They also estimate that 88.5% of the dust currently is produced by natural processes such as volcanoes. But they calculate that man-made pollutants may equal natural dust within 23 years.

ANOTHER ICE AGE?

The heating and cooling trends in this century are minor compared with temperature changes in previous periods of the earth's history. For at least the past one million years, great glaciers periodically have swept out from the poles and covered large areas of the globe. Scientists now know that those past ice ages lasted longer than the periods between them. The last two intervals between ice ages lasted 1,000 years—almost the exact time that has elapsed since the last glaciers covered much of what now are North America and large parts of Europe and Asia.

No one knows whether the present cooling trend is the beginning of another ice age. A 1972 conference at Brown University concluded that "the natural end of our present warm epoch is undoubtedly near. . . . Global cooling and related rapid changes in environmental substantially exceeding the fluctuations . . . in historic times must be expected within the next few millennia or even centuries." The scientists noted that in the past ice ages in some instances have developed within only a few hundred years of a warm period.

The glaciers aren't likely to begin flowing south tomorrow, but the earth's cooling trend and droughts have vastly increased scientific sensitivity to meteorological matters. For instance, NOAA has established a small network of widely separated observatories around the world. These are equipped to detect minute changes in the atmosphere that are thought to be most closely linked with long-term climatic changes—such as solar radiation, atmospheric turbidity, carbon dioxide concentrations and dozens of other weather elements.

WEEKLY DROUGHT MAPS

In Leningrad, Soviet and U.S. scientists will meet next month to discuss joint studies of why climate changes, including the effects of man-made pollution. Elsewhere, U.S. satellites are keeping a watch on the African drought areas. And the U.S. National Weather Service recently began including maps showing drought areas in most of the world's grain-producing areas in its weekly bulletin of weather and crop conditions.

World grain stocks have been dwindling for several years, reaching their lowest point last year as a result of drought in Russia and other factors. World population has reached a point that even in the best of weather circumstances, the world can produce only about 10% more grain than it consumes, experts say.

A drought in one or more of the major grain-producing nations could create a shortage that results in starvation in food-short countries. The fact that there are any grain reserves at all is due only to the favorable weather of the past few growing seasons in the U.S., according to research meteorologist James D. McQuigg of the University of Missouri. He notes that U.S. grain varieties need abundant water and extended growing seasons for maximum production. Long-term changes to drier, cooler weather could have serious economic consequences, he says.

The National Weather Service's drought maps should give an early warning of any interruption in grain production, experts say. In the U.S., there isn't any sign yet of the 20-year drought in the Great Plains despite a few dry spots. But, says Donald L. Gilman, chief of the service's Long Range Prediction Group, droughts sometimes don't begin until midsummer.

THE PROBLEM OF THE SMALL BUSINESS COMMUNITY

Mr. BEALL. Mr. President, in these times of economic instability and turmoil, it is often the small business community which suffers the initial and most severe repercussions. The proposed 24th annual report of the Senate Select Small Business Committee, of which I am a member, notes that the small business community "is most sensitive to the economic barometer—gaining more than the average in upswings and being hit first and hardest in downturns." Thus it is especially satisfying to acknowledge the success of a small businessman despite the dour implications of the present economic conditions.

Such a man is Charles H. Harmon, of Salisbury, Md. Just over 4 years ago, Mr. Harmon was suffering through the demise of a small dairy and hamburger stand. Seeking the funds to finance a franchise in a restaurant chain, Mr. Harmon turned to the SBA for assistance. With the aid of an SBA loan, and a healthy measure of hard work and determination, Mr. Harmon was on his way.

Four years later and now owning two fast food franchises, Mr. Harmon has been named the Maryland Small Businessman of the Year. This tribute accrues not only to the benefit of the honoree, but also to the SBA and the entire business community. The success of men such as Charles H. Harmon is an inspiration to all of us, and I ask unanimous consent that an article from the Salisbury Sunday Times be printed in the RECORD.

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

[From the Salisbury (Md.) Sunday Times, May 26, 1974]

A MAN WHO COULD MAKE IT HAPPEN

Maryland's "Small Businessman-of-the Year" is a Salisbury man—a man with drive, desire, determination and ability to make it all happen.

That's how Charles H. Harmon was described in testimonials at a luncheon in his honor here Friday. The tribute came from state Small Business Administration officials, Congressman Robert E. Bauman (R-Md. 1st), local businessmen, and people from the nationwide McDonald restaurant chain.

Mr. Harmon is one of the few black franchisers in the nationwide chain. With support from local banks working with the Small Business Administration, he has in four years opened two restaurants, one here and one in Cambridge.

"He's a successful businessman," said John H. Fox, supervising loan officer of the SBA at Baltimore.

Mr. Fox said that when Mr. Harmon sought loans to obtain his first franchise here, following the failure of a small dairy and hamburg place at Lake and Isabella Sts., the situation looked bleak.

Unable to obtain bank participation in Baltimore, that requirement was finally filled here by the Maryland National Bank. "That bank and the SBA had faith in Charlie," Mr. Fox said. "We knew he had the capability and drive to make it fly."

Congressman Bauman presented the certificate of recognition to Mr. Harmon and noted that he had that "extra something" small businessmen need. "Mr. Harmon had to go a little bit harder because he was black," he added.

"You're what America is all about," Rep. Bauman said, presenting the certificate.

Mayor Elmer F. Ruark paid tribute to the businessman and called him "one of Salisbury's outstanding citizens. You have my congratulations and best wishes."

Gerald J. Lang, Baltimore, district director of the Maryland SBA, said he was pleased to have Mr. Harmon singled out for this honor.

"He started with nothing," he said. "He knew the full responsibility was his, to go 16 to 18 hours a day, if necessary." He added a note that small businessmen such as Mr. Harmon are the backbone of communities across the country.

William C. Jameson, Washington, from the Inter-Racial Council of Business Operations, joined in the tributes. He had assisted in putting the "total package" together when Mr. Harmon was trying to raise money for the franchise. He also noted that Mr. Harmon just a few days ago had won another award—"Client-of-the-Year" from the ICBO.

From the McDonald's chain, there was L. C. Aaronson, Baltimore, a regional official who said: "McDonalds' is just as proud as Charlie is." And, Robert W. Cook, director of the Greater Salisbury Committee, said he was proud that the committee had been able to assist Mr. Harmon "early in the game."

And Mrs. Betty Miles, head of the Dept. of Business Economics at University of Maryland, Eastern Shore, declared she knew him from much earlier days around Snow Hill and Newark, where he was born. "He's always been a businessman," she said.

Mr. Harmon smiled throughout, but didn't have much to say beyond saying, "I really appreciate it. Everyone of you has helped me."

Ray Laneman, with SBA out of Baltimore said the initial agency backed loan of $169,000 would have been impossible without local bank participation. The Salisbury restaurant was established with that loan. A subsequent loan for about the same amount was made available later for the Cambridge franchise.

The award is presented to the small business person in recognition of his contributions to the small business community. It exemplifies the imagination, initiative, independence and integrity of the American small businessman.

PISCATAWAY PARK

Mr. BEALL. Mr. President, I today testified before the Senate Interior Subcommittee on Parks and Recreation with respect to legislation, H.R. 4861, designed to acquire certain lands in the Piscataway Park area of Maryland. In that testimony, I expressed my support for these efforts to preserve and protect the view from Mount Vernon, and I ask unanimous consent that my full statement be printed in the RECORD.

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

STATEMENT BY SENATOR J. GLENN BEALL, JUNE 4, 1974

Mr. Chairman, first let me thank you and the Interior Committee for the opportunity to testify on H.R. 4861, legislation designed to acquire certain land in the Piscataway Park area of Prince George's and Charles Counties in my State of Maryland. I am pleased that this subcommittee has taken the time to hold hearings on this pressing legislation, and I hope that you will shortly report this measure favorably to the Senate, where I hope it will receive prompt attention.

Mr. Chairman, I endorse H.R. 4861 as a much-needed step to protect and preserve one of our Nation's most historic areas. In 1961, as you know, Congress passed legislation designed to protect the scenic view from Mount Vernon by establishing a new unit of the National Capital Park System known as Piscataway Park. Now we must complete that effort, before this invaluable parkland is significantly damaged.

I would like to particularly pay tribute today to the citizens of the Piscataway area, who have throughout the years safeguarded this land and the historic view that it represents. Dedicated individuals and organizations have done much to defend this land against unwanted encroachment, and I believe the Federal Government, and all of us who are deeply interested in historic preservation, must recognize them for their continued fine work.

Now, the Federal Government must step in and assume responsibility for this parkland. The bicentennial is fast approaching, and Mount Vernon will no doubt be a major attraction to the millions of Americans and foreign visitors who will stream to this shrine. Let us make sure that they will see essentially what George Washington saw 200 years ago, and not a continuation of the "urban sprawl," nor a Disneyland-like amusement extravaganza.

Additionally, Mr. Chairman, Piscataway Park represents a unique recreational site in its own right. Millions of our citizens live within a short drive of this area, and I am confident they will find a properly developed Piscataway Park to be a valued haven.

Thus, I am convinced that the approach envisioned by H.R. 4861 is the proper direction in which to move. The legislation would grant to the Federal Government various tracts of land encompassed in the preservation area. These tracts include the Marshall Hall Amusement Park and two adjacent tracts controlled by the Marshall Hall operators along the Potomac shoreline, presently zoned commercial. Other parcels include undeveloped lands over which scenic easements have been voluntarily conveyed, and two smaller tracts not covered by scenic easements, one containing the present Marshall Hall marina adjacent to Fort Washington.

Costs for the legislation are estimated to be in the neighborhood of $5,000,000. However, the longer we delay, the larger these costs will grow. The Congress in passing the 1961 act has already commited itself to the preservation of the Mount Vernon view. Now let us complete that job.

On a personal note, Mr. Chairman, the culmination of the preservation efforts as symbolized by this bill will serve as a fitting tribute to my late friend and former colleague in the House of Representatives, John P. Saylor. Congressman Saylor was particularly interested in the protection of the Potomac River area, and this bill, which he authored, will significantly guard this majestic river from abuse.

Thus, I urge the committee to act favorably on this legislation. It is a good bill and one which will protect the sweeping panorama of Mount Vernon for all our citizens.

TRIBUTE TO AMBASSADOR EBERLE

Mr. FANNIN. Mr. President, I would like to call to the attention of my colleagues the recent accomplishments of Ambassador Eberle and to thank him and his fine staff for their contributions to international trade.

Last Friday, President Nixon announced that his able Special Trade Representative, Ambassador Eberle and representatives from the European Community have settled a long standing trade dispute.

The settlement ended 20 months of difficult negotiations over whether the expansion of the European Economic Community damaged U.S. exports and how and to what extent the EEC should compensate this country.

Mr. President, I have been following these negotiations closely and have from time to time been critical of our trade negotiators. With the successful conclusion in these negotiations, I would like to salute Ambassador Eberle and his staff for their outstanding efforts.

Mr. President, the settlement of the issue paves the way for the Finance Committee to promptly complete work on the Trade Reform Act which will enable us to begin a major round of international trade negotiations

I ask unanimous consent that the text of the statements by President Nixon and Ambassador Eberle be printed in the RECORD.

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

STATEMENT BY THE PRESIDENT

MAY 31, 1974.

I am pleased to announce this morning that trade negotiators from the United States and the European Community, meeting in Brussels, have agreed on a formula for reducing Community import duties on a significant number and volume of American exports. These reductions are in compensation for changes which occurred when the European Community was enlarged to include Great Britain, Ireland and Denmark.

The resolution of this important issue, following long and arduous negotiations over a period of several months, represents a major step toward improved Atlantic relationships. It also helps to clear the way for prompt Senate action on the Trade Reform Act.

For their efforts in negotiating this agreement, Sir Christopher Soames, Vice President of the European Community Commis-

sion, and Ambassador William D. Eberle, the U.S. Special Representative for Trade Negotiations, both deserve the thanks of the entire Atlantic Community.

It is the hope of the United States that the spirit which prevailed during these negotiations will continue in the months and years ahead as we seek to resolve other important and sensitive issues.

OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, EXECUTIVE OFFICE OF THE PRESIDENT,

Washington, D.C., May 31, 1974.

Approval by the European Community (EC) of a formula for resolving long-standing U.S.-EC negotiations over compensatory Common Market import tariff reductions on a significant number and volume of U.S. agricultural and industrial exports was "warmly welcomed and accepted" today by Ambassador William D. Eberle, the President's Special Representative for Trade Negotiations.

The EC import duty cuts on U.S. exports were negotiated and agreed to under provisions of the General Agreement on Tariffs and Trade. GATT Article XXIV:6 requires customs unions to negotiate tariff compensation to supplier nations when individual national import duties of member states are raised in adjustment to a common external tariff schedule (CXT). Such was the case as a result of the United Kingdom, Ireland and Denmark joining the European Community.

Ambassador Eberle hailed the EC approval of the settlement formula, announced in Brussels, as "an important indication, at a particularly critical point in current international economic relations that potentially disruptive commercial disputes between nations can be resolved under multilateral rules, with the necessary mutual patience, good faith, and political will."

"I agree with the EC Commission," Eberle said, "that this resolution of a difficult and sensitive issue moves us much closer to starting the new round of multilateral, reciprocal trade negotiations, which are more urgent now than ever before because of serious strains on the international trading system."

"The resolution of the XXIV:6 talks also significantly opens the way for progress on our Trade Reform Act, now pending in the Senate, which is a sine qua non to the new multilateral round," Eberle said.

The XXIV:6 formula approved by the EC involves duty reductions on U.S. exports of tobacco, oranges and grapefruits, kraft paper, photographic film, non-agricultural tractors, excavating machinery, diesel and marine engines and outboard motors, engine additives, measuring instruments, pumps, plywood and other items.

Estimates are that the value of U.S. exports to the EC of the items on which new concessions have been made by the EC in these negotiations will be in the range of three quarters to one billion dollars. These concessions are additional to other tariff improvements which automatically follow from adjustments in the British, Irish and Danish tariff scheduling as they adopt the Community's common tariff.

The formula approved by the EC today does not include compensation claimed by the U.S. for cereal grain export coverage. The U.S. has reserved its rights under GATT to continue negotiations on this issue, and the U.S. and the EC have jointly agreed to "continue discussions with a view to seeking through international negotiations, agreed solutions to the problems arising in the field of international trade in cereals."

Eberle also pointed out that resolution of the XXIV:6 issue represents a mutually beneficial breakthrough in U.S. economic relations, and should substantially improve the atmosphere of overall relations.

THE MARITIME LEGACY OF THE UNITED STATES

Mr. MAGNUSON. Mr. President, Dr. Edward Wenk, Jr., director of the program in social management of technology at the University of Washington recently contributed a "Guest Editorial" to the Everett Herald on Saturday, May 11, 1974. Prior to joining the faculty of the University of Washington, Dr. Wenk was the Executive Director of the cabinet level National Council on Marine Resources and Engineering Development. He is an extremely knowledgeable observer of science policy and marine affairs. I believe his remarks merit my colleagues attention.

I ask unanimous consent that Dr. Wenk's article be printed in its entirety in the RECORD.

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

EDITORIAL BY EDWARD WENK, JR.

Although bounded by seas, nurtured and sustained by a global web of maritime activities, this nation has demonstrated repeated neglect of its maritime legacy. Yet, the oceans will play an unprecedented role in our future. The sea will be strained to extract fish and protein for a growing and hungry world population. The seabed will be scratched and drilled for metals and oil to meet materials and energy demands. Shipping will outpace all other transport modes. More people will seek natural marine surroundings as a playground or a sanctuary from urban frustrations. With the seas touching shorelines of over 100 nations, international awakening could lead to a new era of cooperation or of Neanderthal territorialism and strife.

Historically, it was the U.S. Congress that first appreciated these trends. With initiatives of Senator Warren G. Magnuson in 1966, Congress enacted the Marine Resources and Engineering Development Act to correct our unsteady commitment. The president was assigned a leadership role, and from 1966 to 1970, two incumbents energetically implemented that responsibility.

Since then, indifference, expediency and loss in maritime vision have returned. For the third time in 15 years, Congress is again probing our stake in the sea, barriers to progress and new solutions. They will have to ask such questions as:

Whether shoreline management legislation is proving effective in assuring stewardship of the marine environment and increasing public access (only four per cent of Washington's coastline is publicly controlled);

Whether government has sufficient data on seabed oil and gas before it leases huge tracts of common property to industry;

Whether such fuel should be explored, then banked for future generations rather than exploited in haste;

Whether risks of spillage from supertankers can be reduced by mandatory traffic control (Such as escort of unmaneuverable vessels in restricted waters by tugs traveling at no more than five knots);

How to conserve stocks of fish by international agreement (not solved by a 200-mile territorial limit);

How to increase productivity of the American fishing industry (that remained constant while agriculture improved five per cent annually);

How to extract low cost protein from unharvested fish species, as a hedge against worldwide famine.

An explanation for wavering national policy is that nobody lives in our maritime 51st state; and the fish don't vote.

With our lives so conspicuously affected by the sea, citizens and not just special interests must examine these issues and voice their preferences.

REPRESENTATIVE MARTHA GRIFFITHS

Mr. GRIFFIN. Mr. President, throughout her many years of public service, Representative MARTHA GRIFFITHS, of Michigan, has been her own person. She has spoken out forthrightly on the issues and, while her views sometimes have been controversial, she has always earned respect for her keen mind, her forceful personality and her fierce integrity.

Recently, MARTHA GRIFFITHS announced her intention to leave Capitol Hill at the end of the 93d Congress when she will complete 20 years of dedicated, distinguished service. Her departure will mean a great loss, not only for the constituents whom she has so ably represented, but also for her colleagues in the Congress.

Mr. President, I ask that an article about Congresswoman GRIFFITHS, published June 2 in the Washington (D.C.) Star-News, be printed in the RECORD.

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

REPRESENTATIVE MARTHA GRIFFITHS

(By Isabelle Shelton)

Congress should not abolish the seniority system for choosing committee chairmen, because elections would result in chairmanships "being bought by the greatest lobbying influence."

At best, electing chairmen would result in "prejudiced log-rolling" for the posts—and "no woman or black would ever make the chairmanship of a committee."

So said Rep. Martha Griffiths, D-Mich., who is voluntarily leaving Congress at the end of this term after 20 years service. She expressed these and other opinions about Congress in a recent, little noticed speech to the University of Missouri Alumni Association here.

But while she does not want to scrap the seniority system, Mrs. Griffiths would modify it. Making the assumption that most people come to Congress when they are about 40, she would permit them to acquire seniority for 13 terms or 26 years.

At the end of that period or when the legislator reaches 65, whichever comes first, she would have him (or her) start over, in effect, without any seniority. "He would have to be assigned (a committee) by the Committees as if he were a freshman," Mrs. Griffiths suggested.

Her first experience, as a new member of Congress, brought her to these conclusions, she said.

She was put on a committee "where the chairman was so blind and so deaf that he could neither see nor hear a freshman who wanted to ask a question. His staff or the ranking member had to advise him. He was a fine old man, but he should have left Congress 20 years before," she said.

The Michigan congresswoman voiced some other controversial opinions:

"Those people who have staked their careers on perfect voting records are leaning upon very weak reeds indeed and the public is being vastly misled as to the meaning of this. What purpose does it serve to be the 535th vote on the Woodsy Owl bill, when you were not present that morning in committee to be the deciding vote on an environmental bill?

"In other words, the member coming out with a good voting attendance record may

at the same time have a darn poor record of participation in the committee where the votes really count."

More time should be allotted for members of Congress "to go back into their districts and through America and the world to determine how the laws they have made work."

Defending the lawmakers against charges of "junketing," Mrs. Griffiths said: "I have never been on a trip abroad with a chairman who didn't insist that we work all day and half the night.

"I frequently have felt that the criticisms related to junketing have come from members of our own foreign embassies who are living way above their heads and who object to Congress criticizing their work."

"Everything called reform is not necessarily reform. . . . In the last effort by the Bolling Committee to reorganize Congress, it hardly makes good sense to separate the unemployment tax from the benefits. The tax controls the benefits, yet the Bolling report would have separated them."

It also "Does not make good sense to put energy and environment into the same committee," she argued. "Just a modest amount of native American horse sense tells you that the energy people would control the committee and that, despite Exxon's belated commercials, energy has shown little inclination to consider the environment."

"I think it is significant that the (Bolling reform package) originally had wiped out the only committee whose chairmanship was held by a woman." (Merchant Marine and Fisheries headed by Rep. Leonor Sullivan, D-Mo.).

"The real reform Congress needs is a reform in its method of obtaining information. . . . I cannot emphasize this strongly enough. The truth is that in a great part of the making of the law we are actually relying upon the memories of individual Congressmen," because adequate records have not been kept.

SMALL BUSINESS WASHINGTON REPRESENTATION

Mr. NELSON. Mr. President, the week of May 19 was Small Business Week.

From Wisconsin, New England, Pennsylvania, and Ohio small businessmen and women came to Washington that week to tell us what they were thinking. Their enlightening and comprehensive presentation of their views and recommendations should have presented us all with the opportunity to sit down and examine our commitment to the tenacious courage of the American entrepreneur.

Independent small businesses, whether they employ 5 or 500 employees, are being seriously affected today by discriminatory tax laws, Government policies, and monopolistic practices by giant corporations.

Those giant corporations are often very large, indeed.

General Motors, for example, has nearly as many employees—and twice as many shareholders—as there are people in the city of Milwaukee.

What is more, during the energy crisis, many Americans learned for the first time about a handful of oil companies whose enormous power enabled them, in effect, to determine U.S. foreign policy.

But small business still makes up 97 percent of the 12.5 million business enterprises in America, accounting for 44 percent of all jobs and 37 percent of the gross national product.

The problem is, those businesses—especially in manufacturing—are being gobbled up by larger firms at a disturbing rate. In 1948 only 223 independent mining and manufacturing companies were bought out by other firms. But in 1960 more than 2,300 were acquired.

By 1970 only 102 companies—those with $1 billion or more in assets—controlled 48 percent of all manufacturing assets in the United States and earned 53 percent of all manufacturing profits. The 200 largest manufacturing corporations held well over 60 percent of all manufacturing assets.

It is easy to see the tremendous disadvantage faced by the independent entrepreneur in his struggle to survive. Yet it is enormously important that he does survive and flourish because he is the best check we have got against dangerous concentration of economic power.

Many of the concerns raised by the small businessmen and women thus deserve our careful consideration in the turbulent months that lie ahead.

Many of them are concerns I have been promoting for a number of years.

I have been advocating legislation, for example, to ease the highly discriminatory tax burden on small business, to reduce paperwork required of small businessmen by the government, to make available low interest loans for spending connected with the energy crisis and pollution control, and to curb discriminatory and noncompetitive practices by corporate giants.

We should pay close attention to these concerns and others expressed by the fine people who came to Washington during Small Business Week, including concerns about procurement, research and development, minority enterprise and reform of the Small Business Administration.

For we should have learned by now, from our great independent tradition, that problems solved by individual ingenuity at the human level are far more likely to be solved with the honor and dignity America now demands.

Mr. President, I congratulate the small-business men and women who came to Washington last week from Wisconsin, New England, Pennsylvania, and Ohio. At long last they are giving small businessmen and women the voice they need in the Halls of Congress.

It is my hope that we will heed that voice.

I ask unanimous consent that the text of the presentation of the small business groups be printed in the RECORD at the conclusion of my remarks.

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

SMALL BUSINESS WASHINGTON PRESENTATION, 1974

BACKGROUND

Nearly three decades ago, the Small Business Washington Presentation began under the auspices of the Smaller Business Association of New England (SBANE). A year ago, we were joined by the Independent Association of Wisconsin (IBA–W) and the Smaller Manufacturers Council (SMC), of Pittsburgh, Pa. The increasing scope of the grass roots small business movement, started by our associations, is furthered this year by participation of the Council of Smaller Enterprises (COSE), Cleveland, Ohio.

Twenty-one years ago, the Congress first consolidated its concern for small business into the Small Business Act. Many programs have evolved over that period; some successful and others of dubious value. Never in that twenty-one years, have we stepped back and asked—what if?

We have, this year, stepped back and looked with a critical eye at the programs that comprise our government's response to the unique needs of small business. We come to make specific proposals to enhance the economic posture of small business, to open the doors of opportunity to all and to encourage the further development of the American free enterprise system.

Small business has always received a warm welcome on Capitol Hill. The Presentation's purpose is to translate this cordial reception into action, by articulating the concerns and problems of small business to our national lawmakers. We thank the Senate and House Small Business Committees and staffs for making it possible for the four organizations to give this presentation.

INTRODUCTION

Our 1974 Washington Presentation focuses on two principal subjects: The Small Business Administration and the Bible/Evins Tax Simplification and Reform Act. Under the heading of "Whither Small Business Assistance?"—we wish to highlight these critical needs of our Nation's small business community.

The Small Business Administration was chosen as a timely concern, by our four organizations, because 1974 observes the agency's 21st year of existence. It seems particularly appropriate to examine the accomplishments and shortcomings of the past two decades.

In order to achieve maximum participation by our four grassroots organizations' membership, a comprehensive questionnaire on the SBA was developed and distributed. In addition, a separate study of small businesses and New England banks was sponsored by SBANE at Suffolk University, Boston. The results were remarkably similar and pointed out the major weakness that has plagued the agency since its inception.

The first oversight hearings held on the SBA in 1954, pointed out a lack of knowledge among the small business community as to the programs offered by the agency. That same lack exists today! On the basis of our study, we contend that over 90% of the businesses in the U.S. do not know what the agency offers. The small business executive is not an easy target for public information specialists. New and innovative techniques are needed that will bring attention to, and stir interest in programs of the SBA.

Since last year's Presentation, the experience of the small business community during the energy crisis personifies the adage that we live in a changing world. The ultimate effects of this crisis on small business are still uncertain. Historian Arnold Toynbee has predicted that the free enterprise system would disappear, due to the eventual depletion of the earth's irreplacable natural resources. In these and other crises, small business needs an advocate in government. This often repeated phrase has not been implemented within the SBA. It must, if small business is to survive and grow.

We look upon the role of the Small Business Administration, in a position of continuing expansion, to actively pursue and eliminate continuing threats to the free enterprise system. This year's Washington Presentation is a positive and constructive attempt to make the agency a more viable force and build a healthier economy through a competitive business system that transcends the interest of small business and incorporates the best interests of the general public.

Let us examine some of the specifics.

ADVOCACY

The interests and needs of small business are diffused across the range of economic endeavor and the far flung corners of our nation. Not unlike the similarly diffused American consumer, small business needs an advocate in the complex halls of government. Advocacy for small business is a concept often repeated by the Congress and all too little acted upon. The impetus for these actions must not only come from the Congress in hearing reports, but also must be supported by people, money and a clearly enunciated mandate to the Executive Branch.

Small business continues to need an advocate in the Congress. Only through independent House and Senate committees, with broad ranging powers, can small business be preserved.

Role of the small business advocate

Small business needs an advocate in the complex halls of government. Embodied in the word advocate is a multi-faceted function and a singular theme of vigorous, creative, inquiring leadership in defining the needs and implementing programs for small business. In the past, we have looked to SBA to assume the role of advocate. The future value of the SBA hangs upon its adoption of the vigorous advocacy role *now!* Advocacy is a state of mind—backed up with programs and people. It is our proposal that the SBA role as the small business advocate include: Ombudsman, Class Representative, Economic Research and Initiator of new programs.

Advocate as ombudsman

The maze of our government bureaucracy is so confusing and frightening to the smaller businessman, that he will avoid contact with it whenever possible. A survey of our combined memberships shows this to be true with many agencies. However, the growing scope of regulations are such that he can no longer afford avoidance. To obtain assistance in the form of information, direction and/or representation, the smaller businessman often relies on his Congressman—thereby creating a continual increase in demands on his office.

We believe that it was the intent of Congress to relieve some of this demand when it established the Small Business Act which gives the SBA broad powers to aid the small businessman. We recommend that a position of Ombudsman be established in each regional and district SBA office, reporting to the director. The person who fills this position should be familiar with the functions and programs of all government agencies and should be able to represent the small businessman before these agencies.

The Small Business Act states, "it is the declared policy of the Congress that the Government should aid, counsel, assist and protect, insofar as possible, the interests of small business concerns in order to preserve free competitive enterprise." Implementation of the "Ombudsman Program" would be an enactment of that policy, however, the mandate must be clear.

Advocate as legal counsel

Presently, the activities of the SBA as advocate involve reviewing the Congressional Record, the Federal Register and other government publications to determine areas of interest to the small business community. The General Counsel's office may submit briefs to regulatory agencies on behalf of the small business, or appear at Congressional hearings to comment on new laws which affect small business. This concept falls short of our concept of advocacy.

Vigorous, creative, diligent advocacy by the General Counsel implies pursuit of class problems affecting small business. These problems are well known to us, in procurement, in regulatory agencies, and in taxation.

The major challenge of the Chief Counsel for Advocacy under the present SBA structure would be to limit cases to those which, when well publicized, would create public awareness of the importance of small business. Adequate publicity would also enhance the stature of the SBA both within the government and the world of the American small businessman it serves.

We do not propose that SBA provide legal assistance toward individual issues, of narrow scope. We do recognize, however, the need to balance bureaucratic reluctance with purposeful advocacy. To ensure action we propose that an advisory board of small businessmen be placed in a reviewing position, to determine the significance of the issue. This board, much like a Grand Jury, should be empowered to direct SBA General Counsel to undertake the issue; whether in the courts, before a regulatory body or the General Accounting Office.

Legal advocacy must be more aggressive in challenging established government boards and commissions where decisions are rendered at odds with small business needs. A continuous monitoring of pending legislation as it affects small business must be maintained and implemented by testimony and communication with interested small business adherents who could reinforce the SBA position.

Advocate research

The diffused nature of small business limits its ability to prepare and present broad ranging analysis of the economic, regulatory and management needs of itself. The administrative focus of the SBA limits its ability to perform this critical function.

In the past year our nation has addressed the need to fill a vacuum of talented, independent researchers focused on critical problems. This need has been filled, in many cases, by an independent not-for-profit organization created by the government. We believe such an entity is needed to supplement SBA.

We propose the organization of the Small Business Research Institute, a not-for-profit, chartered to undertake research into the economic, regulatory and management needs of small business. We propose it be governed by a Board of Trustees appointed one-third each by the Administrator of the SBA, and two Select Committees on Small Business.

The SBRI should be funded for a minimum three-year period, at an annual level of $5 million. During its initial year, it should be charged with conducting several critical studies, addressing:

The impact of tax simplification on the SBA loan program.

Development of industry models of business size measures. Only by retaining an independent body of talent, removed from the bureaucracy, on a continuing basis—can creativity return to the arena.

Advocate as initiator

Historically, the SBA has ignored legislative and executive instruction to act as an advocate. Since the original SBA act provides for advocacy, it is a moot point to ask if new legislation can effectively compel SBA to perform in this area where it has previously failed, despite repeated restatements of the intention of the law.

There is reason to suggest an inconsistency exists in the executive branch, which has on several occasions directed the SBA to assume an advocacy role, while at the same time, restricted its activities to preserve administration prerogatives. SBA activity with the legislative and judicial branches and with the general public, is restricted by the need for prior submission of testimony and statements for OMB approval. SBA initiative opportunities range across the concerns of all executive agencies. This is not a classical function and must not be restricted, if small business is to have a true advocate.

When Congress declared that SBA should be an "independent agent" it meant independence from both legislative and judicial branches and independence within the executive branch. But, because this is not the case today, the "chicken vs. egg" dilemma is generated regarding procedure of effective implementation of the advocacy role.

During the past few administrations, the SBA has become staffed, budgeted and activated as a socio-economic agency—serving in the fields of special banking, high risk venture capital, disaster relief, and the disadvantaged. The overwhelming prominence of this position has left little hope for advocacy of other SBA functions. However, if the Congress will restate its will, show its determination, and cause the SBA to be responsive, we believe that many accomplishments can be anticipated for the improvement of the small business segment of the economy. Ultimately, initiative advocacy can have far reaching impact on other SBA functions.

The initiating advocate can propose new legislation to advance the position and activity of the small business in the economy. From its broad national base, the SBA can influence the business community by developing statistical information indicating effectiveness of existing laws, requirements of new laws, and even the degree to which SBA activity is achieving its objectives.

In the field of management assistance the SBA should initiate educational programs to develop better embryo businesses, to instill good management thinking in existing businesses, and to direct distressed enterprises towards solutions through good management. All of this could serve to decrease the number of small business loans requested and loan failures. Ultimately, this could return SBA loan activity to that of offering seed money to new companies or rapidly expanding companies, rather than "bail-out" money which so often seems to be the case in today's activity.

Advocate—Accountability

We belive that the SBA Advisory Council is an underutilized and sometimes non-representative body, that should be redirected. The Advisory Council could, and should be: a Board of Directors of the District SBA offices, an advisory group to small businessmen in the different regions, and problem-solving consultants to the Regional SBA Director.

To be effective, the Advisory Council must represent a diversity of small business types. This diversity is not achieved today. As a step toward representation, we propose that the Governors of the respective states be permitted to nominate the Advisory Council members in their state.

The Advisory Council in each district office should be required to submit an independent appraisal of needs and results, on an annual basis, directly to the Regional Director. In a similar manner, the Regional Advisory Council should be required to directly report to the SBA Administrator.

Only through direct accountability to the user of these services, can we hope to achieve responsible change on a continuing basis.

Advocate public relations

In a survey on the usage of SBA by our combined membership, the returns expressed the absolute fact that the SBA is not being utilized by the existing small businessman. Of the returns received, over 90% did not use, did not know about, and could not relate to the SBA programs. The few that have used the SBA have been dissatisfied and generally have waited a long time for action from SBA. The consensus is that SBA was much too cumbersome to solve their problems or to assist them in a reasonable time frame.

We suggest that SBA develop an Associate Office, similar to the Department of Commerce, whereby business associations are assigned supporting roles in disseminating SBA

information. In addition, as part of the communications package, the SBA should publish a weekly small business loan index report in a paper like the Wall Street Journal. The report would show what regional small businesses loans were made and what funds were still available. This would elucidate the uncertainty of the availability of SBA loans. Another way to disseminate this information would be to place an insert in the Quarterly 941 Payroll Tax Form currently sent to small business companies.

Advocacy outlook

All these goals can be reached if priorities are established and adhered to. However, because the SBA has been passive, its authority and directives are neither accepted nor implemented. Conditions such as high personnel turnover, the ubiquitous presence of OMB, and the failure of Congress to take a determined stand regarding SBA advocacy, contribute to the misunderstanding of SBA's role in the economic sphere by its own personnel. If the original intent and objective of SBA is to be realized, these conditions must be reversed—hopefully with initiative from Congress.

Future objectives are to use the advocacy role of SBA to advance and monitor progress of the small business community. But, the immediate problem is to remove administrative roadblocks via legislative action of the Congress. We ask that the Small Business Committees of the Senate and House as well as the Small Business Sub-Committees initiate legislation to ensure implementation of the original Small Business Act's objectives.

This could be accomplished in the following ways:

Establishing a scheduled program to allocate an increasing percentage of the SBA budget to the advocacy role function;

Further defining the advocacy role of SBA;

Underscoring SBA's existence as an independent agency;

Authorizing expenditures for the Small Business Research Institute.

Finally, Congress should require that the "State of Small Business Annual Report" required by legislation in 1973 at the initiation of Senator Kennedy, include a specific report on the advocacy action during the year as well as specifics of surveys (conducted by SBA with other agencies) to determine their inter-agency action in support of small business interests.

TAXATION

Small business needs tax simplification and tax reform *now* in order to preserve the human resources of the small business community. Delayed action here is just as bad as no action at all. We urge the immediate passage of the Bible/Evins Small Business Tax Simplification and Reform Act, S. 1098/H.R. 5222.

Despite the philosophical intent of the surtax exemption, small business pays a higher effective tax rate. Testimony before the Senate Ways and Means Committee shows the effective Federal tax rate of differing size companies to be:

Over 50% for manufacturers up to $50 million in assets;

44.3% for manufacturers with $250 million to $1 billion in assets;

35.2% for manufacturing corporations with over $1 billion in assets; and

24.4% for the largest 100 U.S. corporations.

It is clear that the philosophy does not translate into action!

Because of inflation, increased labor, construction and wholesale cost, together with decreased purchasing power of the dollar, small business must have a graduated tax, merely to retain what they have lost in the past thirty-five years. Small business is fighting for its existence—and losing many battles.

The lack of sufficient capital is one of the greatest roadblocks facing small business today. Small business needs to retain more of its own cold, hard cash to develop the muscle and the power to withstand competition to keep abreast of new methods and techniques, to diversify, to research and pioneer, to train and develop young aggressive talents, to survive during slow periods and to grow, to prosper and to flourish.

Most small companies are unable to receive adequate capital by public offerings of securities such as stocks or bonds, nor can they borrow money from banks and investment companies like large corporations can. It is only by the retention of its own earnings that small business can compete and grow, consequently providing jobs and paying taxes.

The Bible/Evins bill is a *must* for independent business. The culmination of six years of intensive study, consultation and hearings is the most meaningful small business bill to be introduced in 15 years. This bill provides for: permanent government and small business advisory machinery for simplifying tax laws and forms; a small business tax analyst in the treasury department; lower tax rates for smaller business (particularly new business); promotion of growth of new and small firms by liberalizing first-year depreciation, and increasing permissible accumulations of earnings; erasing the need for raising capital by providing more equitable treatment for possible losses through loans or stock purchases, and allowing tax benefits for the floating of securities issues; a ten year carryover of small business operating losses; an increase in permissible accumulated earnings; making "sub-chapter S" closely held corporations more flexible and less dangerous to use; additional flexibility in affairs of partnerships; encouragement of the continued independence of family firms by making it easier to pay estate taxes based on family interests over a ten year period.

Once again, we urge the immediate passage of the Bible/Evins Small Business Tax Simplification and Reform Act, S.1098/H.R. 5222.

PROCUREMENT

Historically, small business has been discriminated against in the procurement of government contracts. While the SBA has tried, with limited success, to promote the cause of small business, many hurdles still remain in the path of small firms competing for government contracts.

The Federal Government spends over $55 billion on goods and services annually. The manner in which this spending is handled has a major impact on the development of small business. We do not seek undue advantage, simply an equal opportunity. We recommend the following steps to promote small business procurement:

1. Requiring the Administrator to involve Section 8(a) whenever an agency of the government is not providing small business a fair proportion.

2. Authorize SBA to issue Certificates of Competency in all five areas in which a small business can be refused a contract.

3. Insure that fair proportion of total purchases be extended to grants and assistance programs.

4. Extend the coverage of included programs to grants.

Need for changing the Small Business Act

The June 1973 hearing before the Permanent Select Committee on Small Business (published as "The Position of Small Business in Procurements for Federally Supported Programs") provides testimony that although the amounts of the grants and indirect funds (which may run as high as $40 billion) continue to grow through matching programs and revenue sharing, there is no clear mandate in the Act to assure equal opportunity for small business in the expenditure of these funds.

Small business

Section 2(a) of the Small Business Act refers to a "fair proportion of purchases and contracts . . . etc." but the Act neither defines nor provides authority to the Small Business Administrator to specify to other agencies what a "fair proportion" is and what criteria determine it. We recommend that the Small Business Administration be given this authority. And, because of the ambiguity of the *definition* of a small business concern (in Section 3 of the Act), we feel that empowering the Small Business Administrator with the ultimate responsibility for the definition of "small business" will be another positive step towards procurement implementation.

Certificates of competency

In 1968, the chairman of the Subcommittee on Government Procurement and Economic Concentration of the House Small Business Committee introduced a bill to strengthen the Certificate of Competency program of the SBA by amendment to ". . . strengthen the COC program, carry out the original intent of the Congress, and provide increased economy in Government procurement." This is still a valid issue!

Presently, the SBA can issue Certificates of Competency in only the first two of the five areas in which small business arbitrarily can be refused a contract (*i.e.*, financial credit and capacity). The other three areas of refusal are integrity, perseverance and tenacity. Seven years ago, it was a surprise to the Small Business Committee to learn that small businesses were refused contracts because of the latter three points—without any requirement for the matter to be brought to the attention of SBA. This continuing practice not only circumvents the purpose of the original law, but also thwarts the effectiveness of the program.

As Congressman James C. Corman, Chairman of the Procurement Subcommittee in 1968, explained: "The strange result is that if the contracting officer rejects the low bid because he believes that the small firm does not possess the capacity and credit to perform the contract, the contracting officer must refer the issue for final determination by SBA; if, however, the contracting officer rejects the low bid because he believes that the small firm lacks integrity or the tenacity and perseverance, he need not, and does not, refer the matter to SBA."

It is imperative that in addition to being able to issue Certificates of Competency in all five areas, that the SBA also be able to establish an appeal procedure which would act as a liaison between the contracting officer, the purchaser and the small business.

Procurement clout

Section 8(a) of the Act gives the Administration one of its greatest powers, *i.e.*, the power to enter into contracts with other departments of the government, whenever it determines such action is necessary; and to arrange for the performance of such contracts by small business concerns. However, the words "whenever it determines such action is necessary" need to be clarified by statute, with language relating to Section 2, which spells out the small business policy of Congress.

Specifically, the Administrator should be required to invoke Section 8(a) whenever an agency of the government is not providing small business a fair proportion of the total purchases, contracts, grants or assistance funds, and whenever such action is required to maintain and strengthen the overall economy of the nation. In order to implement this transformation of the SBA into an active, rather than an advisory agency, these words must be added to Section 8(b)(4): "and to direct such officers to insure that small business concerns get a fair proportion of the total purchases and contracts

or subcontracts and that they benefit from a fair share of the total sales of government property, and to take such action as may be necessary in the event of non-compliance, included but not limited to the invocation of the powers vested in the Administrator by section 8(a) of the act."

Subcontracting

Section 8(b)(6) of the Act makes it a duty of and empowers the Administration to: ". . . take action to encourage the letting of subcontracts by prime contractors to small business concerns at prices and on conditions and terms which are fair and reasonable." A truly beneficial service under this Section would be provided by SBA if it were empowered, or chose to, enforce "fair and reasonable terms," and were willing to arbitrate or intervene upon determination that prices requested of, and terms and conditions imposed on small business concerns were *not* fair and reasonable.

Section 8(d)(1) of the Act requires cooperation of the Small Business Administrator, the Secretary of Defense and the Administrator of General Services in developing a small business subcontracting program. This section should be broadened in two respects. First, other procuring departments and agencies of the government such as NASA, the Department of Transportation, the Department of HEW, the Atomic Energy Commission, the Environmental Protection Agency, the Agency for International Development, the Department of Agriculture, HUD, LEAA, etc., should be included. Second, such programs should be required to apply not only to subcontracting but also to prime contracts.

Research and development

Section 9 of the Act specifies the policy of Congress to assist small business in obtaining the benefits of research and development conducted at government expense. The Administrator is authorized to assist small business concerns to obtain government contracts for research and development in Section 9(b)(1).

The words "contracts and grants" should replace the word "contract" in this section. And, so that the Administrator will have the resources to execute this Congressional mandate, the section should also refer back to the powers vested in the Administrator by virtue of Section 8(a).

Procurement alert

Section 8(e) of the Act makes it a duty of and empowers the Secretary of Commerce to publish notices of proposed government procurement actions in "Commerce Business Daily" immediately after the necessity for such procurements is established.

This section was intended to provide small business with an opportunity to prepare for the published bid. However, in many cases, preparation for a bid (especially in research and development) requires direct conversations with the cognizant professional personnel in the buying agency. Ironically, the publication of a proposed procurement is used by many agencies as the occasion for stopping further conversations with the prospective bidders. Consequently, a small business which first learns of a proposed procurement from the Commerce Business Daily is already too late for informed bidding, and thus does not benefit directly from the publication of proposed procurements.

In this situation, the notice in Commerce Business Daily, which occurs after all the big companies have done their talking to the procuring agency, precludes small companies from seeking procurement information and acts to the disadvantage of small business.

We suggest that Section 8(e) be modified by appending at the end, a sentence to read: "The publication of such notices is intended to provide small business concerns with advance information about proposed procurement actions and will not be used as a mechanism for precluding small business concerns from obtaining further information about the required supplies or services."

We further note that a lone agency within the U.S. Air Force has published the name and telephone number of the project engineer, for R & D announcements in the Commerce Business Daily. This was of immeasurable value to the small R & D contractor, searching for "the right guy" with whom to discuss his idea. Despite its value to small business and the Air Force, the practice has stopped because the CBD wanted to save printing costs. Surely there is an imbalanced perspective here, for measuring cost and benefits.

Financial assistance

In the area of financial assistance, there is an apparent void between SBA programs and the perceived needs of the small business community. Undoubtedly, as our member survey indicates, there is a lack of communication between the SBA selling its programs and small business voicing its needs. In that second area, we hope to contribute herein.

Small business needs access to capital. Beyond that generated from its own earnings, is an often need for debt and equity capital that cannot be raised in the public markets. Small business is also vulnerable to the profit squeeze resulting from chaotic interest rate markets.

Current SBA loan programs were conceived in different times. The direct loan program is essentially non-existent at this point—leaving the banking community to deal with a guarantee program that does not produce competitive returns.

It is, we feel, time to clean the legislative books and restate policy and goals. We propose that the direct loan program be eliminated from existing legislation in order to remove the current confusion surrounding its availability.

We propose the amendment of the Small Business Act to restructure and revise SBA Financial Assistance Programs. Financial Assistance is a package of services, that can be coordinated by SBA. That package should include:

Loan guarantees for both long term and revolving short term debt. The loan limit of the current program has been eroded by inflation. It should be increased to $500K, as proposed in S.333, Within the loan guarantee program, SBA should be encouraged to experiment with variable guarantees, ranging from 50-100%. While we recognize the pitfalls of 100% guarantees, we also observe the critical need to inject capital into the areas of our economy toward social goals. The guarantee of loans, with increased reliance upon the banking community for administration should be the major focus of SBA dollar programs.

Lease guarantees becomes increasingly more important to small business, as the nature of the real estate development changes. To aid, in providing liquidity to small business, this program should be extended to include leasehold improvements.

Bond guarantees remain essential to small contractors and service companies. The authorization for bond guarantees should be broadly expanded to encompass transportation carriers, equipment suppliers and any small business facing obstacles in bonding its performance.

Advance payment guarantees. Government contractors facing questions of capacity and credit are eligible under the Certificate of Competency Program. Often where credit is questioned, the SBA is able to effect a loan guarantee, thereby solving the problem. Undoubtedly, the increased borrowing costs were never considered by the small businessman in preparing his bid. ASPR and FPR recognize this by providing for advance payments, however, contracting officers are reluctant to use it. We propose that the SBA be empowederd to request advance payments, on behalf of a COC firm, and guarantee them. This effectively ties together two sections of procurement law, helping the small businessman and putting teeth in SBA programs.

Small business prime borrowing rate cannot fluctuate as rapidly as the big business prime, without adversely affecting firms. This was recognized by the Committee on Interest and Dividends, when they created a two-tier prime. With the phase-out of economic controls, small business cannot afford to lose this protection against roller-coaster changes in interest rates. We propose that the existence of a small business prime rate, with a ceiling of 8% be enacted through the Small Business Act.

A small business loan index is a step toward informing the businessman of the availability of loan guarantees. We propose that the SBA publish, in national business publications, an index of loan guarantee activity during the preceding week. An illustration of that report is shown below:

SBA Region I

Loan guarantees, $2,600,000.
Fiscal year funds available, $62,000,000.
Rate, 8½–9%.

SBA Region II

Zero.

As part of "getting the message out" it is simple and yet effective.

Disaster loan program—a distraction. The disaster loan program currently under the auspices of SBA should be placed either in HUD or FHA. Too much valuable SBA staff time and money is being removed from regional field offices to take care of the disaster loan program. For instance in Cleveland, only two of 38 staff people remained in the district office between the months of June through August, because the rest were transferred to Toledo for temporary assistance in disaster matters. This creates large voids in loan officer, management assistance and other SBA programs. Therefore, it is necessary to place all disaster funds—with the exception of small business disaster funds—under the jurisdiction of other federal agencies. In that remaining area, we applaud the recognition of federal closing impacts on small business, as contained in the amendment passed last year and introduced by Senator Pell. The impact of the federal government, as a buyer, on individual small businesses is significant. This amendment alleviates some of the traumatic effect of base closings and buys time for the entrepreneurial spirit and Yankee ingenuity.

At the same time, we observe efforts to provide disaster loans in businesses affected by naturally occurring events. The absence of sunshine or snow, in the resort industries is a factor in setting rate and achieving desired profit margins. These businesses should not be considered disaster loan candidates if precipitation deviates from norms in a given year—lest we head for economy, based upon a "guaranteed annual profit."

Surplus and Government owned equipment represents a significant and usually inaccessible resource to small business. We propose that the SBA establish a program to ensure the availability of government surplus equipment to small business. This must take the form of 1) informing small business of its availability, 2) ensuring small lot sizes (through breakouts or set-asides) and 3) providing, where necessary, bid guarantees.

A wealth of production and R & D equipments, owned by the government are in the hands of big business—effectively in perpetuity. We propose that the SBA undertake a study of this area, to identify the utility of these equipments to small business.

MANAGEMENT ASSISTANCE

As in the area of financial assistance, a void exists here. The survey of our memberships has shown that successful small businessmen do not know what SBA Management Assistance Programs are and have not used them. Clearly, the "selling job" directed by the Congress as early as 1954, is still needed.

Section 8(b)(1) of the Small Business Tax Simplification and Reform Act would empower the SBA Administrator: ". . . to provide technical and managerial aids to small business concerns by advising and counseling on matters in connection with government procurement and property disposal and on policies, principles of good management, including, but not limited to, cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods of engineering . . . by maintaining a clearinghouse for information, concerning the managing, financing, and operation of small business enterprises, by disseminating such information, and by such other activities as are deemed appropriate by the Administration."

The rationale for these additions is the desperate need of small business to have a source of assistance in the complex world of government regulation. In the area of income tax preparation, the Internal Revenue Service provides assistance to the taxpayers in the interpretation of regulations and filling out forms. A parallel service by SBA to small business contractors with respect to regulations would be of immense assistance.

SBI funding

To strengthen the management assistance program, more funds should be funneled to expand SBA's new Small Business Institute Program which utilizes colleges, students and professors in general management assistance areas and working teams of students and professors solving small business programs. Funds or grants should be funneled through SBA to trade and professional organizations set up to deal with management problems of small business. SBI is a new program in the SBA management assistance area that could be a great help to small businessmen.

Combine SCORE and ACE

In order for both agencies to have an equal amount of case review work, both SCORE and ACE should be combined into one program. Both programs should be omitted from the current "Action" program so that they can be directed by the SBA Office. Not only should all out-of-pocket expenses for both organizations be reimbursed, but also a recognition program should be initiated to highlight their activities. SCORE volunteers should be categorized into the disciplines in which they were trained, so that if a businessman has a specific problem, he will be sent to someone with specific expertise in that area.

MINORITY ENTERPRISE

The response to federal programs addressing minority enterprise development, has been less than satisfactory. The inequities extant in our society, when these programs began some six years ago, are little reduced. We feel that this is significantly due to foci on statistical "bean counting" centralization in the Washington bureaucracy, and diffusion of responsibilities through multiple agencies.

We believe that it is the responsibility of this nation to provide equal avenues of opportunity to participate in the economy of our country. Where these avenues have been blocked for decades, we must bend to open the door, to correct past inequities.

The fact is Black and Spanish-speaking people comprise 17% of the U.S. population. Yet, these minorities have only less than 4% of the nation's business and generate less than 7/10th's of 1% of the nation's gross business receipts. There were in 1972, approximately 250,000 small minority businesses in existence yet they own less than 3/10th's of 1% of the country's gross business assets.

The trend in assisting minority business ownerships has been in establishing retailing, distributing, franchising and service industries. In 1971, 72% of the SBA minority loans were for these types of firms. It would seem more desirable, from a long range point of view to place greater emphasis on establishing more stable types of firms such as those in manufacturing that would present a more solid promise of success in terms of growth and employment.

Minority enterprise development contains the same needs as any business—entrepreneurial people, a market, a product and capital. Opening the door and insuring successful results is far more dependent upon people than simple bean counting.

Developing skills and assisting people on a continuing basis is not effectively done from within the federal agency. The recent practice of competitively contracting, from each SBA region, for limited management assistance services, is fragmented and discontinuous. We propose that a pilot program be conducted, under the auspices of the Small Business Research Institute, establishing a business development program in one SBA region. This consulting capability should be funded at $1 million in the first year. All cases assigned to it shall be evaluated by its director to determine needed consulting resources, and recommended back to the SBA regional director. If approved by him, the case should be undertaken. If disagreement exists, the issue should then be resolved by the Advisory Council.

This approach puts the needed level of resources to work and reduces token management assistance which is futile. It is based on the belief that one must, in developing viable techniques for minority enterprise, learn to walk before running.

The implementation of minority programs within the SBA has often been interpreted by the non-minority community to be at their expense. When the SBA first geared up to provide minority assistance programs personnel were transferred from existing procurement and management assistance specialties to work exclusively in minority programs, thus depleting the overall effectiveness of the agency. In other cases when the 8(a) program was implemented, many non-minority firms felt that contracts were being taken from non-minority firms and instituted for minority-owned businesses. We believe, at this point, that many of those problems have been solved.

SUMMARY

Twenty years from now gross national product will have doubled—at least—if we can still extrapolate from the recent past. We know some other things about the future: the size of the labor force, based on the number of today's babies; the expected rise in personal income through annual hikes in productivity; the costs to the firm and indirectly to the purchasing public of consumerism and ecological concern. We also know that the large corporation will be still larger, except where anti-trust laws break up a small number of firms or where an industry defines its role too narrowly and misses the signals of change.

But we do not know what American small business will be like in twenty years. It has none of the protections that accrue to size or to widespread managerial talent. And, we submit, whatever America's wealth in another twenty years, it will be a poorer America if the small business community has not enlarged its role in and usefulness to this society.

It is because small business, somewhat like the consumer, is in totality a clear entity, in fact, a major institution in America, but in its single units not a potent or organized force, that we submit the above modest proposals as a means by which the federal government can use its authority to protect and even to encourage this very American and very deserving part of the U.S. economic fabric.

TRIBUTE TO COACH FINZEL, OF FROSTBURG, MD.

Mr. BEALL. Mr. President, the coach of the local high school of my hometown, Frostburg, Md., recently announced that he will retire at the end of this school year.

Coach Edward "Ebbie" Finzel will culminate a most successful teaching and coaching career and his departure will end an athletic era at Beall High School.

During his 39-year career, he coached baseball, soccer, basketball, track, and tennis and served as physical education director of the high school. He has been a most successful coach. For example, his tennis teams compiled an overall record of 62 wins and 1 loss. This included a winning streak of 55 consecutive games. Coach Finzel, however, will not and would not want to be remembered solely for his many victories on the various athletic fields. For Coach Finzel regarded the molding of character as important as the building of winning teams. In his teaching and by personal example, he instilled in his students and athletes qualities—commitment to excellence, sportsmanship, integrity—which transcended their brief athletic careers and served them well in subsequent careers in life.

One of the great philosophers of our time, Linus from the comic strip Peanuts, said "There is no heavier burden than having a great potential." This points out the responsibility that we have to our young people. Coach Finzel recognizes our special responsibility to our youth and has challenged them to reach their potential.

Mr. President, it is because of dedication of individuals like Mr. Finzel and others across the country that I have the greatest confidence that this Nation will overcome its present difficulties.

I ask unanimous consent that the article from the Cumberland News be printed in the RECORD.

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

BEALL ATHLETIC ERA COMES TO CLOSE; VETERAN COACH SERVED 39 YEARS AT FROSTBURG

(By Dale Flanagan)

At the conclusion of the 1974 school year, Beall High School will be losing one of its most loyal Mountaineers.

Edward "Ebbie" Finzel has announced his retirement, and his departure from the Frostburg based school will climax a 39 year career of athletic involvement at Beall.

Finzel publicly announced his retirement decision at the Beall High Athletic booster Awards Dinner held Thursday night at Frostburg State College's Lane Center.

The long term coach informed the Beall High student body about his decision at the school's award assembly held yesterday.

Finzel had been Beall's athletic director for the last three years, but before that he had served as a coach for the Mountaineers in basketball, baseball, tennis, soccer and track.

A life-long bachelor, Finzel himself was a graduate of Beall and was born and raised in Frostburg. He received his bachelor's de-

gree from Penn State, acquired a masters from Columbia and later did other graduate work at UCLA and the University of Maryland.

SOCCER ALL-AMERICAN

A participant in soccer, basketball and track during high school, the Mountaineer mentor concentrated exclusively on soccer in college and won All-American honors.

At Penn State, Finzel was a member of the Nittany Lions' national championship squad, which in 1934 became the first American collegiate soccer team to engage European squads. The international competition was played in Scotland. As Beall's athletic director, Finzel saw the wide sports variety of the school as a major success of the Mountaineer's physical education program.

"Beall has the most varied athletic program in Allegany County and one of the most outstanding in the state," he said.

"Current educational systems are varying their academic programs. Now there are vocational, college oriented and commercial programs. Athletics and physical education also has to have that type of variety ... to meet the individual needs of the kids.

"Every child is entitled to a chance to play."

COACHING RECORD

Athletic teams under Finzel's direction compiled approximately 750 victories. But the most impressive win skein came in tennis.

His tennis squads compiled an over all record of 62–1, with the success string including a chain of 55 consecutive wins. Finzel coached tennis squads won three district championships and six WMI titles.

His soccer teams collected two state titles and nine district marks, while his baseball students collected six WMI crowns.

In basketball, Finzel led the Mountaineer cagers to two Potomac Valley (PVC) crowns, three district titles and in 1949 one state cage championship.

Under Finzel the Beall court teams went to the state basketball finals twice with the 1966 team being the last squad to make the trip.

MEMORABLE EXPERIENCE

The Beall athletic director also attributed to basketball his most memorable coaching experience.

In 1961 the Beall cagers had captured the District I basketball crown, and the title came at a time when there was no neutral court ruling for post season tournaments.

Beall traveled to play undefeated Hagerstown on Hagerstown's home court and were taking in the town the night before the game.

"We were set upon by hoodlums," declared Finzel. "My best player's hand was cut, and it took several stitches.

"But the next night we defeated Hagerstown anyway and went on to the state tournament at College Park."

PERSONAL MODELS

Finzel selected the late Bill Jeffrey (former varsity soccer coach at Penn State) as the man who exerted a great influence on his life.

He named Penn State's Hugo Bezdek as the motivating force which drew him to State College, Pa. and the health and physical education field.

Bezek gained notoriety as the manager of the Pittsburgh Pirates and as a grid mentor competing in the Rose Bowl.

Naming current sports personalities as worthwhile heroes, Finzel selected John Wooden (the basketball magician of UCLA) and Penn State grid coach Joe Paterno as two top picks.

Finzel began at Beall High in 1935 at the time when the Depression was gripping the country.

"Frostburg had always been my home ... and jobs were hard to find anywhere," Finzel stated. "When the job opened at Beall I jumped at the chance.

"I had tried to find work anywhere ... including an Indian reservation in Arizona."

CURRENT OUTLOOK

Referring to the high school athletic outlook today, the former Beall coach noted the wide range of recreation today as limiting sports involvement.

"There are so many more things for kids to do today than there were years ago," he remarked.

"High school sports aren't the only outlet anymore. Perhaps that has led to somewhat of a decrease in dedication to athletics ... in the overall view."

Finzel lives in Frostburg with his sister Ms. Grace Bittner, who is also a retired teacher.

Perhaps now there will be time to rest and reflect in that home. As sports accomplishments and intense involvement with athletics comes to a close for a long time Mountaineer.

SEA GRANT PROGRAMS ARE COST EFFECTIVE

Mr. MAGNUSON. Mr. President, on its editorial page, the Washington Star-News recently reported on U.S. Navy tests of a new removal system which blasts barnacles from the hulls of destroyers while at anchor, resulting in savings of time and dollars. I was delighted to read the editorial, because it calls to mind that in late 1971, Brad Meyers, of Controlled Dynamics Corp., a small Seattle, Wash., company, hit upon the idea of removing barnacles by affixing a small explosive mesh along the hull of a ship to blast marine growth from the sides. Todd Shipyards, impressed with Brad Meyers' innovative idea, awarded him a contract to clean the sides and bottoms of the S.S. *President Monroe*. In initial experiments, there was minimal glass breakage aboard the ship, causing the insurance companies to become concerned. Brad Meyers knew he had to have additional research performed. He appealed to the University of Washington and, with the assistance of two engineers from the University of Washington sea-grant program, at a minimum investment, additional research was conducted. With the aid of specially designed instruments, the shock level range for efficient cleaning of a hull was determined. By keeping the explosive blasts within this range, cleaning could be accomplished without any resultant damage to the ship structure. A naval tug was successfully cleaned using this method.

Still a later revision was made which is known as the sequential sea mesh system. A controlled amount of energy is released around the ship, giving rise to a pressure wave which strikes the marine growth. The hull is swept clear leaving the paint system underneath undamaged. The sequential system initially utilizes a small blast to scare away marine life. The successive charges keep fish from the area until the project is completed.

Mr. President, I believe this editorial is a tribute to all of those who participated in this cost-effective program and in that spirit, I ask unanimous consent that it be printed in the RECORD.

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

THOSE BLASTED BARNACLES

Probably nothing has so impeded man's return to the sea as the lowly barnacle, that confounded little crustacean which, along with thousands of its fellows, sticks to the bottom of a boat with all the stubborn tenacity of chewing gum to a shoe. Described as "one of the major groups of fouling organisms on hulls of ships in the open sea," barnacles occupy more space in the Encyclopaedia Britannica than Lucrezia Borgia, boll weevils, beer, bamboo or the Beatitudes.

That shows how tough they are.

Well, the Navy finally thinks it has found a cheap way to ditch these little hitchhikers which can slow a destroyer's forward speed by as much as three or four knots:

Bomb them.

It's done with nets equipped with small explosives and hung along the hulls, and if it works—tests on two destroyers this past winter ran into several problems—it should knock off the barnacles without peeling the paint. To clean a destroyer the old way meant putting her in drydock, sandblasting the hull and then painting her again—at a cost of 95,000 clams. The new system, once it's working, should cost less than $5,000 and take only a day.

We ought to greet this development with 20-gun salutes, but we can't help feeling a little sad. It tips the balance of power in what had been an old and close relationship—a constant reminder to man that he couldn't expect to go off gallivanting without the small attachments that life invariably sends along.

WHERE ARE THE 70,000 POLITICAL PRISONERS HELD BY THE COMMUNISTS IN SOUTH VIETNAM?

Mr. GOLDWATER. Mr. President, my legislative assistant, Mr. Terry Emerson, has just returned from a 1-week study tour throughout South Vietnam. One of the many issues he investigated was the accusation of political prisoners allegedly being held by the Republic of Vietnam.

Far from finding any verification of this charge, Mr. Emerson discovered irrefutable evidence that the charges of upwards of 200,000 "political prisoners" being detained by the South Vietnamese are the preposterous inventions of intentional propagandists or the emotional exaggerations of confirmed ideologists.

The true untold story about political prisoners in South Vietnam is hidden on the Communist side. Of some 70,582 South Vietnamese civilians abducted by the Communists, only 637 have been released. Where are the others? What international inspections are being made of the conditions in which these captured civilians are living, if they are still alive?

These are among the questions raised by Mr. Emerson in the second of a series of reports on Vietnam which I have asked him to write for me. Because Mr. Emerson's study is an up-to-date report on a much discussed issue, which I would like to share with my colleagues, I ask unanimous consent that it be printed in the RECORD.

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

REPORT FROM VIETNAM

(By J. Terry Emerson)

POLITICAL PRISONERS

There are not over 33,000 civilian prisoners of all types in the Republic of Vietnam. There are no remaining prisoner-of-war camps.

Charges of up to 200,000 "political" prisoners in South Vietnam are sheer fabrication—totally false, unproven hysteria, or intentional lies.

On May 30, we visited Con Son Island, home of the so-called "tiger cages." A now-defunct magazine had portrayed these isolation cells as underground pits, inhuman cages allegedly suffocating the spirit of civilian opponents of the government.

Actually, a photographer would have to strain his ingenuity in order to distort the conditions he was viewing. Taken in dark hours, from one flight above the true ground level, aimed into the center of the cell, away from the windows, waiting for the right mood of somberness by the prisoner, a journalist could have created a picture designed to shock.

But he would have had to have mounted a stairway nine to ten feet above the prison floor and to have ignored the ample window ventilation openings of the cell. He must also have stood close to the inside walled corners of the cell so as to avoid showing its true dimensions of almost five feet in width and eleven feet in depth.

Our study group easily moved ten people into the cell without nearly filling it. It was used and large enough for two or three persons, unlike the real isolation cells of the Communists. The Communist cells for South Vietnamese soldiers are oven-shaped structures, six feet long, three feet wide, and two and one-half feet high, made out of cement. Where cement block is not available, the North Vietnamese substitute bamboo, making an enclosure so small the isolated prisoner must crouch, never having enough room for standing or even stretching out.

The original Con Son isolation cells are no longer in use. The 5,400 civilian prisoners on Con Son Island are now in compounds, lines of cells surrounding large central yards lush with trees and plant life. The two South Vietnamese compounds we saw were far more attractive physically than one American-designed detention facility we visited.

The prisoners of Con Son Island engage in an active existence. Far from the mainland, this locale of tourist-quality scenery is virtually escape proof, though one prisoner at least has succeeded in fleeing it by boat.

Nevertheless, nearly all prisoners are trusted to move about daily outside their cells. Some illiterates attend reading classes; some work in the industry area, shaping handsome walking sticks or fashioning shell decorations which are sold for their own earnings they are allowed to keep.

Other prisoners engage in farming, planting and caring for the produce of seeds they are given by the government. Still others are permitted to fish, one boat leaving shore regularly with prisoners aboard to set nets.

These are not political prisoners, incarcerated because of making expressions of opposition to the government. Two-thirds of the prisoners on Con Son Island are civilians who have committed normal civilian crimes for which offenders are jailed in civilized societies around the globe. Another one-third of the prisoners are military persons who have committed civilian-type crimes.

Are there "political" prisoners held elsewhere in South Vietnam? Certainly, if a terrorist shells a village schoolhouse to intimidate local residents, and is apprehended, he is subjected to the civil processes and will be detained. But this is not a "political" prisoner, even if the marauder happens to be a VC.

The U.S. Embassy has canvassed the entire country-wide system of prisons, jails, and other detention facilities. The Red Cross has made over 195 visits to Republic of Vietnam prisoner installations. American penal specialists trained in such things have searched throughout the South Vietnamese detention system without finding shackles or other signs of cruelty.

Two American Embassy surveys of jails, detention centers, and prisons in South Vietnam prove beyond any reasonable doubt that the total of all civilian detainees of all types is about 35,000, close to the current South Vietnamese figure of 33,000.

Anti-Government activist Father Chan Tin charges there were 202,000 "political" prisoners allegedly held by the Republic of Vietnam. His statistic has been inserted into the Congressional Record as gospel.

This figure, however, exceeds by over a hundred fifty thousand the total capacity of all prisons and detention units in the entire Republic of Vietnam, including informal village lock-up stations. Even if the occupancy of these facilities did exceed their capacity in certain instances, it is impossible that the total number of prisoners could begin to approach 200,000, let alone the much higher total that must be projected as being imprisoned since Father Chan Tin's figure did not include what even he would recognize as offenders sentenced for common crimes. Significantly, one of our group who requested it was freely permitted to visit with Father Chan Tin and his recorded conversations should do much to dispell the falsity and unfounded exaggeration of most of Father Chan Tin's claims.

Using exhaustive methods of canvassing, the U.S. Embassy at Saigon has documented the total prisoner and detainee population being held in national prisons, provincial prisons, interrogation centers, and local lock-up stations as a *maximum* of 35,139. This statistic is backed up by the personal knowledge of American Public Safety Advisors who had been on the spot and is a figure that can be accepted as reliable.

This report can not end without a brief discussion of the South Vietnamese penal system. For unlike the persons under Communist rule, the citizens governed by the Republic of Vietnam enjoy an extensive program of political rights, including a true public trial and defense.

Once convicted and sentenced, a prisoner is ordinarily allowed outside in the open, some seven hours each day. As I observed at Con Son, prisoners in South Vietnam may farm, do craft work, or attend normal educational classes. Inmates are permitted to write letters regularly, receive gifts, and have a weekly visit from their relatives, except for at least four times a year at Con Son Island, which is far from the mainland.

In contrast, the objective observer should ask what is the treatment of Communist-held prisoners—the true political prisoners of Vietnam. How many Red Cross observers or outside inspectors have been allowed a thorough study inside Communist jails and prisons?

In twenty years, the Communists have kidnapped more than 70,000 South Vietnamese civilians. The names, addresses, and personal data about these individuals are identified in a book openly available for inspection. What is their plight today?

What efforts to relieve the human suffering of these documented victims of political terror are being made by the same groups who parrot unproven fabrications about the Republic of Vietnam?

How many of these captured 70,000 have been massacred? Or are being held in real concentration camps? Or are being forced to slave labor?

The true story of political prisoners is not to be found in the prison or detention system of South Vietnam. The real evidence of brutality is buried under the soil held by Communist soldiers or hidden from all impartial inspection by the secrecy of the Communist system.

SENATOR RANDOLPH URGES ADMINISTRATION ACTION ON AIR TRANSPORTATION OF HANDICAPPED PERSONS

Mr. RANDOLPH. Mr. President, on May 15, 1974, a young woman, who is employed by the Civil Service Commission to promote the hiring of the handicapped, was refused service by two airlines because she is unable to walk and—according to those airlines—would be unable to leave the plane herself if a crash should occur. Ironically, the young woman has flown on both the airlines involved and never had this trouble until 2 weeks ago.

I have received a letter concerning a similar problem. Jack Smith, public information director at the National Institute for the Deaf, was refused passage on a flight from Boston to Columbus, Ohio. Mr. Smith is also paraplegic and travels a lot because of his job. Although he had a confirmed reservation on the flight, he was told that his inability to walk would be "inimical to Mr. Smith's personal safety and to that of his fellow passengers, should an emergency arise." I contacted Alexander P. Butterfield, Administrator of the Federal Aviation Administration, and he replied that such incidents should not be condoned.

These incidents and others like them spotlight the completely unregulated situation which exists regarding transportation for handicapped citizens on airlines. Stephen Green of the Washington Post, who has written an excellent series of articles on this incident and the problems behind it, has quoted an FAA spokesman as saying:

> Each airline has its own rules, which often differ from carrier to carrier and often differ in different cities for the same carrier.

I am concerned that this situation has been permitted to continue. In 1971, the Paralyzed Veterans of America submitted to the Civil Aeronautics Board an excellent statement on the right of the handicapped traveler to air transportation; the guidelines and recommendations contained in that statement were both sensible and appropriate. The CAB, however, took the position that it did not have the expertise to proceed on this issue and deferred to the Federal Aviation Administration.

Approximately 1 year ago, soon after becoming chairman of the Subcommittee on the Handicapped, I became aware that certain airlines were becoming more restrictive in their attitudes and policies toward transporting physically disabled persons.

In a statement in the Senate last June, I announced that I had contacted the Air Transport Association of America to check on specific incidents of discrimination and wrote the CAB to urge immediate action. It was gratifying to know that the FAA had just issued an advance notice of proposed rulemaking and that

later it scheduled several hearings around the Nation on this matter. Although I was unable to personally attend the hearing held here in Washington on October 18 because of my commitment as a member of the U.S. Delegation to the North Atlantic Assembly in Ankara, Turkey, I submitted a statement. It was certainly my hope and expectation then that regulations would be promulgated soon after the hearings were concluded.

Over 7 months have passed since that time. I have been in contact with the FAA during those months requesting information on the status of the regulations. My impression has been that the regulations had, in fact, been drafted for some time but were being held up by bureaucratic redtape. The situation changed only approximately 1 month ago, and I am informed that the proposed regulations will probably be published in the Federal Register in June and will take effect within 1 or 2 months.

Now, it is too late to prevent the wrongful, embarrassing incident reported recently—or to prevent others which have happened. However, Mr. President, the FAA can act now to promulgate adequate regulations and establish a national policy to insure the right of the handicapped citizen to air travel. A clear set of guidelines—which cannot possibly be misinterpreted—is needed.

Mr. President, on yesterday I conferred personally with FAA Associate Administrator William Fleener on this vital issue.

Administrator Fleener is intensely aware of the need for FAA to promulgate regulations on standards for air travel by handicapped persons. He informed me that the notice of proposed rulemaking should be published by Friday, June 14. I am gratified that FAA has established what appears to be a firm "target date," and I strongly urge that this schedule be met.

Mr. President, I ask unanimous consent that the series of articles by Stephen Green in the Washington Post and the Post editorial of June 1 be printed in the RECORD.

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

[From the Washington Post, May 22, 1974]

TWO AIRLINES DENY SEAT TO PARAPLEGIC

(By Stephen Green)

Patricia Thoben, a paraplegic since birth, has flown from Washington to dozens of cities around the nation to promote the hiring of the handicapped for the U.S. Civil Service Commission.

So last week she had no reason to expect difficulty in getting a flight to Philadelphia where she was to give a speech.

But, Miss Thoben recalled yesterday, both Allegheny and Eastern Airlines refused on May 15 to let her board their planes, contending she would be unable to leave the plane herself if a crash should occur.

"I was hurt, angry and humiliated," said Miss Thoben, "I found this unbelievable. It's a denial of my right to life, liberty and the pursuit of happiness."

Protests to the airlines by Miss Thoben, a federal employee for 13 years, got nowhere so she called the office of her congressman, Rep. Joel T. Broyhill (R-Va.).

Broyhill wrote Federal Aviation Administrator Alexander P. Butterfield, calling the situation "a gross inequity."

"In this day and age when every effort is being made to encourage the integration of the handicapped into the norm of society, I find it impossible to believe that such a regulation exists. If it does indeed, every effort should be made to have it promptly stricken from the books. I hope you will be able to help me respond to Ms. Thoben. I am, quite frankly, embarrassed," Broyhill wrote.

A spokesman for the Federal Aviation Administration said the agency is considering adopting regulations for transportation of the handicapped. Now, he said, each airline has its own rules, which "often differ from carrier to carrier and often differ in different cities for the same carrier."

Frances Sisk, a public relations assistant for Eastern, first said that it was up to the captain of each plane whether someone in a wheelchair, such as Miss Thoben uses, is allowed to board. Later, Miss Sisk said that Eastern permits persons in wheelchairs to board planes only if accompanied by someone else or if in possession of a physician's note say they can care for themselves.

Jack King, an Allegheny spokesman, said the plane for which Miss Thoben had a reservation had only one passenger attendant who could not devote sufficient attention to her.

Later, however, King said the airline has no rule forbidding the carrying of a handicapped passenger. "Somebody goofed," he said.

"I've flown Eastern and Allegheny before without any problem," said Miss Thoben, a GS 13 who earns more than $20,000 a year in her job of encouraging the hiring of the handicapped.

She said her arms are normal, although she has never had the use of her legs while she uses a wheel chair, she said, "I drive a car and do my own housework."

As for the argument that she could not remove herself in case of a crash, she said, "I'm capable of crawling if in danger."

After being refused permission to board the Allegheny flight at National Airport, she said she went to the Eastern counter and purchased a ticket for a flight that was to leave from Dulles International Airport.

At Dulles, she checked her luggage and headed toward the boarding gate "when I was paged and told I couldn't fly," she said.

Miss Sisk acknowledged that Eastern sold Miss Thoben a ticket. However, Miss Sisk said the ticket agent wrote on the ticket that Miss Thoben might not get permission to board the plane.

"It was a very arbitrary decision. It never happened to me before. I've been flying for 23 years," said Miss Thoben.

[From the Washington Post, May 23, 1974]

FAA DRAFTS RULE TO AID HANDICAPPED

(By Stephen Green)

The staff of the Federal Aviation Administration has drafted regulations that would require airlines to transport handicapped persons, including paraplegics.

The draft regulations now are under study by FAA lawyers, The Washington Post learned yesterday.

Airlines have been refusing to let some handicapped persons board planes, even after they have purchased tickets, according to staff members of the Senate Subcommittee on the Handicapped.

In an incident last week, a U.S. Civil Service Commission employee who has flown around the country to promote the hiring of the handicapped was denied permission to board flights at National and Dulles International Airports by Eastern and Allegheny Airlines. Patricia Thoben, a paraplegic who must use a wheelchair, was told she would be unable to leave the plane by herself if a crash should occur.

An FAA spokesman said Tuesday that each airline has its own rules governing transportation of the handicapped and said the rules are often applied differently in different ciites.

Yesterday, the FAA spokesman confirmed that the agency staff has drafted rules that would force the airlines to fly the handicapped. He said the rules could be formally proposed in the Federal Register in late June and take effect 60 days later.

Miss Thoben yesterday said an Allegheny Airlines official had called and apologized to her. But, she said, "as far as I'm concerned that doesn't mean much until something is really done about this." Miss Thoben had said she was "humiliated" by the incident.

Sen. Jennings Randolph (D-W. Va.), chairman of the Senate Subcommittee on the handicapped, has complained to the FAA on behalf of another handicapped person who can't walk, Jack Smith, public information director of the National Institute for the Deaf at the Rochester Institute of Technology.

Smith, who uses a wheelchair, was refused transportation on a Trans World Airline flight from Boston to Columbus, Ohio, on Oct. 25.

Smith, in a letter to Randolph, said a TWA representative told him: "The crew will not accept you. If the plane burns there is no way they could help you first. They don't want to have to explain your charred body."

"That's a cop-out," said Smith. "It puts me in the role of a third-class citizen. It's one of the most prejudiced and discriminating things I've ever experienced," added Smith, who had a confirmed reservation for the flight.

TWA, in a statement, called the incident "regrettable" but said "final judgment must be left to one individual, the captain, who is in full unequivocal command of the aircraft."

In October, 1971, the Civil Aeronautics Board decided to consider adopting regulations covering the transportation of the handicapped. But the board later decided that it was a safety matter under the jurisdiction of the FAA.

On May 30, of last year, FAA issued advance notice of its intent to hold hearings on the subject. Six hearings were held in September and October.

Last month, Randolph wrote Federal Aviation Administrator Alexander P. Butterfield to express "my genuine and deep concern that the issue of standards to insure safe travel without undue harassment for handicapped individuals has not yet been resolved."

A spokesman for the Airline Pilots Association, which represents pilots and flight attendants, said the organization recognizes that handicapped persons have a right to fly but added that safety must be considered.

The spokesman said there have been "crashes when the elderly and handicapped slow down evacuation."

But a spokesman for the National Safety Transportation Board said his agency had no information of such incidents.

[From the Washington Post, May 24, 1974]

CITY AND STATE: PARAPLEGICS AIR RULE CLARIFIED

(By Stephen Green)

Airlines have used federal legislation designed to prevent the hijacking of planes to stop handicapped persons from flying, the Washington Post learned yesterday.

The Federal Aviation Administration confirmed the practice, the latest revelation in the controversy over the rights of the handicapped to use air transportation.

Rep. Joel T. Broyhill (R-Va.)—who Tues-

day revealed that a paraplegic who often has flown around the country for the U.S. Civil Service Commission, was denied passage by two airlines—said the use of the antihijacking law is a "bureaucratic alibi and excuse."

The law, passed by Congress in 1962, states that transportation may be refused on a plane to a passenger "when in the opinion of the air carrier such transportation would or might be inimical to safety of flight."

Some handicapped persons refused flight passage have been told that they would be in the way of an orderly evacuation in case of a crash.

Harry Erman, chief of the FAA air carrier standards division, acknowledged the law had been used by airlines to prevent the handicapped from flying. There was no estimate on how often it had been used.

Erman said that the captain of an airplane has a right to determine if a passenger constitutes a danger.

Patricia Thoben, the Civil Service Commission employee denied transportation last week by Allegheny and Eastern Airlines, was told she would be unable to leave the plane by herself if a crash should occur.

The FAA staff has drafted regulations that would force the airlines to fly handicapped persons, including paraplegics. The proposed regulations are still under final review, Erman said yesterday.

Sen. Jennings Randolph (D-W. Va.), chairman of the Senate Subcommittee on the Handicapped, said yesterday he is "deeply concerned" over the "recent incidents." He said he has been pressing the FAA since June of last year to come up with regulations giving the handicapped the right to fly.

AIR TRAVEL BY THE HANDICAPPED

Patricia Thoben of Arlington likes to keep on the move. She has a car, a household to run and a career position with the Civil Service Commission that entails travel to dozens of cities around the nation for speaking engagements. But on May 15, when she was due to appear in Philadelphia, two airlines that could have flown her there decided that they didn't want her aboard. Allegheny Airlines, with whom Miss Thoben had a reservation, denied her a ticket at National Airport; then as she was about to board an Eastern Airlines flight out of Dulles, she was paged and told she could not take the flight.

The problem, according to the airlines' representatives, is that Miss Thoben is a paraplegic who would be unable to leave a plane herself if a crash should occur. Miss Thoben was "hurt, angry and humiliated"—for this was the first time in 23 years of flying that she had been treated in this manner.

Unfortunately, Miss Thoben's experience was not the first case in which handicapped people have been denied passage on regular commercial flights. Moreover, the explanations and excuses offered by airlines follow no particular pattern. Sometimes, a would-be passenger in a wheelchair is told that he or she would be in the way of an orderly evacuation; or that any handicapped passenger must be accompanied by someone else (at full fare, to be sure); or that the flight crew is not large enough to devote sufficient attention to a handicapped passenger in the event of emergency.

These and other incidents have been relayed by handicapped people to various members of Congress over the years. Indeed, last year, when the Federal Aviation Administration issued advance notice of its intent to hold hearings on the subject, Sen. Charles H. Percy (R-Ill.) met on several occasions with handicapped complainants, and later voiced strong concern to the agency about the right of the handicapped to travel by air.

Sen. Jennings Randolph (D-W. Va.), chairman of the Senate Subcommittee on the Handicapped, also has complained to the FAA repeatedly. In Miss Thoben's case, she contacted her congressman, Rep. Joel T. Broyhill (R-Va.), who has rightly called on the FAA to move on the matter. In a letter to FAA administrator Alexander P. Butterfield, Mr. Broyhill noted that regulations against air travel by the handicapped have no place "in this day and age, when every effort is being made to encourage the integration of the handicapped into the norm of society . . ."

An FAA spokesman says the agency's staff has drafted rules that would force the airlines to fly the handicapped—but the regulations are still under final review. Certainly a year is long enough for the agency to have come up with some sensible solutions, consistent with safety, to end the cruel and haphazard discrimination suffered at airports by the nation's handicapped.

INSURERS SUPPORTING PASSIVE RESTRAINTS

Mr. MAGNUSON. Mr. President, the National Transportation Safety Board recently reported that 56,600 Americans died on the Nation's highways in 1973. While this level is percent less than the previous year, it appears to be due to lower highway speed limits and decreased vehicle usage due to the fuel shortage. The efforts of the Federal Government in mandating a more crashworthy vehicle must continue—the annual loss of over 56,000 Americans on the highway is unacceptable.

As one who has monitored the motor vehicle safety program since its inception, I have become increasingly more convinced that the key to substantial reductions in highway carnage is an effective restraint system. Lap and shoulder harnesses, which are installed in most motor vehicles are effective in preventing injuries, but most motorists refuse to wear this. Despite vigorous public education campaigns and a bothersome array of buzzers, lights and interlocks, our efforts at increasing seat belt usage have not succeeded.

The agency responsible for implementing the Motor Vehicle Safety Act—the National Highway Traffic Safety Administration—has been talking about passive restraints for well over 5 years now. A passive system is one whereby the occupant is restrained in the vehicle without any affirmative action on his part. The advantage of the passive system is that, unlike seat belts, they require no change in human behavior—a motorist will automatically be protected in the vehicle. In addition, a passive system such as an airbag does not burden the motorist with a mass of spaghetti-like webbing which he must untangle before he can activate the belt system.

The NHTSA is now considering a proposed motor vehicle safety standard which would require the installation of a passive restraint system in all motor vehicles manufactured after the fall of 1976. Support for this proposal has been particularly vigorous from the insurance industry. While Allstate Insurance has always been a public advocate of the airbag system, many other underwriters are now publicly endorsing the proposed standard. I ask unanimous consent that an article which appeared in the May 23, 1974 issue of Status Report published by the Insurance Institute for Highway Safety be printed in the RECORD.

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

INSURERS SUPPORTING PASSIVE RESTRAINTS

The Department of Transportation is receiving strong support from the insurance industry for proposals to require passive restraints—such as air bags—for front seat occupants in 1977 model cars.

Nine insurance companies and two insurance industry trade associations have urged DOT to stand firm with its proposal.

The proposal has been endorsed by Allstate, Fireman's Fund American, Farmers Insurance Group, Lumbermans, Nationwide, Prudential, Safeco, State Farm Mutual, and The Statesman Group. The American Insurance Association and the American Mutual Insurance Alliance, industry trade associations representing more than 200 American insurance companies, have also submitted comments praising the standard.

The Department of Transportation has granted extra time to comment on its proposed standard (Docket 74-14). The department will consider comments it receives by June 3, 1974. (Rulemaking and comment procedures are detailed on page 3.)

AMERICAN INSURANCE ASSOCIATION

". . . lap and shoulder belts do not provide the best universal crash protection that can be practicably achieved with available technology. Research by the Insurance Institute for Highway Safety indicates that nearly half of the drivers in 1974 vehicles were not using any seat belts, despite the interlock system. There is also reason to believe that manufaturers would have little if any technological difficulty in meeting the requirements of the proposed standards."

AMERICAN MUTUAL INSURANCE ALLIANCE

"Our Research Committee has reviewed the proposed standard and has concluded that it establishes a reasonable and achievable standard of performance for occupant safety for the 1977 car models. . . . The time has come to mandate the use of passive restraints. Crash tests and field experience indicate that passive systems offer the best potential for preventing crash deaths and injuries, mainly because large numbers of drivers fail to wear their lap and shoulder belts, even in cars equipped with the new interlock systems."

ALLSTATE

A long-time proponent of air bags, Allstate, which has operated more than 450 airbag equipped cars over the past two years, told DOT that, in its view, "passive restraints are essential." Donald L. Shaffer, the company's vice president, secretary and general counsel, wrote in a letter that "the present available systems are reliable and their installation must be mandatory in order to achieve the automation necessary to make the cost reasonable and available at an affordable price to the average car buyer. We further believe that the air cushion systems have a far superior injury protection potential to other restraint systems, as well as a much greater life saving potential in higher speed crashes."

Schaffer pointed out that DOT's proposal would give auto makers 28 months to ready air bags for installation. He noted that E. M. Cole, president of General Motors, has told DOT that his company needs in the neighborhood of 15–18 months in order to automate air bag production and installation.

Schaffer said, "If other manufacturers allege difficulties in meeting this deadline, it is because they have done little or nothing to provide air cushions on even an optional basis during the many years since litigation commenced on the original standard 208. If they have to play 'catch-up' then sobeit, for the public interest requires a decision and the issue is too important to permit further delay."

STATE FARM MUTUAL

"We concur in NHTSA's judgment that passive restraint systems provide the best universal occupant crash protection that can be practicably achieved with today's technology. . . ."

"One factor of critical importance is the usage rate of [active] restraint devices. . . . In marked contrast to these low usage rates, the proposed passive restraint system promises a usage rate of virtually 100 per cent. This universal usage rate should afford crash protection to many more vehicle occupants than are now protected, without the annoyance and inconvenience of buzzers, lights, and the interlock system, which devices are apparently being widely ignored or defeated."

PRUDENTIAL

Donald S. MacNaughton, chairman and chief executive officer of Prudential Insurance Co. of America and Prudential Property and Casualty Insurance Co. has told DOT that those companies "fully support the proposed rule. . . . As a life and health insurer, the Prudential Insurance Co. is vitally interested in reducing deaths and injuries from motor vehicle crashes. These crashes account for more deaths among our policyholders under age forty than any other single cause. As an automobile insurer, Prudential Property and Casualty Insurance Co. has an obvious interest in reducing the losses and suffering caused by automobile crashes."

It is "our judgment," MacNaughton wrote, "that the proposed standards would reduce the rate of serious injury in motor vehicle crashes far below the level that could be achieved through current active restraint standards for safety belts.

"The phrasing of the proposed rule in terms of 'passive restraints' rather than specific techniques is particularly important. Although air bags are the only well developed mechanism for meeting the standard in the proposed rule by Aug. 31, 1976, development of other, more advanced techniques should be encouraged. The importance of 'passive' protection in public health—i.e., of protection requiring no action by the people involved—is a well established principle. We prefer to purify water supplies rather than to require people to boil their water. In many large buildings, sprinkler systems are frequently required by regulation rather than relying on fire extinguishers. The same principle should apply, wherever feasible, to motor vehicle crashes," MacNaughton said.

Raising many of the same points made by associations, Allstate, Prudential and State Farm, additional comments included:

SAFECO

"There are no doubt improvements in technology that lie ahead which will make protection of auto drivers and passengers more efficient. But the passive restraint systems presently available will save many many lives and prevent thousands of serious injuries while other devices are being explored."

THE STATESMAN GROUP

"The crash films which have been developed regarding air bags, in our opinion, offer conclusive evidence that this system is the only practical method available to achieve the results desired for the protection of automobile occupants."

FIREMAN'S FUND

Fireman's Fund feels that this laudable step in the public interest will serve effectively to help minimize the amount of serious injuries on our nation's highways."

FARMER'S INSURANCE GROUP

"We have been impressed with the reliability and effectiveness of air cushion systems as demonstrated in the several real-world crashes that have occurred since the various test fleets were put into operation."

LUMBERMAN'S

"The impressive life saving and injury preventing record of cushions now in use leaves little doubt that the mandating of this or another equally effective passive restraint system will greatly reduce deaths and serious injury on our roadways."

NATIONWIDE

"Although we at Nationwide had hoped for an earlier effective date for this requirement, we do understand the technical problems which prompted delay until Sept. 1, 1976. Fortunately too, this will allow ample lead time for compliance. . . . Nationwide is convinced that the air bag is an automobile safety idea whose time has come. Further delay is not justified by facts nor public interest."

MULTIPLE-USE CONCEPT OF PUBLIC LANDS

Mr. HATFIELD. Mr. President, recently Senator CLIFFORD HANSEN of Wyoming received a letter from one of my constituents, Mr. Dewey Wilson of Medford, Oreg. Mr. Wilson participated in a mock Senate proceeding held in a classroom at the University of Oregon, and had the distinction of serving as Senator HANSEN in the mock session.

Mr. Wilson—Senator HANSEN—successfully introduced legislation calling for the production of beef and lamb upon lands leased from the U.S. Government. This legislation is an excellent example of the multiple-use concept of public lands. Mr. Wilson, through his power of persuasion, was able to get several Senators representing nonpublic land States to cosponsor this legislation. It is gratifying to see that Mr. Wilson portrays many of the fine leadership qualities all of us have seen in the junior Senator from Wyoming.

Mr. President, I asked for unanimous consent that a copy of Mr. Wilson's letter to Senator HANSEN, as well as a copy of this legislation, be printed in the RECORD in order to serve as a tribute to Senator HANSEN and in recognition of the fine work by Mr. Wilson at the University of Oregon.

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

MEDFORD, OREG.,
May 31, 1974.

Senator HANSEN,
U.S. Senate Office Building,
Washington, D.C.

DEAR SIR: With the amount of mail that you receive I doubt you will remember me. My name is Dewey Wilson. You and/or your office helped me out considerably by sending me the materials that I needed to adequately learn my role in our class, Senate Simulation. As I told you before, the class took place here at the University of Oregon. My role was to simulate you.

The intent of this letter is to thank you for your help, and show you the result of some of my work, and get your opinion on it. Your comments will go in an open file that will be used as an instructional aid for future students.

The bill enclosed represents springs work. I, with the help of Sen. Fannin, successfully got this bill through committee (Interior). We added the names of the senators on the back of the bill to get floor support. The senators were at first against the bill but after a couple of weeks consented to being co-sponsors. Thank you for your time and consideration.

Yours truly,

Mr. DEWEY WILSON.

P.S. after studying you I have learned to admire you, and respect you as a senator.

MOCK LEGISLATION

A bill to amend the Internal Revenue Code to encourage the production of beef and lamb upon lands leased from the United States of America.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Internal Revenue Code relating to direct tax offsets for individuals and corporations is amended by adding after section 188.0 thereof the following new section 189.0, which states:

Deduction or tax credit, paid to local governments upon United States leased lands from taxes paid to the United States of America.

Every person, firm or coporation who shall lease grazing lands from the United States or any agency thereof, for the production of meat and by-products of such animals for consumption within the United States and its territories, shall at their election be entitled to deduct from the income tax due the United States, under terms of said code as a direct offset and credit against said tax.

(A) Fifty percent up to $10,000 of all real property taxes paid to any State or any government subdivision thereof, on account of such State or any government subdivision thereof, assessing and levying from the United States or agency thereof. For the production of such animals for meat and byproducts of such animals for use in the United States and its territories.

(B) Such deductions and credit shall apply to the taxes due, arising out of the income produced during the year which such lease was enforced and such real property tax collected.

(C) The tax credit herein provided may be deducted from the tax due only to the extent there are such taxes due and may be carried forward as an offset against income taxes due for the subsequent three years only. In no event shall this credit or offset result in any amount being due from the United States to the taxpayer.

(D) Any person who shall violate any of the terms or provisions of this section pertaining to the uses beyond the boundaries of the United States or its territories of the meat or byproducts of any such animals produced on such leased lands, shall be subject to a fine of not more than $5,000 or imprisonment of not more than one year, or both, if it is established that he knowingly did so. If such knowledge is not established but, in fact, such uses occur outside the United States or its territories, then he shall forfeit such tax credit together with the usual interest and penalties thereon, otherwise provided in this Code.

LIST OF MOCK COSPONSORS

Senator Percy, Mondale, McGee, Curtis, Tunney, Haskell, Magnuson, McGovern, Ribicoff, and Bartlett.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, some have argued that school busing, birth control, lynchings, police action with respect to the Black Panthers, and the incidents at My Lai constitute genocide and that, therefore, the Genocide Convention would seriously interfere with our system of domestic laws. The convention, in artitle II, defines genocide to include "the intent to destroy, in whole

or in part, a national, ethnical, racial or religious group, as such." The Foreign Relations Committee has recommended that this be understood to mean the intent to destroy one of these groups by the acts specified in article II in such a manner as to affect a substantial part of the group concerned. Such an understanding with its stiff intent requirement would not include action leveled at members of a race or religion which was unaccompanied by the intent to destroy the entire group. As Dean Rusk stated in 1950:

> This convention does not aim at the violent expression of prejudice which is directed against individual members of groups.

Mr. President, the act of genocide as defined in article II of the convention and understood by the Foreign Relations Committee must be the concern of the community of nations and not merely that of domestic laws of nations. This was dramatically demonstrated by the atrocities that took place in World War II where the intent to destroy the entire group would most certainly have been found. I urge the Senate to ratify the convention.

THE ENERGY ENIGMA

Mr. HANSEN. Mr. President, there are obviously a good many Members of this body who still do not understand the energy problem in the United States or in the world.

The various legislative proposals to do away with the oil and gas depletion allowance and eliminate other tax incentives reminds me of the story of the old gentleman in the hospital whose doctors were uncertain of the causes of his illness.

He asked his grandson to follow them from the room and attempt to overhear their prognosis.

The boy returned shortly and reported to his grandfather that the doctors said they did not know what was wrong with him but they would find out when they did the autopsy.

And that is just what would be accomplished by the hundreds of bills and amendments to other bills now pending in both the Senate and the other body which deal with some form of punitive action aimed at the petroleum industry.

I recently entered in the RECORD a number of letters and telegrams as concrete examples of what is already being accomplished by higher prices in bringing on new supplies of domestic oil and gas.

The punitive and even vindictive legislation apparently aimed at the major oil companies if enacted will surely reverse the gains already made in domestic exploration and development and in increased recovery of oil that would and will be left in the ground but for the higher prices allowed for newly discovered and stripper well oil.

I hope other Senators have received the same letters that I have from some of the many independent oil producers around the Nation who account for more than two-thirds of all domestic exploration and drilling for oil and gas.

As one of them said:

> As an individual we U.S. producers have been talking, preaching and warning Congress and the people of this impending crisis for many years. We have tried without much success to get Congress to do all in its power to prevent the United States from becoming dependent on foreign oil.

So have a number of us in Congress, Mr. President, but nobody was listening.

Another letter from Robert E. Thomas, president of MAPCO, Inc., an independent company with growing oil, gas, and coal production pointed out that their capital investments in the first quarter of this year were double their earnings. Their oil production in the quarter increased 360 percent and coal production by 45 percent.

Mr. Thomas pointed out that MAPCO's capital expenditures for the first quarter were $17,632,000 more than twice MAPCO's earnings in the quarter.

Further, MAPCO's tax accruals for the quarter almost doubled despite the much-criticized so-called tax loopholes available to the petroleum industry.

Thomas warned that the proposed punitive taxation will only slow down the drive for energy self-sufficiency in America and maximize the dangers of energy blackmail from abroad.

"The Congress cannot have its cake and eat it too," Thomas warned.

But Congress seems determined to have its pound of flesh from an industry whose earnings have been lean for a long time, particularly the independents whose ranks have thinned by half in the last 20 years.

In a speech in Cincinnati, Mr. Thomas expressed his feelings about the terrible situation the oilman faces in Washington.

Mr. President, I ask unanimous consent that a press release of that speech be printed in the RECORD and also the text of the letter to which I referred earlier from an independent oilman, J. P. Coleman, of Wichita Falls, Tex.

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

[Press Release, Tulsa, Okla., May 21, 1974]

MAPCO CHAIRMAN DENOUNCES "ENERGY INDEPENDENCE" PROGRAM—BIDS CONGRESS AND COURTS UNSHACKLE ENERGY INDUSTRY

Robert E. Thomas, Chairman of MAPCO Inc., today termed the Federal Government's program for "energy independence by 1980" a "joke."

"Only in Washington where words often substitute for action and wasted dollars substitute for deeds could such a slogan represent a serious objective," Mr. Thomas said.

The chief executive of MAPCO, an integrated energy company, declared that oil industry executives, living in a real world, "know such a program cannot possibly be accomplished in six years. The money cost of such a program totals several hundred billion dollars.

"Where will it come from? The customers, of course. The higher earnings considered so obscene by some politicians have become absolutely essential to getting the job done. Without them the job cannot be done."

Mr. Thomas made his remarks in the morning in Cincinnati at the Biennial Seminar of the Cincinnati Industrial Advertisers Club and in the evening at dinner in Tulsa before the National Association of Accountants.

Describing the climate in Washington in regard to energy as "nothing short of vicious with hundreds of bills before Congress dealing with some form of punitive action directed at the industry," Mr. Thomas said "no thought is given to the fact that the industry is earning a lower rate of return—even today—than the average of all U.S. manufacturing companies. No thought is given to the fact that all oil companies are today spending far more than current earnings in an attempt to produce more energy."

Mr. Thomas also took aim at the proposal to create a Government-owned oil company "for the purpose—supposedly—of proving how greedy America's oil and gas producers really are. To my knowledge, Government in business has never set any records for efficiency or accomplishment. An outstanding example is the Post Office."

Noting that the Postal deficit from 1932 to date totals almost $23 billion while rates have been soaring and service has been deteriorating, he suggested that the "print media—many of whom have been so vocal about the obscene profits of the energy industry and so vocal about the virtues of the ecologists—may have been the big winners and may have banked a big part of the $23 billion."

MAPCO's chairman said that a recent issue of a newsweekly weighed seven ounces. "Mailed under bulk rates, the cost is 6.1 cents per each three ounces so that the total cost is 18.3 cents. Were that issue mailed by you and me, the cost would be 70 cents. I suggest to you that here is a significant Government subsidy beside which the issue of oil company depletion pales into insignificance. Further, I would hazard the guess that many publications such as The New York Times, The Washington Post and Time and Newsweek, might see a sharp drop in their circulation and profits if prices had to be raised sharply to provide the real cost of the mail service so vital to their operations.

"And frankly, I don't believe the TV industry pays a penny for its use of our airwaves," Mr. Thomas continued. "The oil industry has paid our government billions of dollars for their right to drill on Government lands and in offshore waters and pays a royalty to the Government to boot. And all the oil companies get is abuse and more abuse."

Mr. Thomas urged his audience to "beware of politicians pushing a Government-owned oil company . . . or you may see gasoline in your lifetime at $3 to $4 a gallon."

MAPCO's chairman called for speedy, essential action in two areas to solve the "energy enigma."

"There must be a climate of encouragement and incentive for energy companies to get the job done," he said. "A vendetta of vindictive, punitive action will only slow the progress of energy companies in doing the job and incidentally maximize the opportunities for energy blackmail from our good friends abroad.

"Somehow, Congress and the Courts must be gotten back on the track. Legislation directed at high sulphur coal and strip mining must take into consideration that too strict a law will turn out half the lights in America. The Courts must climb down from their ivory towers and hand down decisions that make sense rather than horrendous delay," he said.

Mr. Thomas also declared that "conservation of energy must be a way of life for every American."

He described the alternative as a "multi-billion dollar bureaucratic Federal Government agency charged with forceful conservation."

MAPCO's chairman said the nation has the facts, the technology and the expertise to solve its "energy enigma." If it is to be solved, he concluded, the Congress, backed by a "vocal" American people, must re-

frain from "vindictive action" and maintain a favorable climate which will restore some degree of sanity to the legislative and judicial approach to our energy enigma."

MAPCO is an integrated energy and pollution control company operating the nation's largest liquefied petroleum gas (LPG) common carrier pipeline system and the world's first anhydrous ammonia pipeline. The company also produces and markets oil, gas, gas liquids, coal, liquid plant foods and aero-biology systems for water pollution control.

McCarty and Coleman,
Oil Producers,
Wichita Falls, Tex., May 20, 1974.

Senator Clifford P. Hansen,
Senate Office Building,
Washington, D.C.

Dear Senator: A great many people are confused about the energy situation here and abroad so that it is not unlikely that all members of Congress are trying to figure out how to cope with it. I am an "independent" small producer of oil and gas and have been in that business for over 50 years.

As a member of the Independent Petroleum Association of America and as an individual we U.S. producers have been talking, preaching and warning the Congress and the people of this impending crisis for many years. We have tried without much success to get the Congress to do all in its power to prevent the United States from becoming dependent on foreign oil.

Now that Congress has been "shook up" by the culmination of our warnings, it is now casting about, and really flailing about, to do something. The first effort was to find a scapegoat and naturally some in the Congress seized on the major international oil companies. However Congress is on the wrong track. If the major international companies can be faulted for anything they are guilty only of bringing the world dirt cheap oil for over 20 years. These companies in the past have set the price of Mid East oil so low that the domestic independent producers could not compete. Over the last ten years more than half of them dropped out. All data proves this. The major companies set the low prices because they could do so with a world excess of oil. The Arabs were powerless to demand reasonable prices, until, due to a multitude of causes, they found themselves in a position to retaliate, and this they did with a vengeance. The resulting circumstances are that the world consumption of oil and gas has been rising at such a high rate that even the major companies are unable to generate enough capital to increase the supply. The Congress added to the problem by setting suicidally low prices for gas, with the result that search for gas was almost abandoned. All industries and consumers of energy turned to the ridiculously low cost gas with result that for a while gas replaced about 35% of the energy demand. We independents warned of this situation over 15 years ago.

Now that Congress has awakened to the results of these forces it is tinkering with our system in such a way that the condition for the U.S. can only get worse if this thinking persists. The only way to become self sufficient is for Congress to see to it that the incentives which provide the capital necessary to become self sufficient in the U.S. are left alone. The only course for Congress to pursue is to see to it that the oil industry, large and small can generate enough profits to provide the capital necessary to do the job that the future requires. Any program that takes away from the industry the capital generated through profits is suicidal. Congress should be looking for means to pump money *into* the industry instead of taking it away. No other course will do the job. You must remove all hindrance to this effort. The major companies have already proved that they have kept the price of oil very low as long as they controlled the price. The Arabs, Venezuelans and Canadians now control the price. We independents have been fighting the majors for many years trying to get a reasonable price for crude oil, so that we could find more oil in the U.S. Neither the majors nor Congress would listen. If we had had $5.00 crude and fifty cent gas for the last ten years we would not now be in the fix we are in. We would not now be dependent on foreign oil. The present situation can be remedied but it will take time and money. I implore you to listen to the facts as I have set them out. Those in Congress bent on punishing the oil industry thru such legislation as the Oil and Gas Energy Tax Act of 1974 will certainly doom any chance for self sufficiency in the future.

Studies by the U.S. Geological Survey show that there is far more oil and gas yet to be discovered than we have found to date, more than half of it onshore.

Sincerely yours,

J. P. Coleman,
Petroleum Engineer and Oil Producer.

RETURN VETERANS DAY OBSERVANCE TO NOVEMBER 11

Mr. ALLEN. Mr. President, at the Senate Judiciary Committee Subcommittee on Holidays and Celebrations chaired by the distinguished senior Senator from Nebraska (Mr. Hruska) on June 3, 1974, one of the most impressive witnesses to testify was Hon. T. B. Dean of Gadsden, Ala.

Mr. Dean is an outstanding American, a true patriot, and an eloquent spokesman for American veterans of all wars.

He is a former Alabama State Commander of the VFW, active in its Voice of Democracy program, a leading supporter of an outstanding Loyalty Day program in our hometown of Gadsden, and a friend, benefactor, and booster of the cause of our veterans and their widows, orphans, and parents.

I ask unanimous consent that a copy of his testimony before the subcommittee be printed in the Record at this point along with a copy of my testimony, the testimony of Francis W. Stover, director, National Legislative Service, VFW, a letter from John T. Golden, State commander, Department of Alabama, VFW, and a joint letter from Max A. Wilder, commander, Department of Alabama, the American Legion, and Mrs. Allen McCray, Department of Alabama, president, American Legion, Ladies Auxiliary.

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

Statement of Thomas B. Dean of Gadsen, Ala., With Respect to Returning Veterans Day to November 11, Washington, D.C., June 3, 1974

Mr. Chairman and members of the subcommittee: First, I would like to deeply thank you, Mr. Chairman, for the honor and privilege of presenting some views concerning the issue which you and your subcommittee are addressing today. It is such an occurrance as this which permits a citizen to testify before a branch of his government that indicates that our form of government will continue to be the best in the world.

My name is Thomas B. Dean. I live in Gadsen, Alabama. Senator Jim Allen is my United States Senator and with justifiable pride, I feel he is the best. I have been active in veterans' affairs in the local community, state and on the national level for more than a quarter of a century. I am presently the chairman of the Veterans of Foreign Wars of the U.S. voice of democracy contest and have been involved with the Birmingham, Alabama, regional observance of Veterans Day for many years.

It is to the subject of Veterans Day that I would like to address my comments. It is my belief and the Veterans of Alabama, who it is my honor to represent, who believe that there are very few days which have much meaning in our great country. I believe that their number may be counted on the fingers of one hand. I also believe that they are immovable days—days which must be celebrated on the same date each year to continue to have meaning attached to them. I cannot conceive of these days being moved solely to provide a long three-day weekend to provide for a period of revelry and vacation rather than a day of remembrance and reflection.

These days, which I believe to be worthy of celebration on their historical date rather than be connected to a weekend, are days which have the most meaning for all Americans. They are, Christmas, the date of the birth of Jesus Christ; the Fourth of July, the date of the birth of our Nation; New Years' Day, the start of a new calendar; Memorial Day, the day to honor the men who died for the freedom we all enjoy; and, Veterans Day, the date selected to commemorate the end of World War I and now honoring the Nation's living who served her in the time of need.

The latter two days have lost much of their true significance for most Americans. Memorial Day had been observed on May 30th ever since it was established in 1868. That means for a century the American people honored their dead on that one, special date only to have it altered by Congress.

However, it is to Veterans Day which I would like to focus. The beginnings of this date are still known to living Americans. Most all of us here and around the Nation can remember pausing at the eleventh minute of the eleventh hour of the eleventh of November to remember those who fought to bring the enemy to her knees in the first of America's international or world wars. Many were hurt when the decision was made to broaden the meaning of that day to include all living veterans, but as the country had undertaken more global involvements the veterans of that first great war understood. They, generally, supported the expansion of the commemoration of service to include all veterans.

Mr. Chairman, please notice that I did not say holiday or date of celebration. I said commemoration. For I believe that the Nation must commemorate the service of her veterans. It is no more a three day vacation at the beach or mountains as is Christmas, the founding of our country or the date we remember our fallen. I believe we can commemorate the start of our New Year on the first Monday in January easier than we can Veterans Day on a Monday in October or November. I firmly believe that we must return to the historic past to bring this country back to the stability she needs so badly now.

Mr. Chairman, I wish to make the observation that we may be heading toward local disasters if the Congress does not change Veterans Day to November 11. At present, 40 States have not adopted the date to commemorate Veterans Day as given in the act to provide for uniform annual observances of certain legal public holidays on Mondays, commonly called the holiday act of 1968. This means that in 40 States mothers and fathers are off on one day while their children who go to State schools are free on another. State employees are on vacation on a different day than Federal workers. Are banks open or

closed? What meaning has a day such as this? How can we hope to instill in our young ones any sense of history? Or even adult responsibility if we adults have such ludicrous happenings as this. Why, the Chicago and Illinois celebration, if I can call it one, of this past Memorial Day was the butt of jokes on nationwide TV and was carried by a wire-service.

May I close by humbly proposing that you keep Veterans Day a day unto itself. That you let the Nation commemorate the service of her veterans. Move Thanksgiving to a weekend holiday if you must, but restore Veterans Day to November 11. Let both the country's veterans and those who did not heed the calling of the Nation pause during one day which is dedicted to their honor rather a day which is primarily set to "get away from it all." We owe nothing more than honor to those who served. Let us give them that honor.

Thank you.

TESTIMONY OF SENATOR JAMES B. ALLEN—JUNE 3, 1974, BEFORE HOLIDAYS SUBCOMMITTEE OF SENATE JUDICIARY COMMITTEE IN SUPPORT OF S. 2901, TO RETURN VETERANS DAY OBSERVANCE TO NOVEMBER 11

Mr. Chairman, I deeply appreciate the opportunity to apepar before you this morning to speak in behalf of S. 2901, a bill I introduced in the Senate earlier this year to restore the annual observance of Veterans Day to its original and rightful date of November 11.

As we know, Veterans Day commemorates the courage and patriotism of all the brave men and women who have served in the armed services of the United States. This patriotic holiday was unofficially established fifty-five years ago—in 1919—by President Woodrow Wilson. In the year 1926, November 11 was officially designated "Armistice Day" and in 1938 Congress enacted legislation making it a national holiday. In 1954 the Congress gave the day its broader designation of "Veterans Day" to include veterans of World War II and all other wars.

Actually, Veterans Day had its genesis in Birmingham, Alabama in 1947. Thus, when the Nation observed its first Veterans Day in 1954, it was Birmingham's 7th observance. Credit for establishing Birmingham's magnificient Veteran's Day observance which is now a two-day affair belongs to Mr. Raymond Weeks and the late Talbot Ellis.

In 1968 the 90th Congress enacted the so-called "Monday Holiday Law" (P.L. 90–363) which, among other things, created four new three-day weekends in addition to the longstanding Labor Day week-end. One of the new three-day week-ends established by Public Law 90–363 resulted in shifting the Veterans Day observance from its traditional and rightful date of November 11 to the fourth Monday in October. While I was not a member of the Congress of the United States at the time the Monday Holiday Law was passed, I am informed that none of the major veterans organizations had an opportunity to fully testify on this legislation in either Chamber of the Congress, nor were they aware that somewhere along the line the measure had been amended to change the Veterans Day observance until after the hearings were completed and the bill had been favorably reported by the House Judiciary Committee.

Given the opportunity, I am quite confident that all of the major veterans organizations would have testified against changing the observance of Veterans Day from November 11 to the fourth Monday in October. The presence of high-ranking spokesmen in this hearing room today from our great veterans organizations gives credence to the observation I have just made.

Mr. Chairman, it should be pointed out that the "Monday Holiday Law" affects only Federal employees and residents of the District of Columbia. The several states are not required to observe the same holidays as the Federal government, but they generally do.

To me it is most significant that observance of Veterans Day on the fourth Monday in October—which commenced at the Federal level only three years ago—has proven to be so distasteful and unpopular throughout our nation that thirty-one of the States have specifically enacted legislation to return to November 11 as the date for honoring our veterans. I should like to add that similar legislation will be passed in my home state of Alabama when the State Legislature next meets unless the 93rd Congress enacts a bill similar to S. 2901. In addition, two states, namely, Mississippi and Oklahoma, never changed their laws to conform to Public Law 90–369 in this respect.

Mr. Chairman, I think that it is well past the time for the people of this nation to return to old-fashioned patriotism. President Abraham Lincoln once said that if our nation ever fails, it will be from within rather than from without.

As we know, Communism is an idea which bores from within. Our invincible defense against Communism is keeping alive and strong the mighty spirit of Democracy. We must guard this spirit against apathy, complacency and moral decay.

By returning the Veterans Day observance to its traditional and rightful date of November 11, I feel that we will have made an important start toward rekindling an understanding of the ideals, principles and institutions that made America the bright beacon of Democracy.

With the Bicentennial of our nation but two years ahead, this is a most opportune time for the Congress to bolster confidence of the people in our representative form of government.

Certainly no other single group of our citizens are more deserving in this honor than our Nation's veterans, who have fought so gallantly in at least five major wars this century. These veterans know that our great American heritage, founded upon freedom, has never been and never will be free of pain, free of struggle and free of individual and collective effort. The least we can do is respect their wishes and return the observance of Veterans Day to November 11.

I respectfully urge approval of S. 2901 and I thank you again for permitting me to be with you today.

STATEMENT

(By Francis W. Stover, Director, National Legislative Service, Veterans of Foreign Wars of the United States)

Mr. Chairman and Members of the subcommittee: Thank you for the privilege of presenting the position of the Veterans of Foreign Wars on the bills before you which propose to restore Veterans Day to November 11 as a national holiday.

A Priority Legislative Goal of the Veterans of Foreign Wars since the passage of the Monday Holiday Act has been to shift Veterans Day back to November 11. Our position is found in V.F.W. National Resolution No. 127 which was unanimously approved by the delegates representing more than 1.8 million members at our National Convention in New Orleans last August, which reads as follows:

V.F.W. RESOLUTION NO. 127—RESTORE VETERANS DAY TO NOVEMBER 11

"Whereas, fighting in World War I ended at 11:00 a.m. on the 11th day, the 11th month in 1918 (November 11, 1918). Two years later, France and England chose November 11th, then known universally as Armistice Day," as the time for placing an "unknown soldier" of that war, in each of the Nations' highest places of honor. On November 11th in 1921, an American soldier whose name was "known only to God" was buried at Arlington National Cemetery; and

"Whereas, in the year 1926, Armistice Day was made the official name for paying tribute to our World War I veterans for their dedication in serving our country in time of battle, and obtaining peace on November 11, 1918. Twelve years later in 1938, another Congressional resolutional made the November 11th date a national holiday and observance; and

"Whereas, two years after this national holiday was proclaimed, World War II broke out in Europe and shattered our country's dreams. On June 1, 1954, Congress, acting on a proposal by Representative Edwin K. Rees of Kansas, changed Armistice Day to Veterans Day; President Dwight D. Eisenhower signed this bill on November 11, 1954 to keep the historic date of November 11th a memorial tribute; and

"Whereas, the 90th Congress of the United States passed legislation in 1968 to change the historic observance of Veterans Day to the fourth Monday of each October. The President of the United States signed this public law #90–363 into law on June 28, 1968. This new date causes many of the nation's Veterans to still recognize November 11th, with some that recognize the new date of October, and still many carry out their patriotic duty and recognize both dates; now, therefore

"Be it resolved, by the 74th National Convention of the Veterans of Foreign Wars of the United States, that we reaffirm our position to restore Veterans Day back to November 11th."

Adopted at the 74th National Convention of the Veterans of Foreign Wars of the United States held in New Orleans, Louisiana, August 17 through 24, 1973.

Subsequently, our Commander-in-Chief, Ray Soden, has put his stamp of approval on the restoration of Veterans Day to November 11 as a Priority Legislative Goal for the year 1974.

Mr. Chairman, it was anticipated that the designation of Veterans Day as the fourth Monday in October as a national holiday would be followed by the states around the country. During the last four years, just the opposite has occurred. Forty states have passed legislation, since the Monday Holiday Act of 1968, calling for these states to celebrate Veterans Day on November 11. It will be recalled that two states never did change their Veterans Day laws, so there are a total of 42 states who do not follow the example set by the Congress in the observance of Veterans Day.

The fact that forty-two states have not followed the Federal example regarding Veterans Day would appear to be substantial evidence that the Congress has made a mistake in this regard. This action, taken separately by each state, is sufficient justification to favorably consider one of the bills before you and for its ultimate approval by the Congress.

As V.F.W. Resolution No. 127 indicates, the date of November 11 was formerly known as "Armistice Day." This date is determined by the cease-fire which was agreed to between Germany and the Allied Nations, thus bringing the First World War to an end. It has been argued that November 11 has special significance to the veteran of World War I only. It is this erroneous presumption, which led to the conclusion, in approving the Monday Holiday Act, that Veterans Day was to commemorate veterans of all wars and, therefore, could be observed on any day of the year.

However, a glance back at our history indicates that Armistice Day has significance for all veterans. November 11th is a day set aside in the history of this Nation which has come to symbolize the sacrifice in the national interest by those who have served in the Armed Forces during wartime.

Today, there are more than 29 million vet-

erans. About half of these veterans served in World War II. Most of these 14 million World War II veterans grew up in the days just prior to World War II. They recall quite vividly the many celebrations in honor of all veterans of previous wars, especially, the veterans of World War I, which were an integral part of American culture. In those days, both the Spanish American War and Civil War veterans also participated in Veterans Day ceremonies on November 11, which day they adopted as their Veterans Day.

Subsequent to World War II—until 1971, Veterans Day still continued to be celebrated on November 11. Thus, the approximately 5 million Korean veterans and many of the more than 7 million Vietnam veterans are identified with November 11 as the day set aside to honor their service in the Armed Forces.

To say it another way, there is no other single day in the year that has more significance to veterans of all wars than November 11. There is no comparable ending date for World War II, Korea, or Vietnam. It is doubtful if there ever again will be a day signifying so much to so many as does November 11th.

Mr. Chairman, the celebration of Veterans Day as a national holiday for Federal employees and as a state holiday for the citizens of the several states has produced much confusion to say the least. In the interest of harmony and uniformity, the Congress should rectify this situation by returning Veterans Day to November 11. From all over the country, we hear of problems created regarding the celebration of Veterans Day because of the conflict of Federal and state laws with respect to this date.

As the name implies, Veterans Day is a day set aside to commemorate those citizens who served in our Armed Forces during a period of peril. For this reason, it is hoped that this Subcommittee and the Congress will take into consideration that the veterans of this Nation want this day changed back to November 11.

Notwithstanding the desires of commercial and business interests, the foremost consideration should be 'What is the position of the veterans organizations on this issue?' For it is the veterans organizations, as you know, who provide the leadership and conduct the ceremonies and hold the parades and otherwise keep alive for succeeding generations the contribution made by veterans in preserving freedom throughout the world.

The Monday Holiday Act went into effect on January 1, 1971. The celebration of Veterans Day on the fourth Monday has taken something out of the patriotic life of America. Since 1971, Veterans Day has become a day for the pursuit of pleasure and profitmaking, and our heritage has greatly suffered thereby.

November 11 has been observed since 1918 as a tribute to all veterans, a day to honor those who fought in defense of freedom and to carry out the highest ideals of our American heritage. Celebrating Veterans Day on the fourth Monday of October has proved to be a disaster so far as the Veterans of Foreign Wars is concerned. November 11 is the date which embraces the meaning of the sacrifice in the national interest made by our citizen soldiers in time of war. No other date will suffice for this purpose.

Most of the states have already acted. Now is the time for Congress to do likewise. V.F.W. strongly urges this Subcommittee to favorably consider one of the proposals before you—to restore Veterans Day to its former status as a great National Holiday on November 11.

Thank you.

THE AMERICAN LEGION,
Montgomery, Ala., May 23, 1974.

Hon. JAMES B. ALLEN,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The American Legion, Department of Alabama, and its American Legion Ladies Auxiliary wish to again speak out in behalf of Senate Bill 2901 asking for the redesignation of November 11th as Veterans Day.

A majority of the states in support of National Convention Mandates for the past five years has now passed state legislative bills restoring Veterans Day to November 11th in their respective states.

Alabama now has prepared a legislative bill, prepared by Past Department Commander Raymond Weeks and a member of the House of Representatives, which would restore Veterans Day in Alabama to November 11th. Alabamians were very instrumental in the passage of legislation which designated November 11th as Veterans Day in commemoration of veterans of all wars. Alabama has, for many years, conducted a National Veterans Day Program in Birmingham, Alabama, on November 11th, this program being second to none within the nation, until the passage of Public Law 90-363, the so-called Holiday Bill.

We respectfully request your support and that of all your colleagues in both the House and Senate in the enactment of Senate Bill S2901 which will restore Veterans Day to its meaningful date on the calendar of November 11th.

Sincerely,

MAX A. WILDER,
Department Commander.
MRS. ALLENE MCCRAY,
Department President.

VETERANS OF FOREIGN WARS,
Montgomery, Ala., May 23, 1974.

Hon. JAMES B. ALLEN,
U.S. Senator,
Washington, D.C.

DEAR SENATOR ALLEN: On behalf of the 22,250 members of the State of Alabama, Veterans of Foreign Wars of the United States, let me thank you for your efforts to have Veterans Day returned to November 11th through your bill #S2901.

The members of our organization voted unanimously at our last convention to support such legislation and a resolution was forwarded to the National Convention in support of the change.

To our Veterans, the fourth Monday in October has no significance, but the 11th day of the 11th month, what ever day of the month it falls on is the true Veterans Day, and we would like to see it recognized as such.

Again let me thank you for yours efforts to this end.

Sincerely,

JOHN T. GOLDEN,
State Commander.

BUSINESS FIRMS ON NATIONAL HEALTH INSURANCE

Mr. HANSEN. Mr. President, business has an important stake in national health insurance. Whatever legislation comes from this Congress will affect the payroll expenses of thousands of employers and businessmen. Surely we would want to take a hard look at their recommendations and views. In the interest of providing such material for the study of my colleagues, I ask unanimous consent to have a survey of a representative sample of the Nation's business firms printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. HANSEN. I note that the survey was done in 1972, and that the administration's bill has changed since then, as have several other bills. However, the survey is principally one of the concepts and principles embodied in the bills, and therefore, is equally applicable today. I also note, that the Medicredit bill, although represented in the survey as requiring compulsory participation by employers, is not compulsory, but voluntary for everyone. The bill does offer a tax incentive, however, to employers offering coverage to their employees. They are able to use part of the amount spent on health insurance premiums as a tax deduction.

The survey also points out that of the four bills—administration, Medicredit, Health Security, Health Insurance Industry proposal—22.4 percent of polled businesses supports Medicredit; 4.9 percent support Health Security; 19.9 percent are for the administration bill; and 32.9 percent like the health insurance industry plan. It is evident that business firms desire to minimize Federal involvement in a national health insurance plan through payroll taxes, bureaucratic administration, and compulsion.

The survey follows:

EXHIBIT 1

NATIONAL CHAMBER SURVEY ON HEALTH INSURANCE AND NATIONAL HEALTH INSURANCE LEGISLATION

The 93rd Congress will probably approve some kind of national health insurance program. Some of the legislative proposals, if enacted, would have far-reaching effects on company-sponsored health insurance programs and business costs. For example, legislation sponsored by organized labor—the Health Security Act—would cost employers about $30 billion a year in payroll taxes.

Because of the far-reaching effects of this legislation, the National Chamber surveyed a select group of its business members in early 1972 for facts and opinions.[1] The purpose was twofold: (1) to obtain information about the extent and scope of existing health insurance coverage, its cost and financing; and (2) to determine the potential impact of national health insurance legislation on employers and company-sponsored health plans.

Business views were obtained on these legislative proposals: the American Medical Association's "Medicredit" plan (H.R. 4960 and S. 987); the AFL-CIO/UAW's Health Security Act (H.R. 22 and S. 3); the Administration's National Health Insurance Partnership Act (H.R. 7741 and S. 1623); and the health insurance industry's National Healthcare Act (H.R. 4349 and S. 1490).

Following is a summary of the major findings. Results from the entire survey follow the summary.

EXTENT OF HEALTH INSURANCE PROTECTION

Most employers provide or make available health insurance protection for their em-

[1] The health insurance survey was sent to a 10 percent *random* sample of the National Chamber's business members. About 20 percent of the firms responded to the questionnaire.

ployees. According to the survey, 95 percent of the companies provide this type of benefit for their employees. As compared to the total population, a much higher proportion of employees have health insurance protection. In 1969, for example, about four-fifths of the population under age 65 had some form of private health insurance. All the firms without health insurance protection would be classified as "small business." Most had fewer than 25 employees on the payroll.

The kinds of health services covered under company-sponsored plans and the percentage of companies providing such benefits are:

Covered service	*Percent of companies*
In-patient hospital care	98.6
Nursing home or extended care	39.3
Surgical services	98.4
In-hospital physician care	97.8
Physician services at his office	60.3
Diagnostic X-ray and laboratory services	90.4
Dental care	20.3

EMPLOYEE COST-SHARING

Employees share part of the costs of medical services—through initial deductible amounts and co-payments—in many company-sponsored health insurance plans. For example, in connection with in-patient hospital care, 20 percent of the plans impose an initial deductible before benefits are payable, and 28 percent of the plans require the employee to bear some costs through co-payments. Many of the plans also require employee cost-sharing for the six other health care services listed above.

PROTECTION AGAINST CATASTROPHIC MEDICAL EXPENSES

Most company health insurance plans provide protection against the large expenses involved in a serious illness—the so-called catastrophic illness—to both hourly and salaried employees. About 95 percent of the companies provide major-medical expense protection as a supplement to, rather than a substitute for, a basic hospital and medical plan.

The survey results show that most of the employer-sponsored plans do not provide enough coverage to protect an employee and his family against an extremely expensive illness—say, one involving about $50,000 of hospital and related medical bills. About 85 percent of the companies provide less than $50,000 in maximum lifetime protection. Nearly 14 percent of the firms provide $50,000 or more in major-medical expense protection.

PERCENT OF HEALTH INSURANCE COSTS PAID BY BUSINESS

The Administration's national health insurance proposal would require employers to pay 65 percent of total health insurance costs initially, with an increase to 75 percent thereafter.

The survey results show that 66 percent of the companies pay 65 percent or more of total health insurance costs. In 48 percent of the firms, the employer pays from 95 to 100 percent of the cost.

Based on the survey results, it seems clear that many employers will have to absorb significant cost increases for health insurance if either the Administration's plan or the health insurance industry's proposal becomes law. In more than 50 percent of the company-sponsored plans, the average cost per employee is less than $300 a year. The Administration plan and the health insurance industry's proposal would cost an estimated $390 and $450 a year respectively. Only 25 percent of the companies have average employee health insurance costs of $400 or more a year.

BENEFIT EXPANSION AND INFLATION

Since 1965 more than 75 percent of the companies liberalized their health insurance benefit plans. Inflation—not bigger and better benefits—was the most important factor in driving up the cost of health insurance plans. For example, 37 percent of the firms felt that less than one-third of their cost increases were attributable to benefit improvements with the remainder caused by skyrocketing hospital and medical care prices.

EFFECT OF LEGISLATION NOT UNDERSTOOD

Many companies do not understand how proposed legislation will affect existing health insurance plans. For example, 54 percent of the firms expressed the view that their company-sponsored plan provided benefits "equal to or greater than" the "benefit package" proposed by the health insurance industry (H.R. 4349 and S. 1490).

This evaluation is probably incorrect because most company-sponsored health plans cost less than proposed legislation. In 71 percent of the firms the average per employee cost of company-sponsored plans was under $400 a year as compared to an estimated cost of $450 a year for H.R. 4349 and S. 1490.

EMPLOYERS OBJECT TO COMPULSION

While most employers favor extending basic health benefits (including ambulatory and out-patient care) to their employees, they object to coercion by government. For example, only 6.5 percent of the firms felt that they should be required to provide coverage through a mandatory approach as proposed by the Administration (H.R. 7741 and S. 1623), or through some "tax penalty" as advocated in the AMA "Medicredit" bill (H.R. 4960 and S. 987) or the health insurance industry plan (H.R. 4349 and S. 1490).

The vast majority of companies felt that the best way to broaden health insurance coverage was to encourage employers to do so through a tax incentive.

TAX IMPACT OF LABOR'S HEALTH LEGISLATION

Organized labor's Health Security Act (H.R. 22–S. 3) would be partially financed by a 3.5 percent tax levied on an employer's *total* payroll. As a result, payroll taxes on *all* employers, small, medium-size and large, would be substantially increased. The average increase in payroll taxes would range from $3,568 for firms with less than 25 employees to over $4 million for companies with 2,500 or more employees.

EMPLOYER PREFERENCE FOR NATIONAL HEALTH INSURANCE LEGISLATION

While some type of national health insurance legislation is likely to be approved in the 93d Congress, employers are not particularly enthusiastic about the four major alternatives available. None of the plans was ranked "number 1" by a majority of the employers polled. The first choice of about one-third of the firms would be the health insurance industry proposal. About 22 percent of the firms would pick the AMA's "Medicredit" proposal as their first preference, and 20 percent of them would select the Administration's plan. The AFL–CIO/UAW bill (H.R. 22 and S. 3) was at the bottom of the heap, with fewer than 5 percent of the employers selecting it as "number 1." It should be noted that a substantial number of employers did not express an opinion on the survey question. The "no response" ranged from 30 percent on the health insurance proposal to 37 percent on the AFL–CIO/UAW bill.

BUSINESS VIEWS ABOUT PRIVATE HEALTH INSURANCE FIRMS

Most business firms are pleased with the service they receive from health insurance carriers or Blue Cross-Blue Shield plans. For example, 85 percent of the companies said the services was "very good" or "good."

RESULTS OF NATIONAL CHAMBER QUESTIONNAIRE AND OPINION POLL ON HEALTH INSURANCE AND NATIONAL HEALTH INSURANCE LEGISLATION*

(Answers in percent)

A. (01). My company employs people in: (1) one state 72.2; (2) more than one state 26.7.

B. (02–03). My company's major employment is located in the State of _____.

C. (04). The major share of our business is: (please check one)

(1) 3.3 Agriculture.
(2) 11.5 Construction.
(3) 0.9 Mining.
(4) 32.3 Manufacturing.
(5) 2.5 Transportation.
(6) 3.1 Communications and Utilities.
(7) 8.0 Wholesale Trade.
(8) 9.5 Retail Trade.
(9) 16.0 Finance, Insurance, Real Estate.
(10) 8.8 Services.
(*) 3.6 Other.

D. (05). The total employment of my company is: (please check one)

(1) 25.5 under 25.
(2) 18.4 25–49.
(3) 17.8 50–99.
(4) 23.5 100–499.
(5) 5.0 500–999.
(6) 4.4 1000–2499.
(7) 5.4 2500 or more.

E. (06). Does your company now provide or make available health care insurance protection for your employees? (i.e. benefits to pay for one or more types of medical expense. Do not count disability income benefits or accident-only benefits.)

(1) 95.0 Yes.
(2) 4.9 No.

F. (07–08). Is your health care insurance plan negotiated through collective bargaining?

(07) Hourly employees (1) 26.1 Yes; (2) 68.5 No.
(08) Salaried employees (1) 4.5 Yes; (2) 94.3 No.

G. (09–15). If your company has health care insurance for employees, which of the following health care services are provided: (please check ALL applicable)

(09) 98.6 In-patient hospital care.
(10) 39.3 Nursing home or extended care benefits.
(11) 98.4 Surgical services.
(12) 97.8 In-hospital physicians' care.
(13) 60.3 Physicians' services at his office.
(14) 90.4 Diagnostic x-ray and laboratory services.
(15) 20.3 Dental care; (1) 9.7 Full coverage; (2) 90.3 Partial coverage.

H. (16–29). If your company has health care insurance, are copayments by employees required or an initial deductible imposed before the benefits are payable? (please check Yes or No for each service)

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*Data based on 10 percent random sample of business members polled during January 1972. In many instances, the responses do not add up to 100 percent because companies did not answer a question.

[In percent]

	Copayment required		
		Yes (1)	No (2)
In-patient hospital care	(16)	28.1	56.9
Nursing home or extended care	(17)	39.6	64.8
Surgical services	(18)	29.3	55.4
In-hospital physicians' care	(19)	29.6	53.8
Physician's services at his office	(20)	45.2	43.2
Diagnostic X-ray, laboratory services	(21)	29.7	55.1
Dental care	(22)	37.0	67.5

	Initial deductible imposed		
		Yes (1)	No (2)
In-patient hospital care	(23)	19.8	53.5
Nursing home or extended care	(24)	34.2	55.7
Surgical services	(25)	19.4	52.9
In-hospital physician's care	(26)	22.5	49.1
Physician's services at his office	(27)	50.7	34.7
Diagnostic X-ray, laboratory services	(28)	25.9	48.0
Dental care	(29)	39.0	57.1

I. (30–31). Does your plan provide major expense protection (catastrophic coverage)?

(30) Hourly employees (1) 73.9 Yes; (2) 16.3 No.

(31) Salaried employees (1) 87.6 Yes; (2) 10.1 No.

J. (32). If you answered "yes" to question I(30–31), is the major medical expense protection supplementary to a basic hospital-medical plan or as a substitute plan?

(1) 94.9 Supplementary.

(2) 5.0 Substitute plan.

K. (33). If your plan provides major medical expense benefits, what is the maximum lifetime amount of protection provided? (please check one)

(1) 6.8 less than $10,000.

(2) 39.2 $10,000 but less than $20,000.

(3) 32.3 $20,000 but less than $30,000.

(4) 7.1 $30,000 but less than $50,000.

(5) 10.2 $50,000 but less than $100,000.

(6) 3.5 $100,000 or more.

L. (34). The Administration proposal would require employers to pay 65% of total health care insurance costs from July 1, 1973 to December 31, 1975, with an increase to 75% thereafter. What proportion of total health insurance costs does your firm now pay? (please check one)

(1) 48.3 95 to 100 percent.

(2) 9.5 less than 95 percent at least 75 percent.

(3) 8.0 less than 75 percent but at least 65 percent.

(4) 18.1 less than 65 percent at least 50 percent.

(5) 7.6 less than 50 percent but at least 25 percent.

(6) 4.3 employee pays all.

M. (35–77). If your firm finances all or part of the cost of employee health insurance, what was the total health care cost and how much did your company pay in 1965, in 1970? Also indicate the percentage increase for each. (answer ALL)

Not tabulated; insufficient number of responses to provide meaningful data.

N.(78). Are the 1970 benefits the same as the 1965 benefits?

(1) 11.9 Yes; (2) 77.7 No.

O.(79). If you answered "no" to question N(78), approximately how much of the percentage increase in total costs (1970 over 1965) is due to increase in benefits? (please check one)

(1) 36.9 less than ⅓rd.

(2) 36.6 ⅓ but less than ⅔rds.

(3) 15.9 more than ⅔rds.

P.(80). The Administration estimates the costs of its proposal at $390 per married employee per year, with the employer paying $253 through 1975 and $292 in 1976. The health insurance industry estimates the cost per employee of its plan would be $450 a year initially and gradually increase to $1,100 per employee in 1979. What is your company's average annual cost per employee of its present health care insurance plan? (please check one)

(1) 7.4 $100 or less.

(2) 22.4 $100–$199.

(3) 21.3 $200–$299.

(4) 19.5 $300–$399.

(5) 12.5 $400–499.

(6) 12.5 $500 or more.

Q.(81–83). Under the "Medicredit" bill, the Administration plan, and the health insurance industry proposal the federal government would be empowered to require employers to have a health insurance benefits package that meets the standards specified in these bills. In your opinion does your present health insurance plan provide benefits equal to, less than, or greater than the standards specified in these bills? (please check applicable boxes)

[In percent]

Bill	Benefit package—		
	Equal to	Less than	Greater than
(81) "Medicredit"	(1) 21.3	(2) 13.7	(3) 53.0
(82) Administration plan	(1) 20.3	(2) 20.2	(3) 46.5
(83) Health insurance industry plan	(1) 20.6	(2) 33.5	(3) 33.9

R.(84). Do you think employers should make available to their employees a basic health benefits package, including ambulatory and out-patient care?

(1) 60.5 percent Yes.

(2) 20.9 percent No.

(3) 14.0 percent No opinion.

S. (85) Both the AMA and health insurance industry proposals would impose a "tax penalty" on employers if they fail to have health insurance plans that meet federal benefit standards. Employers would only be able to deduct 50% (instead of the present 100%) of their health insurance premiums as a business expense for federal income tax purposes. The Administration plan would use the threat of fines ($1,000 per employee) and employee lawsuits to obtain employer compliance. Do you think that employers should be required by government to provide health insurance coverage or should employers be encouraged to do so through some kind of tax incentive?

(1) 6.5 percent Required to provide coverage.

(2) 81.9 percent Enouraged to provide coverage.

(3) 7.0 percent No opinion.

T. (86–97). The AFL-CIO/UAW plan is partially financed by a 3.5% tax on an employer's total payroll. If this bill were passed, with taxes effective in 1974, how much would your company's payroll taxes be increased above the amounts now required under existing law to finance the Social Security program? (assume 1974 payroll equals current payroll)

Average increase in payroll taxes

Size of firm:	
Under 25 employees	$3,568
25–49 employees	11,425
50–99 employees	20,842
100–499 employees	58,956
500–999 employees	195,050
1000–2499 employees	435,463
2500 or more employees	4,018,135

U. (98–101). Congress may approve some kind of national health insurance legislation during 1972. If you had to choose between the four bills shown below, how would you rank them in order of preference (1 to 4)?

[In percent]

	1	2	3	4	No response
(98) "Medicredit"	22.4	13.8	23.7	6.3	33.9
(99) AFL-CIO/UAW bill	4.9	1.6	3.8	52.6	37.2
(100) Administration plan	19.9	27.8	16.4	1.6	34.3
(101) Health Insurance industry proposal	32.9	18.0	17.0	2.1	29.9

V. (102). What is your opinion of the service provided by your health insurance carrier of Blue Cross-Blue Shield? (please check one)

(Answers in percent)

(1) 53.7 very good.

(2) 31.7 good.

(3) 9.8 average.

(4) 0.7 poor.

(5) 0.4 very poor.

MILEAGE AND PER DIEM ALLOWANCES—CORRECTIONS

Mr. METCALF. Mr. President, on April 10, I introduced S. 3341, a bill to increase the mileage and per diem to be paid to Federal employees traveling on official business. As part of my introductory remarks, I included a study of the estimated cost of operating a standard-size automobile. Due to mechanical limitations, the charts from the study were printed in the April 11 edition of the CONGRESSIONAL RECORD. Unfortunately, several typographical errors appeared in the printed tables. Mr. President, I ask unanimous consent that the corrected tables be printed in the RECORD, and that the permanent RECORD be corrected to reflect the necessary changes.

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

TABLE 1.—ESTIMATED COST OF OPERATING A STANDARD SIZE 1972 MODEL AUTOMOBILE[1]

[Total costs in dollars, costs per mile in cents]

Item	1st year (14,500 mi)		2d year (13,000 mi)		3d year (11,500 mi)		4th year (10,000 mi)		5th year (9,900 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:										
Depreciation	1,226.00	8.46	900.00	6.92	675.00	5.87	500.00	5.00	376.00	3.80
Repairs and maintenance	81.84	.56	115.37	.89	242.65	2.11	296.09	2.96	275.54	2.78
Replacement tires	17.90	.12	16.05	.12	23.72	.21	44.40	.44	43.95	.44
Accessories	3.21	.02	3.08	.02	2.96	.02	2.83	.03	2.82	.03
Gasoline	286.75	1.98	257.16	1.98	227.58	1.98	197.72	1.98	195.83	1.98
Oil	11.25	.08	11.25	.09	12.00	.10	12.00	.12	12.75	.13
Insurance[2]	164.00	1.13	156.00	1.20	156.00	1.36	147.00	1.47	147.00	1.49
Garaging, parking, tolls, etc	208.36	1.44	199.22	1.53	190.08	1.65	180.94	1.81	180.33	1.82
Total	1,999.31	13.79	1,658.13	12.75	1,529.99	13.30	1,380.98	13.81	1,234.22	12.47

TABLE 1.—ESTIMATED COST OF OPERATING A STANDARD SIZE 1972 MODEL AUTOMOBILE [1]—Continued

[Total costs in dollars, costs per mile in cents]

Item	1st year (14,500 mi)		2d year (13,000 mi)		3d year (11,500 mi)		4th year (10,000 mi)		5th year (9,900 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Taxes and fees:										
State:										
Gasoline	74.62	0.51	66.92	0.52	59.22	0.52	51.45	0.51	50.96	0.52
Registration	30.00	.21	30.00	.23	30.00	.26	30.00	.30	30.00	.30
Titling	177.15	1.22	—	—	—	—	—	—	—	—
Subtotal	281.77	1.94	96.92	.75	89.22	.78	81.45	.81	80.96	.82
Federal:										
Gasoline	42.64	.30	38.24	.30	33.84	.29	29.40	.30	29.12	.30
Oil [3]	.22	—	.22	—	.24	—	.24	—	.26	—
Tires	1.38	.01	1.24	.01	1.82	.02	3.42	.03	3.39	.03
Subtotal	44.24	.31	39.70	.31	35.90	.31	33.06	.33	32.77	.33
Total taxes	326.01	2.25	136.62	1.06	125.12	1.09	114.51	1.14	113.73	1.15
Total of all costs	2,325.32	16.04	1,794.75	13.81	1,655.11	14.39	1,495.49	14.95	1,347.95	13.62

TABLE 1.—ESTIMATED COST OF OPERATING A STANDARD SIZE 1972 MODEL AUTOMOBILE [1]

Item	6th year (9,900 mi)		7th year (9,500 mi)		8th year (8,500 mi)		9th year (7,500 mi)		10th year (5,700 mi)		Totals and averages for 10 years (100,000 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:												
Depreciation	259.00	2.61	189.00	1.99	121.00	1.42	85.00	1.13	48.00	0.84	4,379.00	4.38
Repairs and maintenance	292.54	2.95	397.56	4.19	171.82	2.02	244.33	3.26	29.17	.51	2,146.91	2.14
Replacement tires	45.44	.46	50.69	.53	62.79	.74	52.80	.70	42.11	.74	399.85	.40
Accessories	8.57	.09	8.30	.09	7.65	.09	6.97	.09	5.79	.10	52.18	.05
Gasoline	195.83	1.98	188.03	1.98	168.13	1.98	148.22	1.98	112.71	1.98	1,977.96	1.98
Oil	13.50	.14	13.50	.14	13.50	.16	12.00	.16	6.75	.12	118.50	.12
Insurance [2]	116.00	1.17	116.00	1.22	116.00	1.37	116.00	1.55	116.00	2.04	1,350.00	1.35
Garaging, parking, tolls, etc	180.33	1.82	177.89	1.87	171.80	2.02	165.71	2.21	154.74	2.71	1,809.40	1.81
Total	1,111.21	11.22	1,140.97	12.01	832.69	9.80	831.03	11.08	515.27	9.04	12,233.80	12.23
Taxes and fees:												
State:												
Gasoline	50.96	.52	48.93	.51	43.75	.52	38.57	.52	29.33	.51	514.71	.51
Registration	30.00	.30	30.00	.32	30.00	.35	30.00	.40	30.00	.53	300.00	.30
Titling	—	—	—	—	—	—	—	—	—	—	177.15	.18
Subtotal	80.96	.82	78.93	.83	73.75	.87	68.57	.92	59.33	1.04	991.86	.99
Federal:												
Gasoline	29.12	.29	27.96	.30	25.00	.29	22.04	.29	16.76	.29	294.12	.30
Oil	.27	—	.27	—	.27	—	.24	—	.14	—	2.37	—
Tires	3.50	.04	3.90	.04	4.84	.06	4.07	.06	3.24	.06	30.80	.03
Subtotal	32.89	.33	32.13	.34	30.11	.35	26.35	.35	20.14	.35	327.29	.33
Total taxes	113.85	1.15	111.06	1.17	103.86	1.22	94.92	1.27	79.47	1.39	1,319.15	1.32
Total of all costs	1,225.06	12.37	1,252.03	13.18	936.55	11.02	925.95	12.35	594.74	10..43	13,552.95	13.55

[1] This estimates covers the total costs of a fully equipped, medium priced, standard size, 4-door sedan, purchased for $4,379, operated 100,000 miles over a 10-yr period, then scrapped. Baltimore area prices considered to be in the middle range, were used.

[2] Previous editions of this study used insurance rates designated for Baltimore City. The rates shown above are for the Baltimore suburbs, and consequently are less than the rates presented in the previous study. If the Baltimore City rates had been used in this study, the insurance costs would have been higher. (For example, the 1st year would have been $232).

[3] Where costs per mile were computed to be less than 1/20 cent, a dash (—) appears in the column.

TABLE 2.—ESTIMATED COST OF OPERATING A COMPACT SIZE 1972 MODEL AUTOMOBILE [1]

[Total costs in dollars, costs per mile in cents]

Item	1st year (14,500 mi)		2d year (13,000 mi)		3d year (11,500 mi)		4th year (10,000 mi)		5th year (9,900 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:										
Depreciation	674.00	4.65	519.00	3.99	394.00	3.42	305.00	3.05	243.00	2.46
Repairs and maintenance	79.41	.55	107.14	.83	170.61	1.48	218.90	2.19	240.27	2.43
Replacement tires	15.30	.11	13.71	.11	12.13	.11	34.27	.34	33.93	.34
Accessories	3.21	.02	3.08	.02	2.96	.03	2.83	.03	2.82	.03
Gasoline	244.25	1.68	218.97	1.69	193.68	1.69	168.39	1.68	166.78	1.68
Oil	10.50	.07	10.50	.08	11.25	.10	11.25	.11	12.75	.13
Insurance	155.00	1.07	147.00	1.13	147.00	1.28	140.00	1.40	140.00	1.41
Garaging, parking, tolls, etc	208.36	1.44	199.22	1.53	190.08	1.65	180.94	1.81	180.33	1.82
Total	1,390.03	9.59	1,218.62	9.38	1,121.71	9.76	1,061.58	10.61	1,019.88	10.30
Taxes and fees:										
State:										
Gasoline	63.56	.44	56.98	.44	50.40	.44	43.82	.44	43.40	.44
Registration	20.00	.14	20.00	.15	20.00	.17	20.00	.20	20.00	.20
Titling	109.86	.75	—	—	—	—	—	—	—	—
Subtotal	193.42	1.33	76.98	.59	70.40	.61	63.82	.64	63.40	.64

Footnotes at end of table.

TABLE 2.—ESTIMATED COST OF OPERATING A COMPACT SIZE 1972 MODEL AUTOMOBILE [1]—Continued

[Total cost in dollars, costs per mile in cents]

Item	1st year (14,500 mi)		2d year (13,000 mi)		3d year (11,500 mi)		4th year (10,000 mi)		5th year (9,900 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Federal:										
Gasoline	36.32	0.25	32.56	0.25	28.80	0.25	25.04	0.25	24.80	0.25
Oil [2]	.21	—	.21	—	.22	—	.22	—	.26	—
Tires	1.17	.01	1.05	.01	.92	.01	2.61	.03	2.59	.03
Subtotal	37.70	.26	33.82	.26	29.94	.26	27.87	.28	27.65	.28
Total taxes	231.12	1.59	110.80	.85	100.34	.87	91.69	.92	91.05	.92
Total of all costs	1,621.15	11.18	1,329.42	10.23	1,222.05	10.63	1,153.27	11.53	1,110.93	11.22

TABLE 2.—ESTIMATED COST OF OPERATING A COMPACT SIZE 1972 MODEL AUTOMOBILE [1]

Item	6th year (9,900 mi)		7th year (9,500 mi)		8th year (8,500 mi)		9th year (7,500 mi)		10th year (5,700 mi)		Totals and averages for 10 years (100,000 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:												
Depreciation	194.00	1.96	152.00	1.60	103.00	1.21	73.00	0.97	39.00	0.68	2,696.00	2.70
Repairs and maintenance	268.81	2.72	412.04	4.34	177.27	2.09	78.95	1.05	31.10	.55	1,784.50	1.79
Replacement tires	38.45	.39	36.89	.39	61.53	.72	54.29	.73	41.27	.72	341.77	.34
Accessories	8.57	.09	8.30	.09	7.65	.09	6.97	.09	5.79	.10	52.18	.05
Gasoline	166.78	1.68	160.06	1.69	143.11	1.69	126.43	1.69	96.03	1.68	1,684.48	1.68
Oil	12.75	.13	12.75	.13	12.75	.15	12.00	.16	6.75	.12	113.25	.11
Insurance	114.00	1.15	114.00	1.20	114.00	1.34	114.00	1.52	114.00	2.00	1,299.00	1.30
Garaging, parking, tolls, etc	180.33	1.82	177.89	1.87	171.80	2.02	165.71	2.21	154.74	2.72	1,809.40	1.81
Total	983.69	9.94	1,073.93	11.31	791.11	9.31	631.35	8.42	488.68	8.57	9,780.58	9.78
Taxes and fees:												
State:												
Gasoline	43.40	.44	41.65	.44	37.24	.44	32.90	.44	24.99	.44	438.34	.44
Registration	20.00	.20	20.00	.21	20.00	.23	20.00	.26	20.00	.35	200.00	.20
Titling	—	—	—	—	—	—	—	—	—	—	109.86	.11
Subtotal	63.40	.64	61.65	.65	57.24	.67	52.90	.70	44.99	.79	748.20	.75
Federal:												
Gasoline	24.80	.25	23.80	.25	21.28	.25	18.80	.25	14.28	.25	250.49	.25
Oil [2]	.26	—	.26	—	.26	—	.24	—	.13	—	2.27	—
Tires	2.93	.03	2.81	.03	4.69	.06	4.15	.06	3.15	.06	26.07	.03
Subtotal	27.99	.28	26.87	.28	26.23	.31	23.19	.31	17.56	.31	278.82	.28
Total taxes	91.39	.92	88.52	.93	83.47	.98	76.09	1.01	62.55	1.10	1,027.02	1.03
Total of all costs	1,075.08	10.86	1,162.45	12.24	874.58	10.29	707.44	9.43	551.23	9.67	10,807.60	10.81

[1] This estimate covers the total costs of a medium priced, compact size, 2-door sedan, purchased for $2,696, operated 100,000 mi over a 10-yr period, then scrapped. Baltimore area prices, considered to be in the middle range, were used.

[2] Where costs per mile were computed to be less than 1/20 cent, a dash (—) appears in the column

EXECUTIVE PAY ADJUSTMENTS

Mr. McGEE. Mr. President, the General Accounting Office, earlier this year, prepared an information paper containing data and observations on the need for an executive pay adjustment in the Federal Establishment.

Back in March, of course, the Senate chose to disregard the GAO's statement that, "The recommendations in the President's fiscal year 1975 budget should be accepted."

Instead, those recommendations were disagreed to, even though the three-step adjustment plan then before us would not have achieved the objective of matching cost-of-living increases which had occurred since 1969, when the level of executive pay was last adjusted. And, I would remind Senators, that the 1969 recommendation itself was trimmed, and thus fell short of providing catchup raises as of that time. The situation in terms of real income and ultimate retirement benefits for affected employees is, of course, worsening. Action is called for still to bring Federal salaries at the higher reaches of responsibility in line with the general economy and to provide some proper salary distinction among the various levels of Government executives.

The General Accounting Office also stated, that, "Effective long-term reforms appear essential to prevent recurrence of these problems."

The Committee on Post Office and Civil Service is addressing itself to these reforms as well. Today, Mr. President, I ask unanimous consent that the initial portion of the GAO paper which I have alluded to be printed in the RECORD to assist Senators in reviewing the problems which still exist relative to the compensation of key Federal officials and employees in all three branches of Government.

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

INFORMATION AND OBSERVATIONS ON NEED FOR EXECUTIVE PAY ADJUSTMENT

(Prepared in response to requests from a number of Members of Congress.)

The information we have developed on the need for Executive Pay adjustment is summarized below and is discussed in detail in the remaining sections of this paper.

The quadrennial procedure for adjusting the pay of officials in the executive, legislative, and judicial branches, as provided by the Salary Act of 1967, is failing to achieve its objective. The salaries of these officials have not increased in 5 years (since March 1969). The President's current salary recommendations fall far short of matching the cost of living increases since 1969.

Supergrade employees and senior employees of other pay systems are losing significant comparability salary increases and retirement benefits because the salary rate of Executive Level V has placed a $36,000 ceiling on these pay systems since January 1971. The salary distinction among supergrade employees has become virtually meaningless, and this condition will progressively penetrate into lower pay grades unless the ceiling salary rate is increased.

The recommendations in the President's fiscal year 1975 budget should be accepted. Effective long-term reforms appear essential to prevent recurrence of these problems.

THE QUADRENNIAL PROCEDURE IS FAILING TO ACHIEVE ITS OBJECTIVE

The report of the Commission on Executive, Legislative, and Judicial Salaries, dated June 30, 1973, states that the compensation of these top officials "is subject to adjustment in March of every fourth year with the budget submitted by the President to the Congress."

The report acknowledges that this normal

4-year expectancy has already been extended to 5 years, during which time "executive compensation in industry and among State, and local governments will have advanced approximately 30 percent." However, in the interest of moderation, the Commission proposed to the President that Executive Level salaries be increased only to the extent that the cost of living has risen since the last adjustment in 1969—25 percent.

The President's recommendation, submitted to the Congress on February 4, 1974, proposes to meet this accumulated cost-of-living deficit by three annual salary increases of 7.5 percent each.[1]

This three-stage adjustment plan will not achieve the objective recommended by the Commission. Moreover, the increases recommended by the President will not restore the loss in purchasing power of the salaries established in March 1969.

The following chart assumes the CPI increases at the same average rate for the past 4 years (6 percent), and illustrates (1) what has and will happen to the purchasing power of the 1969 salaries through January 1978 (the approximate date of the next Presidential recommendation) and (2) the effect, if accepted by the Congress, of the President's recommended increases.

Assuming the projected trends in the private economy occur, the purchasing power of the Executive salaries will lag about 11 percent behind by January 1976 and by January 1978 the gap will be about 18 percent.

Aside from the loss in purchasing power; the salary lag between Federal officials and their counterparts in the non-Federal sector has been greater.

In this connection, the latest Commission's report cited that the previous Commission's salary recommendations were not fully adopted. Thus, the March 1969 raise did not provide catch-up in such salaries. The previous Commission's report, dated December 1968, recommended substantial salary increases in the Executive Schedule which would provide salary differentials between the various levels more commensurate with their relative responsibilities. The recommended increases were regarded as a catch-up, and were also expected to establish a more reasonable relationship with 1968 values. However, the President substantially reduced the salaries recommended.

Level	Salaries			Shortfall
	1968 actual	1969 commission's recommendations	1969 rate established	
I	$35,000	$60,000	$60,000	----------
II	30,000	50,000	42,500	$7,500
III	29,500	46,000	40,000	6,000
IV	28,750	43,000	38,000	5,000
V	28,000	40,000	36,000	4,000

The following table illustrates the fact that the three proposed 7.5 percent pay increases will make only a small reduction in the lag which has developed in the past 5 years between pay raises of Federal and non-Federal executives. We have used the Commission's estimates—namely, that the 5-year lag is 30 percent, and that it will grow at 5.5 percent each year in the next 2 years, and at 5 percent in each of the following 2 years.

[1] Except for Cabinet Secretaries and the Chief Justice and Associate Justices of the Supreme Court who would receive one 7.5 percent increase effective January 1975.

[In percent]

Date	Proposed increase	Remaining lag after increase	Additional lag estimated to occur in next year	Cumulative lag
1969–1974				30.0
March 1974	7.5	22.5	5.5	28.0
January 1975	7.5	20.5	5.5	26.0
January 1976	7.5	18.5	5.0	23.5

Hence, assuming that the three raises take effect, the actual improvement is very small. By the time the next Quadrennial Commission reviews the problem, the lag in Federal executive salary raises will be only 6.5 percent less than it is today.

The responsibilities of officials in Executive Levels I–V equal or exceed those of their counterparts in the private sector, while their compensation is substantially less. For example, the Chief Forester of the United States, Level V with a salary of $36,000 will be responsible for expenditures in fiscal year 1975 of almost three-fourths of a billion dollars. According to data reported by the American Management Association, the top executives of private companies of similar size earn salaries of $150,000 or more, plus bonuses and other benefits. This wide disparity between Federal and private sector compensation of key executives has long existed.

THE VIETNAM VETERANS

Mr. MATHIAS. Mr. President, in the next 2 weeks, a major focus of attention in this Chamber will be on the plight of today's Vietnam-era veterans, as the Senate considers comprehensive legislation for veterans educational assistance which I understand will be reported out of the Senate Committee on Veterans Affairs shortly.

I am especially pleased that the bill which the committee has announced it will recommend to the Senate includes a number of key provisions which I have long advocated be enacted into law. Several of these have been adapted from legislation I co-authored, S. 2789, and which was introduced last December, with my colleagues Senator McGOVERN, Senator DOLE, and Senator INOUYE. These include:

A new program of direct tuition assistance which is essential if we are to equalize the vast differences in tuition costs from State to State and within each State;

A substantial increase in monthly subsistence payments to keep pace with the soaring cost of living;

A 2-year extension of eligibility to allow more than 300,000 veterans to pursue their education beyond this June; and

An additional 9 months of entitlement to allow veterans up to five academic years of education instead of the present 4-year limit.

All of these provisions are of critical importance in our continuing effort to provide the Vietnam-era veteran with anything approaching a decent opportunity for education and training. The committee, under the able leadership of Chairman HARTKE, is to be commended for agreeing upon such far-reaching legislation.

I am particularly gratified that the committee has unanimously agreed to accept the principle of providing direct tuition grants—a proposal whose adoption seemed quite remote when I first introduced it as legislation 3 years ago, but which has already been endorsed by 38 Senate cosponsors since we introduced S. 2789 last December.

The Vietnam-era veteran of today, Mr. President, faces grave difficulties in returning and readjusting to civilian life. For in addition to the disclocation which accompanies any such change in one's life, he also faces a contracting job market and accelerating costs of education and training which pose enormous obstacles to his reintegration into the mainstream of the life of the Nation. We would do grave injustice to these young men and women who risked life and limb in service to their Nation if we were to forget their sacrifices, now that our involvement in the war we asked them to fight has come to an end.

In this connection, Mr. President, I recommend to the attention of my colleagues a most thoughtful column by James Reston, entitled "The Forgotten Veterans," which appeared in the New York Times on June 2, 1974. I ask unanimous consent that Mr. Reston's article be printed in the RECORD.

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

THE FORGOTTEN VETERANS

(By James Reston)

In his Memorial Day speech at the Arlington National Cemetery, Vice President Ford asked that the American people remember not only the men who lost their lives in past wars, but the men who survived, often crippled in body or spirit.

For a time there was genuine concern in the country for our prisoners of war in North Vietnam, for the missing in action, and for the returning veterans whose lives were deranged by physical wounds or dope or broken homes.

But once the POW's were home, the campaign to employ the veterans lagged, the battle scenes disappeared from the nightly TV news shows, and new issues dominated the American mind—inflation, the Watergate scandals and the possible impeachment and conviction of President Nixon.

What Vice President Ford was saying on that lovely but melancholy hillside between the Lincoln Memorial and the Robert E. Lee mansion was that the act of remembrance for the living veterans was very hard and that many veterans, while home and "free," were really still "prisoners of war" in one way or another, crippled, broken and forgotten.

It was a kindly reminder, generally ignored, but the human wreckage of wars, the living casualties, as well as the Vietnam dissenters and deserters in Canada and Sweden, are all part of the tragedy.

The Veterans Administration here in Washington keeps the official facts. It has to pay the bills and keep track of the veterans, their widows and children. Every day is Memorial Day for them, and their figures are startling.

In all of America's wars, from the War of Independence through Vietnam, almost 44 million Americans were involved, and at the

first of this year, 29,170,000 veterans of these wars were still alive.

The hangover of wars is easy to forget. For example, from the Spanish-American War (1898–1902) there were still 1,624 living veterans last Jan. 1, and the Veterans Administration was still paying out compensation and pension benefits to them and to 28,487 widows of that conflict.

The record of the First World War: 4,744,000 participants; 1,128,000 living veterans. World War II: 16,535,000 participants, 13,857,000 living veterans; veterans still receiving Government compensation 1,875,011.

The Korean war: almost 300,000 still on the compensation or pension rolls. And the Vietnam war: participants, 9,188,000; deaths in combat, 46,000; deaths from other causes, 51,000; living veterans, 6,826,000; veterans on Government compensation, 377,135; widows, 32,531; children 81,142.

All told, the Veterans Administration is still carrying on its pension and compensation rolls 3,266,722 veterans, 1,179,527 widows, 987, 803 children of veterans and 192,536 parents of veterans.

The last veteran of the Civil War lived until Dec. 19, 1959, aged 117. The Government did not finish its payments to the dependents of the War of 1812 until March 12, 1946, and of the Revolutionary War until April 25, 1911.

Vice President Ford was trying on Memorial Day to revive interest in the jobs-for-veterans program. Unemployment among the veterans of the Vietnam war is still much higher than the national average. This is particularly true of Negro veterans, and the incidence of crime among the veterans is also higher than the norm for nonveterans of the same age.

This is scarcely surprising in a country that drafted its men into an unpopular war, taught them the techniques of guerrilla combat and then brought many of them home unable to work or unable to find jobs.

So in this sense the American role in the Vietnam war is not over. Steady, patient attention is being given to the drug addicts of the Vietnam conflict, but the unemployment and crime figures are alarming.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on June 1, 1974, the President had approved and signed the following act:

S. 2835. An Act to rename the first Civilian Conservation Corps Center located near Franklin, North Carolina, and the Cross Timber National Grasslands in Texas in honor of former President Lyndon B. Johnson.

REPORT ON COASTAL ZONE MANAGEMENT—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate a message from the President of the United States which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I am transmitting the first annual report on the management and conservation of our coastal resources, as required by the Coastal Zone Management Act of 1972. This report covers fiscal year 1973, a year of study and organization preparatory to the financial implementation of the act in fiscal year 1974.

In the spirit of the New Federalism, this program constitutes a partnership between the States and the Federal government. It will seek to solve what some have described as the dilemma of conservation versus development in the ecologically fragile coastal zone area of our country. Together with the Congress we recognize this dilemma, but neither branch of Government believes conservation and development are mutually exclusive. We must permit neither development nor conservation to become completely dominant. By systematically weighing the benefits and the costs of proposed actions, we can provide for both conservation and progress.

Together with the land use legislation now pending in the Congress, the Coastal Zone Act would provide our Nation with complete geographic coverage for this important State-Federal planning partnership. We look to land use and coastal zone plans to assist us in preserving our natural heritage and in permitting orderly development of our resources for the common good. This is especially important in the coastal areas where most of our population is concentrated, where many of our recreational and employment opportunities are centered, and where many forces compete for our resources.

Significant groundwork has been laid in planning for implementation of the Coastal Zone Act. As a result, I believe we are able to look forward to rapid progress as the Federal government begins this important task in partnership with State governments.

RICHARD NIXON.

THE WHITE HOUSE, *June 4, 1974.*

REPORT ON ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. CLARK) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I transmit herewith the 1973 annual report on the administration of the Radiation Control for Health and Safety Act of 1968 (Public Law 90–602), as prepared by the Secretary of Health, Education, and Welfare.

RICHARD NIXON.

THE WHITE HOUSE, *June 4, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. CLARK) laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

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

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 3000, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment of the Senator from South Dakota (Mr. McGOVERN), No. 1347. Time for debate on this amendment shall be limited to one and a half hours, to be equally divided between and controlled by the mover of such amendment and the manager of the bill, with 30 minutes on any amendment in the second degree.

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. McGOVERN. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is amendment No. 1347 of the Senator from South Dakota. Time on the amendment is an hour and a half, equally divided between the Senator from South Dakota and the manager of the bill.

Mr. McGOVERN. Mr. President, I yield myself 20 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 20 minutes.

Mr. McGOVERN. Mr. President, this amendment, as suggested by the title, is to authorize economic conversion demonstration projects, to test the extent to which the skills and facilities employed in military production can be transferred to priority production in the civilian sector. The amendment relates to a matter that I have been interested in now for

more than 11 years of service in the Senate and it is one more attempt to provide the machinery under which we can begin to make some commonsense moves to convert excessive facilities and personnel in the military field to constructive civilian enterprises.

The amendment formally creates and assigns specific authority to an agency which already exists—the Office of Economic Adjustment in the Department of Defense. Beyond responsibilities already assigned by the Secretary of Defense, the Office would have initial control over up to $100 million, to be used to share the cost of developing economic conversion plans for individual defense contractors, to make or guarantee loans for implementing those plans, and to provide managerial and technical help to contractors seeking to convert to civilian enterprise. If it would help to carry out the purposes of the amendment the Office is also authorized to delegate the use of funds to other Federal agencies such as the Department of Transportation or the Department of Housing and Urban Development.

The amendment is written to concentrate primarily on those cases in which the completion of or cutback in a given military contract or subcontract will have a substantial impact on the local economy.

Almost every Member of the Senate and the House of Representatives has gone through the experience of seeing a contract for military purposes either terminated or cut back, a military installation moved, or something of that kind. The purpose of this amendment is to give those engaged in the production of war materiel the opportunity to convert both the physical facilities, the plant, and also the manpower, to other purposes, so that we do not plan our defense establishment on the basis of what might protect a given community against a cutback, but we plan our defense needs on the basis of what is needed for the defense of the country, and then utilize supplies and material in excess of those needs for other worthwhile nonmilitary purposes.

To be eligible, a contractor would have to have contracts or subcontracts of $10 million or more with the Department of Defense, and have suffered a net reduction of at least 25 percent of the total amount within the previous 12 months.

It is obvious that these figures are set arbitrarily, but they leave room for assistance, ranging from large to relatively small operations, so that variety could be tested.

Aside from the requirement that demonstration projects be in specific kinds of enterprise which I will discuss later, the amendment calls for giving priority to projects that would—

First, employ to the greatest possible extent the existing equipment, facilities and employees of the contractor;

Second, show promise of long-term economic viability;

Third, concentrate on methods of conserving fuels and other materials in short supply;

Fourth, pursue products and technology that are not in direct competition with other businesses; and

Fifth, be located in areas with unemployment rates of 8 percent or more.

While I would expect that they would tend to look into other areas of government business, there is no public sector limitation in the amendment. The projects should avoid unfair competition with established businesses. But it would be possible to assist conversion projects that would lead to production exclusively for the private sector.

Since a number of questions have been raised on this point, I want to clarify the difference between this proposal and the amendment I discussed—but did not bring to a vote—in connection with the military procurement authorization bill last year.

The heart of that amendment was a requirement that all defense contractors above a certain size had to undertake economic conversion planning as a condition of fulfilling their contracts with the Pentagon. I could understand the objections that were raised. Certainly all arms firms are not going to convert to civilian enterprise. Most will never face the question. We are unlikely to see any drastic reductions in arms spending, and the vast majority of these companies can continue to rely on arms spending for the foreseeable future. In those cases the conversion planning requirement would have simply created more work and more government forms to fill out for no apparent purpose.

By contrast, the pending amendment is voluntary. It would provide technical help and limited financial assistance in cases where contractors choose to take up the slack in their military business by shifting toward civilian markets.

There is no compulsion to do so, but it is an offer to assist them to move in that direction. And it does not attempt to be all-inclusive—it is a proposal to explore, rather than to operate.

The goal of this legislation is one I have been trying to address for more than a decade—to find ways to reemploy in the civilian sector workers and productive facilities that become excess to the legitimate requirements of defense.

Perhaps 1974 is the year. At least in 1974 we should be able to look at economic conversion from a new perspective.

In the past I have stressed Federal initiatives in this area as a way to prevent the personal and community economic trouble that comes when military contracts are completed or phased out. And certainly we have had heavy doses of that trouble.

In the years since the 1968 employment peak in aerospace, it has clearly become a "boom and bust" industry, with hundreds of thousands of highly skilled workers idled, dozens of plants emptied, and scores of communities depressed for intolerable periods of time.

In 1971, for example, a study by the National Society of Professional Engineers reported that some 92,000 engineers, scientists, and technicians were employed. Between the 1967 boom year and 1972, California alone lost 156,000 aerospace jobs. Nationwide the drop was over 600,000.

Further, a 1971 survey by the Battelle Memorial Institute found that the impact of unemployment on aerospace and defense workers was severe indeed—that the average worker was jobless for more than 7 months, and that 32 percent of all displaced aerospace workers, and 47 percent of those over 50 years old, had not been able to find jobs of any kind.

It has been my view that the Government which fostered the economic dependence of this industry has an obligation to help out in leaner times. And I have frankly also seen economic conversion legislation as a means of making our decisions on military posture more rational. Every Member of Congress understands the pressure to support an arms program that involves money going into his State or district. I think we should do what we can to lessen those pressures, to at least approach the ideal of deciding what bases to maintain and what weapons to buy solely on the basis of legitimate military need.

Those arguments still apply. But in 1974 I think we also ought to think of economic conversion as an opportunity—as a chance to speed the solution of domestic problems that are now so obvious that no one any longer ignores them. And instead of converting to the unknown, we can talk about conversion to real markets that are growing at an accelerating rate.

The pending amendment is a modest step in that direction.

This amendment is directed toward top priority needs in the civilian sector. It authorizes economic conversion demonstration projects in three general areas: First, the development and production of fuel-efficient transportation systems, including railroads and mass transit; second, the construction of moderately priced housing, and third, the development of technology, equipment, products, or services that would conserve or permit the recycling of fuels and other scarce materials.

These requirements need no lengthy documentation.

The continuing crisis in fuels has had a devastating impact on our economy, and it is one that is still building. Realistic economists suggest that the inflation caused directly by higher fuel prices is only a forerunner to more serious inflation later on, when the higher cost of energy will show up more dramatically in almost everything we buy. And now we find that we are running short of dozens of other critical materials.

I might just say, parenthetically, that when I was home recently it amazed me that we are running into short supplies in this country of materials that we used to take for granted. I talked to one hardware merchant who had nails on order since the first of January without being able to be supplied with that order. I am talking about ordinary nails used in construction or in our homes and businesses.

There are critical shortages of such old-line items as baling wire, binding twine, machinery parts, farmers waiting for months for a piece of machinery to repair a tractor or farm implement. All across the country we are beginning to see that these materials are in limited supply. This amendment is directed toward encouraging industries that are no longer needed at full capacity to produce military goods to begin moving into high

priority fields where critical shortages are developing.

Meanwhile, the supply of decent housing is too short, and prices are too high, yet housing construction starts are falling far behind the need—a 1.35 million annual unit level, compared to 2.36 million in 1972.

Our national rail transportation system—among the most fuel efficient methods of moving people and goods—is in a near shambles. It needs massive investments in new equipment, in repaired roadbeds and track, and in improved management techniques.

Here again, the rail lines in my State, the rail beds, have fallen into such disrepair, because of shortages of operating capital, I suppose, that we do not have an efficient transportation system to move vital supplies of grain and other farm produce. The trains crawl through my State at 10 or 15 miles an hour because of the poor condition of the roadbed. If they went any faster, they would be derailed. As a matter of fact, the tracks in one area were so bad a few weeks ago that we had a train that fell off the tracks while it was standing still.

And our urban areas, ranging from several of the Nation's largest cities to medium sized towns, are in desperate need of funds for the construction and operation of convenient, efficient mass transit systems, including both rail systems and buses.

These needs are not particularly new. But what is new is a near universal recognition that we can no longer postpone an effective response. And that is coupled with a new recognition of how dependent we all are on real answers.

For example, modern mass transit in the cities is now an issue that concerns the people of my State of South Dakota, not because we are likely to build any subways, but because the gas guzzled by those thousands of cars on the Los Angeles freeway system is gas that we cannot have work the soil, plant the seeds and harvest the crops.

Low cost housing is an issue not only because a disproportionate share of substandard homes are in rural areas, but also because it takes more fuel to heat a dilapidated house anywhere in the land.

Despite concerns about inflation, and notwithstanding the priority placed on heavy arms outlays, the Nixon administration has begun to support more money in these areas.

Energy research and development has risen from $672.2 million in fiscal 1973 to a recommended $1,810.5 million. If we leave out unusually high 1973 expenditures for coal miners' benefits, money for direct Federal operations in the energy field has also increased substantially. Related outlays for pollution abatement and control will be some two and one-half times more next year under the administration's budget than they were last year. And Congress may well authorize greater sums than the administration has asked.

We are also placing more money into transportation. Congress has moved on legislation to rescue the railroads of the Northeast, and before long I am confident we will take similar action on a nationwide scale. Since 1970, Federal outlays for urban mass transportation have grown by 560 percent, notably through the $3.1 billion authorized in the Urban Mass Transportation Assistance Act of 1970 and the added $3 billion provided by the Federal Aid Highway Act of 1973 The administration's unified transportation assistance program submitted in February of this year calls for $16 billion for urban transportation over a 6-year period, and there are several more ambitious proposals pending.

Thus far the administration has not placed a similar priority on housing. But Congress is in the process of approving a comprehensive new housing program. The combination of a gravely depressed housing industry and rising unemployment convinces me that if there is any economic sense at the other end of Pennsylvania Avenue we will see the backlogged contract authority used and more Executive branch support for added housing funds.

So even an administration that can be fairly characterized as tight-fisted on the domestic front is being shocked into more aggressive action in these priority areas. And if there is a compromise with the congressional view, it will have to be toward still more sizable programs.

As I have worked on economic conversion over the years I have become convinced that the budget itself, and projections on where Federal money is going to be a few years hence, will have more influence than any other step we might take on the willingness of arms contractors to plan and gear up for nonmilitary business.

We could write any number of new programs providing carrots for contractors who undertake conversion planning and sticks for those who do not. But they will not mean much if we cannot demonstrate that there really will be markets for freshly converted industries. At the same time I have been told by top officials of major arms contractors that they have no special preference for military production, and that they would not hesitate at all to transfer to such areas as housing and transportation if they knew the money would be there.

Now I think we can provide that assurance. These civilian markets are growing and the growth will continue. At least in the priority areas addressed by my amendment, the problem a few years hence will likely be not one of too little funding but one of too few plants, too few skilled workers and technicians, and too few ways to use productively the money we are finally willing to provide.

Regardless of how Secretary Schlesinger explains it, I think it is clear that the fiscal 1975 military spending program involves an attempt to stimulate the economy by pouring more money into arms.

Sometime ago one of the leading defense contractors told me that if there was market for mass transit cars or for rail line improvement, they would welcome an opportunity to move into that field, but there is no market unless we are willing to provide some of the same kinds of Government contracts for these programs that we provide for arms.

This amendment is a modest effort to experiment—that is all, to experiment—with some modest size improvement grants or loans to see if we can use some of this excess military production capacity for other purposes.

In sum, I suggest that economic conversion is now good business from the standpoint of the arms suppliers. Having experienced the roller coaster of dependence on the Pentagon, I would expect them to welcome the chance to move into these areas of certain growth. And if we can encourage them to maximize their potential for a speedy transition, then that will be good business for the American people as well.

The merit of action along the lines I proposed is reinforced by the general condition of the American economy—by the persistence of ruinous inflation, accompanied by the worsening threat of recession—the near certainty at the very least of a growth recession in which economic expansion will be too slow to account for the expanding work force.

Mr. President, I realize there is some confusion as to what the Secretary actually said on this subject. He seemed to have told the Armed Services Committee in the other body some weeks ago that several billion dollars had been placed in the military budget request in order to stimulate the economy and to head off the possibility of a deepening recession. More recently he had tended to back away from that statement.

When we are told that détente with the Soviet Union and with China is proceeding—when we have one limited strategic arms control agreement with the Soviet Union and we supposedly attempting in good faith to reach another—when we have ended at least our direct role in Vietnam and are supposedly drawing back from our military intervention there and even from the world policeman's role, then there is just no other plausible way to account for a dramatic escalation of some $13 billion in Pentagon spending unless one sees at least a portion of that statement as an effort to use the defense budget not so much for defense but to provide a stimulus to the economy.

Mr. President, if that thesis has, in fact, any validity, if he argues military spending to head off a deepening recession, military make-work is precisely the wrong prescription. In the first place, more arms spending for that purpose inevitably means more inflation.

That is true in part because military spending devours many of the resources that are in short supply. It further aggravates the same shortages that the administration blames for the inflation we already have.

More significantly, arms spending creates demand in the economy—through wages and salaries for workers and profits for industry—without creating any offsetting supply that anyone can buy. Nobody is in the market, no consumers are in the market, for a submarine or for a nuclear carrier; yet the production of those things pumps money into the economy for which there is no supply to soak up the additional purchasing power. So the wages of workers on the Trident submarine, for example,

and the profits of the companies involved will not be used to buy submarines but will simply bid up the price of goods and services that can be bought and sold on the open market, and that means more inflation.

Beyond this, added military spending continues to detract funds from both public and private enterprise that can help abate inflationary pressures and improve the health of the economy over the longer term. Mass transit and rail transportation are two of any number of compelling current examples. They will help reduce the quantity of fuel needed to move people back and forth to work and goods back and forth to market, and thus reduce inflationary trends in energy. They conserve our scarce energy supply, and in so doing combat inflation.

Mr. President, I think we need to consider that the last thing we want to deal with if we are concerned about jobs is to invest more heavily in defense-related purposes, because those industries are, for the most part, not labor-intensive.

Consider, for example, the B–1 bomber. We are told by the prime contractor that this project provides some 25,000 jobs. But a similar investment in the construction of housing would quadruple the number of jobs for workers who are now unemployed. Almost any kind of public spending, including housing, transit, construction, and many others would create more jobs dollar for dollar than these low-labor intensive projects associated with sophisticated weapons systems.

The pending amendment, it is important to understand, would not cancel or curtail any arms contract. It does not take a dime away from any military program. What it does attempt to do is to provide a means for smoothing the transition for those communities and the workers in those industries that may suffer cutbacks or suffer the failure of completion of military contracts.

The premise of my amendment is that decision of the kind that we are going to be called upon to make with regard to the defense needs of this country represent real opportunities not only for the country as a whole but also for the workers, the companies, and the communities that may be directly involved.

The distinguished Senator from Arkansas (Mr. McCLELLAN) has set a target of reducing total arms spending in fiscal 1975 by at least $3.5 billion on the administration's budget. That in itself highlights the need to absorb those reductions that will mean job losses and other severe blows to the communities affected by having in hand an instrument of the kind this amendment presents to provide new opportunities for employment and useful investment.

Certainly there are questions about the extent to which skills and facilities from the arms sector can be applied to civilian work. That is why I am recommending proceeding on a pilot basis, using demonstration projects, giving the administrators of the program wide discretion to fashion the right mix of technical, financial, and managerial help. I am convinced there is enough potential to warrant a serious test.

If the alternative is the prospect of idleness in any case—or even indefinite reliance on such unhappy contingencies as continuing failures in arms control talks—then the workers and contractors clearly have nothing to lose in this amendment.

But I think they can gain stable employment in secure enterprises. And besides jobs, they can gain along with everyone else, as consumers of the improved public services their work will provide, and as a members of a national economy which we are at least beginning to repair.

Certainly we should at least find out if it can be done.

I urge adoption of amendment numbered 1347.

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

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. STENNIS. Mr. President, I yield 10 minutes and more, if he wishes, to the Senator from South Carolina.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized for 10 minutes.

Mr. THURMOND. Mr. President, I rise in opposition to the McGovern amendment which would add $100 million to this bill and only supplement the work of many agencies within and without the Defense Department.

While the purposes of this amendment are certainly admirable, it appears that there are already sufficient agencies to assist communities which suffer from military or defense related economic problems.

For instance, there is in the Department of Defense a group to help in situations of this kind. This administration, as in the past, is committed to bringing the resources of the Federal Government to bear on the alleviation of economic difficulties caused by necessary defense realinements.

This work is implemented through the President's Inter-Agency Economic Adjustment Committee under the chairmanship of the Secretary of Defense. The Committee also enlists the support of State and local governments and the private sector. Requests for economic adjustment assistance on behalf of impacted communities go to the Chairman, Inter-Agency Economic Adjustment Committee, Office of the Secretary of Defense.

Mr. President, at present we also have numerous programs to help the unemployed, to provide loans to economically depressed companies, or to help communities meet sudden economic adjustments.

It would appear that any new programs in this area if any are necessary, should be located and managed by the Department of Labor, the Department of Commerce, or other agencies already doing this type work.

Mr. President, if additional funds are needed in the economic readjustment areas then it would seem that these funds should be channeled through existing programs. Why should we create another bureaucracy when the money available to current agencies could be increased and channeled through already existing personnel and procedures?

Mr. President, this amendment is rather far reaching. While such a program may be necessary, it would seem to me that such consideration should be undertaken through the regular committee process in which witnesses could be heard. In this way if there is a requirement for legislation in addition to what is already on the books it could be more carefully conceived and would have the benefit of a careful construction, which is a part of our legislative process.

An example of this point is the criterion of the bill relating to the requirement that those eligible would be companies whose contract cancellations produce a net reduction equal to more than 25 percent of the dollar value of the contractor's business with the Department of Defense. It fails to recognize that many extremely large companies do receive contracts of over $10,000,000 yet Government business would conceivably be less than 25 percent of their total business. Nevertheless, the cutback at a single plant due to reduced DOD expenditures could produce extreme economic impact in certain local areas.

For these reasons and others I have already cited, it appears that while the motives of the author of this amendment are certainly well taken, any consideration of a program of this magnitude should be undertaken in a more deliberate fashion.

Therefore, Mr. President, it is my hope the Senate will reject this amendment and possibly the author would wish to offer it as a separate bill for referral to the proper committee, if he wishes to pursue it further.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. McGOVERN. Mr. President, I yield myself 5 minutes.

I just want to comment briefly on what the Senator from South Carolina said when he argued the case that there are existing agencies that have the capacity to do what this amendment calls for in the way of providing assistance to industries that are willing to seek to convert their facilities to civilian production.

The problem with that argument is that there is no agency that is adequately funded for this purpose. The Senator has said we do not need to create a new office, and I agree with that. We have the Office of Economic Adjustment in the Department of Defense, which has some mission already to assist communities that are hit by the cancellation, cutback, or completion of a defense contract; but that Office lacks the funding to really offer meaningful assistance to an industry in carrying out the process of conversion.

I think indirectly the Senator makes one of the arguments that is most compelling for this amendment, which is that it does not seek to create a new bureaucracy, a new office within the Defense Department or anywhere else, but to utilize personnel and an office that is already functioning in the Department of Defense, but one which has been starved for funding while other parts of the

military budget have been growing steadily.

As I have said here earlier, we are being asked this year to pass judgment on military authorizations that are some $13 billion above and beyond what we acted on last year. We are approaching military outlays of nearly $100 billion a year. So, when we talk about a tiny percentage of that total, an outlay of $100 million which is designed to help these industries produce some of the things that are in critically short supply, such as public transportation facilities, improved rail systems, moderate-priced housing, the development of alternative sources of fuel, or methods of recycling fuel and other short materials, it seems to me this is an investment that will return dividends many times the amount of the modest figure suggested in this amendment.

If I could find anywhere in the U.S. Government a central office or any one person who has any responsibility and even minimum funding for assisting these companies that may have the capability of producing something other than arms, at a time when there are changes and shifts occurring in our defense, obviously I would not be offering this amendment simply to create another office. The amendment does not create another office; it simply provides enough funding so that we can get some projects under way to do some experiments and attempt some pilot programs on a modest basis, to see if there is not some way that we can make more constructive use of the investments we have made in plans for the training of workers in other skills that may otherwise be idle.

There is not anything in this country that is more wasteful than idle labor power, particularly people who are skilled, experienced, and trained and who cannot find a job. I cannot think of any greater waste of resources than that. It is worse than wasting money; it is worse than wasting materials; it is wasting the most precious thing we have, which is the production power of the workers in this country.

Here is an amendment that is designed to provide an intelligent, commonsense way of utilizing some of those workers, some of the facilities, and some of the plant capacity no longer needed for military purposes.

Let me stress again, this amendment does not require any cut back in arms spending, although I happen to think that is desirable. What it does offer is a means of dealing with those cutbacks once they occur, and an effort to encourage our defense contractors to begin planning toward that day with some modest public support.

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

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. STENNIS. Mr. President, I yield 5 minutes, or more if he wishes, to the Senator from Texas.

Mr. TOWER. Mr. President, the problems facing communities adversely affected by defense realinements are indeed, very serious and complex. I believe they warrant careful consideration by the appropriate committees of the Senate. Such consideration would assure thoughtful evaluation of all feasible measures that would help minimize the local economic impact of defense realinement actions.

I am convinced that the present measure will not be helpful in the most serious situations. Last year the Department of Defense announced realinement actions in more than 275 communities. According to a report submitted to the Congress last July by the President's Economic Adjustment Committee, 28 communities, including Boston, Mass., San Francisco, Calif., Topeka, Kans., and Laredo, Tex., were severely impacted by defense base closures and personnel cutbacks. The proposed amendment would not be of assistance in these situations.

In addition, I am advised that over the past 13 years the Defense Office of Economic Adjustment Committee has been requested to assist more than 200 communities. In some 90 percent of these cases the impact resulted from base closures or cutbacks in defense personnel rather than from cutbacks in defense contractor facilities.

While I agree that individuals and communities can be seriously affected by defense contract cutbacks, I believe that any measure we consider should address the full range of defense impact situations, that is, base closures, personnel, cutbacks, as well as contract cutbacks.

In short, I think that this would simply create an unneeded bureaucracy within the Department of Defense at a time when we are really strapped to get the biggest bang for the buck out of our defense dollar at a time of escalating costs which are forcing us into higher military spending, albeit maintaining ever decreasing percentages of the national budget.

The fact is, we can buy less hardware for our defense dollar than we could a few years ago. I think that we should not burden the Defense Department with additional overhead by creating another bureaucracy of the kind suggested by this amendment within the Department of Defense.

I would urge the Senate to reject the amendment.

The PRESIDING OFFICER (Mr. ABOUREZK). Who yields time?

Mr. STENNIS. Mr. President, I yield myself 8 minutes.

The PRESIDING OFFICER. The Senator is recognized for 8 minutes.

Mr. STENNIS. Mr. President, to those Senators now in the Chamber I invite special attention to the amendment. First, I want to commend the Senator from South Dakota for his vigilance, his ever-present consciousness of the problems of this kind, and his endeavors to do something about them.

But, as an amendment to this bill, I am very much of the opinion that we should not make the amendment a part of it. I think, with all due deference to everyone, we have got to consider the major bills, far-reaching as they are, with a view to what their primary purpose is. A majority of the Senate then tries to hold the bills to that primary purpose. This is a military procurement bill to authorize so-called military hardware from ships to missiles, to submarines to airplanes, and all kinds of weaponry. It also covers the question of personnel both uniformed and civilian.

This bill contains more than $21 billion in authorizations for fiscal year 1975. It is a weapons bill primarily and although I would not want to go into all the ramifications and problems that this amendment presents, it presents a problem. I agree with the Senator from South Dakota that I do not believe in military made-work. This is made-work, putting the Defense Department in this business. It is not their business. They are in business merely to provide for the security of the country, to provide the military power and the wherewithal to meet emergencies and to fight the battles, if they become necessary, which we hope and pray will not become necessary. But if we are going to use the Department of Defense as a relief agency or a made-work agency, we will destroy the purpose for which we are spending all these billions of dollars.

I want to say this now, and I shall repeat it later today when more Senators are in the Chamber: We have worked on this military procurement bill diligently, day and night, to get the hearings completed, the bill put together, and to get it to the floor and then, after reasonable debate——

Mr. President, may we have order in the Senate? There is no reason why I should have to raise my voice to make myself heard with so few Senators in the Chamber. Will the Chair please see that we have quiet in the Chamber?

The PRESIDING OFFICER. The Senate will please be in order.

The Senator from Mississippi may proceed.

Mr. STENNIS. I thank the Chair. Mr. President, we want to move the bill along after debate, and I believe in debate. There will be a conference with the House there, and we can have a round-table discussion and adjustment of the differences, and then come back to the Senate and House floors to pave the way for the appropriations bill. That has been the plea of the leadership, majority and minority—and they are right about it. We have taken a strong stand in the Appropriations Committee that the Appropriations Committee should wait for the authorizations and we were backed up fully by the chairman of the valued Appropriations Committee. But that throws the burden back on us in the Senate, to move the authorization bills to final conclusion so that the Appropriations Committee can act and bring them to the floor.

If we load the pending bill down with amendments, with amendments that are not relevant or have reference to extraneous matters—and I am not saying that the Senator's amendment is not relevant, because it has a connection here—but I hope that the Senate will strip it down and keep the bill down to its fundamentals so that it can pass as an authorization bill, as an instrument of operation for this session.

When we go to conference with this

bill, we want to have hearings on any facts to establish what the problem is, and probably the answers or the solutions to what they may be.

We have a request here for $100 million worth of authorization to venture out into this field, and we will not get to first base with those House conferees. I might as well be frank about that. They will not accept an innovation like this, with this much money, without knowing more of the facts—and I do not think the Senate should do it, either. But whatever the Senate votes, it will be our duty to try to get sustained in the conference, and that is what we will certainly try to do. But, with our eyes wide open, I do not believe the Senate will intentionally vote for this amendment.

Let me say a word about the base closings. I have had them happen in Mississippi—and all the other troubles that go with installations of this kind. By the way, people ask me to recommend them for a job on a military base and I tell them each time, that when they go to look for such a job they must do so with the realization that things may change overnight, that weapons may change and policies may change.

The PRESIDING OFFICER. The 7 minutes of the Senator from Mississippi have expired.

Mr. STENNIS. I thank the Chair. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 3 additional minutes.

Mr. STENNIS. Mr. President, an Air Force base in Mississippi was closed about 10 years ago, over my protest and the protest of many people down there. But the people owned the land and they built it into one of the finest industrial parks we have in the State—one of the best in the South, as a matter of fact. Those people down there would not think about going back to the situation they had before they built that industrial park.

I was in one of the great Western States a few years ago, where defense contracts had been canceled. We held a conference there with the people and one of the local citizens took me to one side and said:

> Listen, you have not had any complaints from those of us who live here. We westerners stand on our own feet. We do not want a lot of relief coming in here just because defense contracts were stopped. It is the contractors who are stirring up all this fuss and writing all those letters to Washington.

Mr. President, I believe that is one of the finest expressions of good old rugged Americanism that I have heard in a long time.

So, Mr. President, back to what I started out with, while I am in sympathy with the problem, I think the Department of Defense is doing a rather good job of trying to alleviate the economic hardship with reference to changes and the problems brought about by the changes.

I have before me one of their directives describing the problem. It states:

> This directive establishes policy guidance, assigns organizational responsibilities, and provides procedures for carrying out an economic adjustment program to minimize the economic impact on communities resulting from change in defense programs.

That is primarily the program that is going on now and I think they do a pretty good job.

The Senator has the idea that these guidance programs are experimental. If something like that has to be done, I really do not think the Department of Defense is the one to carry it out. We have just said that we do not believe in this make-work for the military. But if the small business loans and all the other things we have with which to evaluate conditions, misfortunes, and changes, are not enough, then some committee that is primarily engaged in meeting these problems and conditions of this kind should hold extensive hearings, with a staff that is versed in these subject matters, and recommend a new policy. I do not think it is going to help the cause to stick it on this bill, even if it should survive in conference. I do not believe that the Appropriations Committees will appropriate money for such a program.

I say again that I compliment the Senator from South Dakota for his fine attitude toward the problem. But I am firmly convinced that this is not the place or the time.

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

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. McGOVERN. I yield myself 5 minutes.

Mr. President, this is as good a time as any for me to commend the Senator from Mississippi (Mr. STENNIS), the chairman of the committee, for the thoughtful and constructive and conscientious effort he always brings to these defense matters. We may have some differences from time to time on what the overall size of the military budget ought to be or as to a particular weapons system, but I have never doubted his commitment to coming up with a sound and carefully reasoned program. I appreciate what he has to say about the good faith in which this amendment is offered. I do want to make two or three comments about the points the Senator has raised.

First, he has properly identified the Office of Economic Adjustment as one that is seeking to ease the problem of communities that have suffered the loss of a defense installation. I think it is fair to say that most of the work of that office is associated with communities that have lost a military base rather than a contract with a private contractor.

In any event, to whatever extent that office has responsibility for doing the job for which this amendment provides, it is a fact that it is already located in the Department of Defense.

So when the distinguished Senator from Mississippi argues on the one hand that the Office of Economic Adjustment is doing a good service in assisting the transition away from military outlays to civilian purposes, but that we should not consider this amendment because it proposes to locate that function in the Department of Defense, I think he may be arguing at cross purposes. The office is located in the Department of Defense already. We are not creating a new office here. We are simply recognizing that to do an effective job, that office has to have at least some minimum funding to assist these private industries that may lose a contract or have it cut back or curtailed.

The amendment is drafted in such a way not simply to make work on those things we do not need. It is not simply a matter of keeping people working, producing things that the country does not require; but, rather, it spells out three very high priority areas where the funds must be invested—in the development of an efficient transportation system, to conserve fuel, or in the construction of moderately priced housing, or in the recycling of scarce materials that are in short supply. I think that all those are useful and constructive purposes.

The Senator from Mississippi has contended that this measure has no place in a defense bill, that we are dealing here with considerations of national defense or economic considerations rather than jobs. I agree that that ought to be the primary purpose of our deliberation on this bill—to correctly assess what is the defense requirement of the country, and then to vote the funds that are needed to carry out that mission. But I am quite confident that the Senator from Mississippi and every other Senator in this body knows that when we debate these matters, we are under pressure; we are under economic pressure from our constituents, from business organizations, from labor organizations, from the chamber of commerce, and from various other groups who are ready to come down here in full force and lobby against any change in the defense outlays that might affect that particular community.

I have not been here as long as some of the other Senators in the Chamber, but I have been here long enough to see that force operating, to see how powerful those lobbies are. Frankly, I understand that.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. McGOVERN. I yield myself 2 additional minutes.

We cannot blame a person whose economic livelihood is at stake. We cannot blame a worker whose job is at stake from doing what he can, through his elected representative, to see that he is protected. It is a perfectly understandable, logical human reaction. When they see some question being debated on the floor of the Senate that affects their jobs or affects their community, they are going to respond, as perhaps we would in a similar circumstance, by doing what they can to head off that decision.

That is why I think this measure does belong in the defense bill. When we are trying to make intelligent judgments about what the defense requirements of the Nation are, that cannot be subjected to the kind of pressures that relate not to defense matters but to jobs and economic investment.

But if we can hold out an alternative, if we can say to some of these defense suppliers, the workers, and the communities involved, "Here is a beginning effort to assist you in producing something that the country needs, that is not going to cost you your job, is not going to cost you the plants in your community, but may put those facilities and that manpower to an even more constructive use," the worker is going to feel better, the community is going to feel better, we are going to be making a more patriotic judgment, and we are going to be making defense judgments on a more rational basis.

So I respectfully argue that this amendment, designed to help us make these judgments on a sound basis, does belong in the proposed legislation.

I am very hopeful that the amendment will be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I am glad to yield to the Senator from South Carolina such time as he may require, if he has additional remarks.

Mr. THURMOND. Mr. President, I have nothing further to say, except this: This amendment will create a new bureaucracy.

We already have an agency to accomplish the very thing that the Senator wants to accomplish. Furthermore, the title of the present agency is an Interagency which indicates a broader base than just one agency alone as one bureaucracy in the Department of Defense. So I think the present setup is more significant in terminology and can accomplish anything that an expanded agency would accomplish.

I hope the amendment is defeated.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, does anyone desire time on the amendment? If not, I will take just a few minutes. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I have no particular new matter to bring up. I do not want to discount the Senate conferees and their ability to get a matter adopted in conference, but with the far-reaching effect of this amendment, without any hearings to point out the problem and the possible solutions—to keep going all the way across the board, as broadly as it does—I think we would have a very small chance of getting this amendment agreed to in conference. If we had hearings that would develop all the facts or nearly all the facts, and would weigh the possible solutions so as to give a choice to Members of the House and the Senate, that would be an altogether different matter.

Mr. President, to illustrate how far-reaching this proposal is, I wish to read section 703 on page 2:

"SEC. 703. (a) Economic conversion demonstration projects under this title shall include the development and implementation by the contractor of a plan for utilizing plant, equipment, and personnel previously utilized in performing defense contracts or subcontracts in one or more of the following enterprises:

"(1) fuel efficient transportation systems, including mass transit and rail transportation systems;

"(2) construction of moderately priced housing; or

"(3) the development of any product or equipment or the sale of any service utilizing a new method or technology that will conserve fuels or other materials in short supply or that will increase the feasibility of recycling any material in short supply.

Turning now to page 4 of the proposal, I read from line 7:

"SEC. 704. In carrying out the provisions of this title the Director is authorized to:

"(1) make grants to any eligible contractor sufficient to cover up to 50 per centum of the cost of planning any economic conversion demonstration project;

"(2) make or guarantee low-interest, long-term loans for the purpose of assisting any eligible contractor to carry out an economic conversion demonstration project;

"(3) provide technical and managerial assistance to any eligible contractor to assist such contractor to plan or carry out an economic conversion demonstration project; and

"(4) prescribe such terms and conditions on assistance provided under the title as may be necessary to protect the interests of the United States and insure the success of the program authorized by this title.

Mr. President, I will not read further, but it shows a broad, wide-sweeping and across-the-board authorization to put this agency into most any kind of business. To really develop the merits of this kind of policy, and find a solution, would require one of the broadest hearings imaginable, with a great deal of expertise, and an opportunity for businessmen, technicians, contractors, and other groups to testify.

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

Mr. STENNIS. Mr. President, yes, and I yield myself an additional 3 minutes.

Mr. McGOVERN. Mr. President, I just want to make sure that in my explanation of the amendment the Senator understood that this is purely a voluntary measure. When he talks about it involving the Government in the affairs of industry on a broad basis, there is nothing in this measure that makes it compulsory. No contractor has to participate, no community has to participate. It simply provides that when a contractor has suffered a 25-percent loss in his business as a consequence of some change we have made in the defense budget, or because the contract is expiring or has been canceled—he is eligible for a grant of up to 50 percent of the cost of converting that plant, those workers, those facilities to some useful purpose that the country needs. It spells out the three areas of housing, transportation, and recycling of material in short supply.

While the Senator makes a proper point that the amendment could be far-reaching, I wish to stress that it is voluntary. There is no compulsion to it as far as any private industry is concerned.

Mr. STENNIS. I thank the Senator very much. That is a good explanation of the principle involved.

I do not think the Department of Defense should be in the business of making low-interest loans to business when we already have all of these other agencies in that program.

I wish to point out that this is not just a matter to cover the removal or closing of a base. The Department of Defense has that problem on its hands all the time and I have had it happen in my State. I have been on the committee a long time and I think they have gotten it down now to where they do a pretty good job. They are effective, they are helpful, and they do what they can to relieve the situation on the homefront, so to speak, and to minimize the economic impact on the communities that result when these changes are brought about.

There never will be a perfect way to meet the situations in the activities of the military that do necessarily involve a lot of change. I think everyone is warned of that prospect when he goes into it, and I know many of these contracts have clauses to compensate the contractor if anything is canceled.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. STENNIS. Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. McGOVERN. Mr. President, I yield such time as he may desire to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I must say at the outset that my agony of several years ago with regard to some of the matters that are sought to be cured by this amendment is more or less history. The damage in my State has been done; whether or not we will ever recoup from it is a very, very serious question. There were rumors in the country, and particularly within my own area, that certain changes were going to be made with reference to military establishments throughout the country. There was going to be a reduction, there was going to be a transfer. So what did they do to Rhode Island, Rhode Island that is traditionally a naval State? We suffered more than 50 percent of the entire cuts that took place throughout the entire country, and we have less than 1 percent of the entire population of the country.

Eighty-five percent of the naval installations in Rhode Island were removed—not because they took the destroyers and put them in moth balls, but they took the destroyers and put them in other parts of the country where they did not have housing and did not have accommodations for the personnel or for the families of the personnel. A serious question arose to whether they were saving any money at all. The result was that it affected about 20,000 jobs in my State. We have not recovered from it yet.

The Senator who has offered this amendment has been talking about reconversion from war to peace for a long, long time, and apparently we have never come to grips with this serious problem. There are certain establishments in various States that, if they were closed down tomorrow, would result in that community becoming an economic desert.

I am not saying this amendment is going to cure our problems, but I think if the Senate passed this amendment and brought it to the attention of the

House conferees, even if it did not survive the conference, we would be at least pinpointing something that needs to be emphasized in this day and age, because one day we will have to convert from war to peace, prayerfully and hopefully. The big question is, How do we do it?

Do we just sit back and say, "Well, we will just wait and see what the Government is going to do about it"?

With reference to the Rhode Island situation, we tried to go down and see the President for a long time and we could not do it. We were told the day before the order came out cutting our installations. Only the day before did we know it. I tried to find out from Mr. Kissinger. I tried to find out from Melvin Laird. I tried to find out from Admiral Zumwalt. I tried to find out from the President. None of them told us what was going to happen to Rhode Island. We never knew of it until the axe came down and chopped off our economic head. I say that is disgraceful. I repeat, we are not over the agony yet.

Mr. President, I am very amenable to this amendment for the reasons I have stated. I realize this is not the complete answer. I realize it may not survive the conference. But surely the Senate ought to express its sentiment.

It is not going to affect my State a great deal. It may affect one or two plants. Perhaps we can reconvert them without Federal help. But the time has come when we have to think about these things in advance, and not, after the fact, get up on the floor and propose to extend unemployment compensation, and have a silly retraining-for-jobs program, without knowing what jobs they are going to give these people after they are trained. This is something that has to be done in advance.

I would hope such a proposal would receive serious consideration. I can say this as one who has depended on the Pentagon and the Defense Department. I am one who has not always agreed with the Senator from South Dakota (Mr. McGOVERN) with reference to some of the cuts he wanted to make in defense. I have been on the side of the Senator from Mississippi (Mr. STENNIS) and the Senator from South Carolina (Mr. THURMOND) more than I have been on the side of the Senator from South Dakota, but this proposal ought to be given serious consideration, and I am going to vote for it.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 1 minute.

I appreciate very much the problem Rhode Island had at a time when I was not active. I read about it in the newspapers, and it had my interest, and I remember the vigor with which the Senator from Rhode Island and his colleague opposed it. They did everything anyone could do to try to alleviate that situation. But with all deference to my friends, I do not believe such an amendment on this bill is a solution to the problem. I think, legislative-wise, it would be better to take the route that all far-reaching legislation should take. I think, a full development of all the facts to give the Congress a choice among alternatives, if it has alternatives before it, is the best way to do it.

I hope we can keep this bill a military authorization bill, as I explained before, and get it into law as soon as we can, and pave the way for appropriations. I know that if the authorization committees do not meet those time demands, our work is going to be brushed aside.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I yield myself 1 additional minute.

And the appropriations will be made whether there is an authorization or not, and we will be helpless to do anything about it.

I think we do render a service—I am sure my colleagues agree—through these authorization bills.

So let us keep it what it is to begin with—an authorization bill for military hardware and manpower for the ensuing year.

Mr. President, I yield the floor. I will yield anytime any Senator wishes. Otherwise I am willing to yield back the time.

The PRESIDING OFFICER. The Senator from Mississippi has 12 minutes remaining. The Senator from South Dakota has 5 minutes remaining.

Mr. THURMOND. Mr. President, so far as we are concerned on this side, we are willing to yield back our time if the Senator from South Dakota is so willing.

Mr. McGOVERN. Mr. President, under those circumstances, I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendments numbered 1347 by the Senator from South Dakota (Mr. McGOVERN). 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 California (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wyoming (Mr. McGEE), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. SPARKMAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. JAVITS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The result was announced—yeas 27, nays 55, as follows:

[No. 223 Leg.]

YEAS—27

Abourezk	Humphrey	Mondale
Bayh	Jackson	Montoya
Biden	Long	Muskie
Brooke	Magnuson	Nelson
Church	Mansfield	Pastore
Clark	Mathias	Pell
Gravel	McGovern	Ribicoff
Hatfield	McIntyre	Schweiker
Hughes	Metcalf	Williams

NAYS—55

Aiken	Dole	Metzenbaum
Allen	Domenici	Nunn
Baker	Dominick	Pearson
Bartlett	Eagleton	Percy
Beall	Eastland	Proxmire
Bennett	Ervin	Randolph
Bentsen	Fannin	Scott, Hugh
Bible	Fong	Scott, William L.
Buckley	Goldwater	Stafford
Burdick	Griffin	Stennis
Byrd, Harry F., Jr.	Gurney	Stevens
Byrd, Robert C.	Hansen	Stevenson
Cannon	Haskell	Taft
Case	Helms	Talmadge
Chiles	Hollings	Thurmond
Cook	Hruska	Tower
Cotton	Johnston	Weicker
Curtis	McClellan	Young
	McClure	

NOT VOTING—18

Bellmon	Hathaway	Moss
Brock	Huddleston	Packwood
Cranston	Inouye	Roth
Fulbright	Javits	Sparkman
Hart	Kennedy	Symington
Hartke	McGee	Tunney

So Mr. McGOVERN's amendment (No. 1347) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1369

The PRESIDING OFFICER (Mr. ABOUREZK). Under the previous order, the Senate will now proceed to the consideration of the amendment (No. 1369) offered by the Senator from Wisconsin (Mr. PROXMIRE), which the clerk will state.

The assistant legislative clerk read as follows:

At the appropriate place in the bill insert a new section as follows:

SEC. —. On or before March 1 each year the Director of Central Intelligence shall submit an unclassified written report to the Congress disclosing the total amount of funds requested in the budget, transmitted to the Congress pursuant to section 201 of the Budget and Accounting Act of 1921 (31 U.S.C. 11), for the national intelligence program for the next succeeding fiscal year.

The PRESIDING OFFICER. The time for debate on this amendment shall be limited to 3 hours, to be equally divided between and controlled by the mover of the amendment and the manager of the bill, with 30 minutes on any amendment in the second degree.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, before I yield to the distinguished Senator from Mississippi, which I shall do in a moment, I would like to call the attention of the Senate, while some Senators are still on the floor, to the fact that what this amendment does is provide a

part of what has been requested by Senators SCOTT and MANSFIELD of Senator MCCLELLAN when they wrote him last November, and what, in my judgment, Senator MCCLELLAN said then he would like to do if he can. I shall just read that letter, and then leave the matter in the hands of the Senator from Mississippi.

This is the letter dated November 15, 1973, signed by the majority and minority leaders:

As Co-chairmen of the Senate Select Committee on Secret and Confidential Documents, we wish to call your attention to one of the major recommendations which our Committee made with respect to the operations of the various intelligence agencies. Specifically, it was agreed that the Senate should be provided with the over-all sums requested for each agency. We believe that the release of this limited information will be useful to the Senate in maintaining the necessary support for our intelligence operations.

We do wish to reiterate that the Committee did not recommend the disclosure of any particular intelligence activity or any other such detailed matters, which continue to remain, and properly so, under your jurisdiction.

I have talked with the majority leader this morning, and he said it was his construction that that would mean the overall figure would be made available publicly. The response of Senator MCCLELLAN dated November 20, was as follows:

DEAR SENATOR: I have your letter of November 15 and want you to know that I intend to comply, as fully as possible, with the recommendation of the Senate Select Committee on Secret and Confidential Documents to provide the Senate with the over-all sums requested for each of the various intelligence agencies.

Mr. President, the purpose of the amendment which I am offering now is to provide that the overall figure for the intelligence community as a whole, not broken down but the overall figure, would be made available, so that the taxpayers of this country would have some idea of how much, how many billions of dollars—and it is billions of dollars—are going for intelligence efforts by our Government.

Now, Mr. President, I yield to the Senator from Mississippi—

Mr. STENNIS. On my time.

Mr. PROXMIRE. Yes. I yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator. I take 2 minutes of my time first to emphasize to Senators present the overwhelming importance of this amendment and the far-reaching effect it would have if passed and enacted into law.

When we disclose—and I speak as one who, for years, has had to take care of a lot of keeping up with this problem—and it is no fun—if we disclose the amount of money spent on this effort, which includes the CIA, then we give to our adversaries all over the world, present and future, a true index as to what our activities are. There are deductions that can be made from our figures which could lead them along the path of information which would be priceless to them to know.

True, we are an open society and, so far, we have been able to carry on an intelligence program effectively which has been worth to us billions and billions and billions of dollars in savings. But, if we are going to abandon the idea of keeping these figures from being disclosed, then, in my humble opinion, we might as well abolish the agency. It would be like saying, in effect, that we do not want this secret intelligence after all, that we do not need it, and that we will abandon it.

We will pay an awful price for that.

I am familiar with the CIA budget. I can satisfy most any Senator in the cloakroom, talking to him some about this, but I will publicly say that it is a clean budget and they have justified many times over the expenditure of the money.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Mississippi.

Mr. President, how much does the United States spend each year on the intelligence budget? Except for a small handful of Senators and Congressmen, nobody knows, at least in this country.

My amendment would end this ignorance and allow the Congress to reassert its fiscal control over the largest budget currently unavailable to public or congressional scrutiny.

The amendment requires that on or before March 1 each year the Director of Central Intelligence shall submit an unclassified written report to the Congress disclosing the total amount of funds requested in the budget for the national intelligence program for the next succeeding fiscal year.

It is as simple as that. Each year the Director of Central Intelligence adds up the combined budgets of the intelligence community and supplies that figure to Congress in an unclassified form.

No longer would we be operating in darkness. For the first time we would have hard budgetary facts. Granted, it would only be one figure each year, but that is enough to tell us the relative size of that budget.

At present, we do not know if the national intelligence program budget is $1 billion of $10 billion. We do not know if it went up 200 percent this year, or went down 10 percent. We simply do not know and the consequence of our ignorance is twofold.

First, the intelligence community escapes effective congressional control.

Second, Congress is systematically deceived as to the size of other civilian budgets.

How does that come about?

It comes about because the intelligence budgets, particularly the CIA, are hidden in other budgets that pass through the legislative process. There is intelligence money in this bill before us today.

I don't know how much. Only the Oversight Committee members know that. There are funds in other budgets. It is quite possible that even some of the chairmen of these subcommittees do not know that their budgets contain intelligence funds.

The authority for this sleight of hand resides in the Central Intelligence Act of 1949, section 6 (50 USC 403f).

Section 6 states that the CIA is authorized to transfer to and receive from other Government agencies any money approved by the Bureau of the Budget authorized under the National Security Act of 1947.

According to the Office of Management and Budget, the transfer of funds to CIA under section 6 of the CIA Act is accomplished by the issuance of Treasury documents routinely used for the transfer of funds from one Government agency to another. The amount and timing of these transfers are approved by OMB.

The funds approved for transfer to CIA by OMB are limited to amounts notified to OMB by the chairmen of the Senate and House Appropriations Committees. The specific appropriations accounts from which the funds will be transferred are also determined by this process. Obligations after the transfer are further controlled by OMB through the apportionment process.

In other words, only two men in the entire Congress of the United States control the process by which the CIA is funded.

Mr. President, I ask unanimous consent that my correspondence with Roy L. Ash, Director of OMB be printed in the RECORD. There is an error in Mr. Ash's reply that should be noted. Where the letter refers to section 5, it should read section 6.

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

(See exhibit 2.)

Mr. PROXMIRE. As chairman of the HUD, Space, Science, Veterans Appropriations Subcommittee, I became interested in whether or not there were intelligence funds in my $21 billion budget. I checked with OMB and was told that except for possible Economy Act transactions, no funds have been transferred to the CIA from any of the agencies falling under the jurisdiction of the HUD, Space, Science, Veterans and Independent Agencies Subcommittee. I urge other subcommittee and committee chairmen to make the same inquiries.

THE SECURITY ISSUE

This sleight of hand aside, the major question each of us has to answer before voting on this amendment is "Will the public release of this aggregate budget in any way compromise our national security?" If it can be shown that it will not, then this amendment should be passed.

I intend to show that it will not compromise our security, in any way.

First, let us apply a little common sense to the problem of security. Would anyone charge that the Senate Armed Services Committee is endangering our national security by publishing the total amount of the Defense budget? Would anyone claim that the Secretary of Defense and the Joint Chiefs of Staff have violated security when they testify before Congress in open session and when they peak across the country and use the total amount of the defense budget in public?

Of course not. That would be utterly ridiculous. The total amount of the budget is not a security problem.

But we go much further than that. We lay out that budget in great detail. We break it down by component and by function. We then talk about each individual weapon. When will it be ready? How much will it cost? What does it look like in a technical sense?

Of course, this detailed information is valuable to the U.S.S.R. But long ago, a decision was made that in our open society it was better to know the facts and ride herd on the Defense Department than to accept the intangible fear of enemy knowledge.

In fact, many American strategists have argued that the size of the U.S. military budget and the characteristics of our overwhelming nuclear force should be made public in order to reinforce the psychology of deterrence. The enemy will not be deterred unless he truly believes the United States has these weapons.

The same goes for the intelligence budget. It is a form of deterrence for the potential adversary to know that we will continue to spend sizeable funds for intelligence. They will be less inclined to spring some surprise.

Of course it should be quickly said that the only figure we would be releasing is the single number representing the combined intelligence budget. Not a breakdown. Just the overall figure.

Now just what would this tell our adversaries? They would not know if it all went to the CIA, or DIA. Whether the NSA spent most of the money, or the Air Force.

How about yearly fluctuations? Say for example, that the budget went up 10 percent in 1 year. What would they conclude? That manpower was more expensive? That the CIA was spending more for Laos? That the DIA had bought a new computer division? That NSA was hiring more people? They would know nothing.

Listen to what former CIA Director James R. Schlesinger told Senator HARRY F. BYRD, JR., during his confirmation hearings for Secretary of Defense:

> I think it (speaking of releasing selected intelligence budget data) might be an acceptable procedure, Senator, to indicate the total figure of the national intelligence programs. I would not personally advocate it, but it may be an acceptable procedure . . . There is the feeling that it might be wise to give the gross figure. I have come to share that feeling at least in this time frame, but that does not say that is not a possibility.

Senator BYRD specifically asked:

> There would be no security reasons why it should not be done?

Dr. Schlesinger replied:

> For the gross figure, I think that the security concerns are minimal. The component figures, I would be more concerned about but for the gross national intelligence program figures I think we could live with that on a security basis, yes.

Remember that this was the Director of Central Intelligence testifying, the man who then was the CIA Director. He is now the Secretary of Defense. This is exactly what the amendment before the Senate provides.

When the same question was put to William E. Colby during his confirmation hearings to be Director of Central Intelligence, he replied:

> I would propose to leave that question, Mr. Chairman, in the hands of the Congress to decide . . . We are not going to run the kind of intelligence service that other countries run. We are going to run one in the American society, and the American constitutional structure, and I can see that there may be a requirement to expose to the American people a great deal more than might be convenient from the narrow intelligence point of view.

Mr. Colby's two points should be kept in mind. First, he left it up to Congress. Second, he said we have to run our intelligence agencies in a democratic environment. Both of these points argue for supporting this amendment.

After he was confirmed, Mr. Colby started having a change of heart. It is interesting to note how opinions change during and after confirmation hearings.

Now Mr. Colby argues against releasing even the aggregate total of the intelligence community budget.

During the confirmation, he said,

> I would favor a greater degree of exposure of what we are doing (p. 18).

Now he says he does not think it would be a good idea.

Mr. Colby further explained why he opposes such a course of action. Quoting from a February 22, letter, Mr. Colby says:

> I am still concerned that public disclosure of total intelligence figures on an annual basis would lead to pressures for further public explanation of the programs for which monies were appropriated.

That is the real reason for not releasing the budget. It will allow Congress to start doing its job. Questions will be asked. There will be pressure on the oversight committees to very closely review that budget and justify it thoroughly, so that they in turn could come back to Congress and say we are getting our money's worth.

There is something very healthy about responding to public pressure—even for the intelligence community.

The question must be asked of every person who says that the release of this total budget will endanger national security. How will it do so? Why did Secretary Schlesinger say it would not? Give some examples, hypothetical if desired of how such disclosure would work against us. How is the total intelligence budget figure different from the total military budget? Is it more important than a $100 billion defense budget? Are the Armed Services Committees violating security by reviewing the Defense budget in public?

These questions need answering by those that support continued secrecy of the intelligence budget.

I hope answers are forthcoming.

Mr. President, this amendment is the most restrained attempt to introduce fiscal integrity to the intelligence community. It is written to take into consideration the possibility of security problems. It only calls for the release of the total figure.

It is time we found out just how large that budget is. It will not impinge on security considerations.

It is a long overdue step toward reasserting the right of Congress to inquire into the money it appropriates. We have operated in the dark too long.

I invite attention, Mr. President, to the fact that the Senate Select Committee on Secret and Confidential Documents, the cochairmen of which were the majority leader and the minority leader, Senators MANSFIELD and HUGH SCOTT, made the recommendation which is embodied in the amendment I am presenting to the Senate today and on which we will vote a little later.

I hope that the Members of the Senate will recognize that this is a matter that has been studied by the select committee; that they did make this recommendation; that the present Secretary of Defense, who was formerly Director, and the present CIA Director, when his nomination was being confirmed—both at the time of the confirmation of their nominations—indicated that the damage, if any, would be minimal and that they saw strong arguments in favor of releasing the total figure. They could live with that, provided there was no breakdown of the components.

Mr. President, I reserve the remainder of my time, and I yield the floor.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., April 8, 1974.

Hon. ROY M. ASH,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. ASH: Under the authority of the 1949 Central Intelligence Agency Act, the CIA is authorized to transfer funds to and receive funds from other Government agencies subject to the approval of your office. This authority is granted without regard to other provisions of law.

Would you please provide answers to the following questions dealing with this practice.

1. Is there any other authority for this transfer or receipt of funds other than in the 1949 CIA Act, Section 6? If so, where?

2. As Chairman of the HUD, Space, Science, Veterans and Independent Agencies Subcommittee of the Senate Appropriations Committee, I request you to make known to me if any of the funds appropriated under my jurisdiction have been transferred to or expended by or on behalf of the CIA?

3. Will you please describe the process by which funds are transferred from one appropriation account to use by the CIA?

4. What members of Congress are made aware of this practice in terms of the actual flow of funds?

5. What restrictions are placed on this transfer or expenditure of funds?

6. Why cannot the CIA budget be funded in a single appropriations bill?

I would appreciate an early answer to these questions since hearings are currently in progress.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 29, 1974.

Hon. WILLIAM PROXMIRE,
Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: This responds to your letter of April 8, 1974, in which you pose several questions regarding the funding of the Central Intelligence Agency.

As you know, extraordinary measures have been taken by both the Congress and the executive branch to protect the sensitive foreign intelligence operations in which the CIA engages. With respect to the budget, information relating to CIA's funding has been classified by the Director of Central Intelligence in order to assure that this sensitive information might not be made available to any foreign government. Nevertheless, the Office of Management and Budget exercises its responsibility to review CIA funding in the same detail that it reviews the budget requests of any other executive branch agency. The specific amounts of the agency's approved appropriation request and the identification of the appropriation estimates in the President's annual Budget, within which these amounts are included, are formally provided by the Director of OMB to the Chairmen of the Senate and House Appropriations Committees; similarly, the Director is informed by them of the determination of the CIA budget, and OMB approval of the transfer of funds to CIA is based upon this decision.

Within the limits of this arrangement made necessary by security requirements, I wish to respond fully to the questions raised in your letter.

1. The authority under which OMB approves the transfer of funds to CIA for its approved budget is Section 5 of the CIA Act of 1949 (50 USC 403f). To our knowledge, no other authority is now or ever has been used by OMB for this purpose. As in the case of other executive agencies, CIA receives other funds under provisions of the so-called Economy Act (31 USC 686), which permits the purchase of supplies or services by one agency from another when it is more economical to do so. The magnitude of these transactions is reported to the appropriate committees and to OMB, but no formal OMB approval is required.

2. Except for possible Economy Act transactions, no funds have been transferred to the CIA from any of the agencies falling under the jurisdiction of the HUD, Space, Science, Veterans and Independent Agencies Subcommittee of the Senate Appropriations Committee.

3. The transfer of funds to CIA under Section 5 of the CIA Act is accomplished by the issuance of Treasury documents routinely used for the transfer of funds from one government agency to another. The amount and timing of these transfers, pursuant to that Act, are approved by OMB.

4. Information concerning the transfer of these funds to CIA is available to members of the Senate and House Armed Services and Appropriations Subcommittees concerned with CIA matters.

5. Under established procedures, funds approved by OMB for transfer to CIA are limited to amounts notified to OMB by the Chairmen of the Senate and House Appropriations Committees. The specific appropriation accounts from which the funds will be transferred are also determined by this process. Obligations by CIA, subsequent to the transfer, are further controlled by OMB through the apportionment process.

6. The funding of CIA through a single publicly identifiable appropriation could result in the disclosure of information detrimental to the agency's sensitive foreign intelligence operations, as I understand the Director of Central Intelligence has indicated to members of the Congress on several occasions.

I trust that the above information is responsive to your needs.

Sincerely,

ROY L. ASH,
Director.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. On whose time?

Mr. THURMOND. The time to be equally divided between both sides.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Who yields time?

Mr. PASTORE. Mr. President, will the Senator yield me 5 or 10 minutes?

Mr. STENNIS. I yield 10 minutes to the Senator.

Mr. PASTORE. Mr. President, what I have to say will not take 10 minutes.

I must recognize the sincerity and the motive—I might say the noble motive—on the part of the sponsors of this amendment and what they are trying to accomplish. As a matter of fact, I do not think any matter has disturbed Members who are charged with this responsibility more than this matter, with respect to the ramifications and the complexities that are involved in this kind of situation.

I would pray for the day in this world when nations could live as neighbors, when people could live as brothers, when we would not have to have an atomic bomb or a missile or a nuclear submarine, that we could live in peace and tranquility, and that we would not even need a Central Intelligence Agency.

But the world is not made that way. The history within my lifetime has proved pretty much that unless a nation is on its guard, as we had to be in 1962 at the time of the Cuban crisis, it could lose its birthright.

Now, what are we talking about here? We are talking about the Central Intelligence Agency. I have been connected with the Joint Committee on Atomic Energy almost as long as I have been in the Senate. Day in and day out we sit behind closed doors in a room that has been debugged because of what is told, what is given to the committee, and what is listened to. Only the members of that committee are privy to what goes on, except, of course, that the courtesy is rendered on a need-to-know basis to Members of Congress if they make a request that they need to know. The same goes for the Central Intelligence Agency. I daresay if any Senator really wants to know how much we spend for intelligence, he could find out. But then they would have to reveal what they spend it for. They might not be able to publish the information, and why should they? What would it accomplish?

I do not know the men and women up in that Press Gallery. For all I know, there may be a newspaperman there from Moscow. We live in a free society, and what we say on the floor of the Senate goes all over the world. It is a public record. That is the way we live. We are an open society. If we tell the Russians what they have to know, will they tell us what they have? I will eat anyone's hat on the Capitol steps if that happens.

Do Senators know what Khrushchev said when he came here and met with Mr. Dulles, of the Central Intelligence Agency, for the first time? He said, "You know, your country and my country could save a lot of money if we could get together." Do Senators know what he meant by that? He meant by that that they are spying on us and we have to spy on them. That can be said publicly, because that is what this is all about. We have to know what they are doing, so we can know what we have to do in order to guarantee the security of our own country.

So we cannot come out here and tell the whole world, "We spent $1 billion or $2 billion for the Central Intelligence Agency." What does that mean to anyone else, except that perhaps some people think they are spending too much. And the minute the question is asked where they are spending it we are in serious trouble.

So what happens to your children and my children, Mr President? What happens to you when you go home tonight? What happens tomorrow? What happens to the security of our country? Can we afford to tell them? Oh yes, I would like to tell the public everything it is possible to tell them. I believe in that. I have been in public life continually for 40 years. I believe in the right of the public to know. But I certainly would not come to the floor of the Senate and tell you, Mr. President, how to put together an atom bomb. I would not tell you that. I would not tell you how far our nuclear subs are able to travel; I would not tell you how we can detect an enemy sub; and I would not tell you how they might detect ours. I would not tell you that. Why would I not tell you that? I would not tell you that because the minute I told you that I would jeopardize the future of your children.

I do not relish the responsibility on this ad hoc committee. I happen to be on it. We sit there for hours and hours, day in and day out. It is not a pleasant job, but it is a job that was assigned to me and I have to do it. If anyone wants my job on that particular committee I will give it to him tomorrow. But it has been assigned to me and I have to do it.

I repeat again that I realize the motive behind this measure. I think a lot of people are a little disturbed over some things that CIA has done. That needs to be investigated, and that is our job, and we are doing it every day.

But as the Senator from Minnesota has said on this floor a hundred times: Please do not throw out the baby with the bath water. That is the point. In our attempt to catch that one mouse, are we going to burn down the barn? We cannot and must not burn down the barn. So we come out here and say, "This is the amount of money we are spending." Very well; after it has been said, then what? Someone else says, "You are spending too much." In order to prove that too much is not being spent, statements have to be made as to where it is being spent, what we are doing. The big

question is, Can we afford to tell them what we are doing?

I have been in many committee meetings—the Joint Committee on Atomic Energy, the Committee on Appropriations, and on the ad hoc committee to which I referred—where they show us the evidence they have. But they do not disclose how they spend money to provide this information. Once the Russians, or even the Chinese Communists find out our national security can be damaged. And it is just to satisfy a little bit of an emotional rebellion that is justified on the grounds that an agency has made some mistakes. Can we throw away the security of the country? That is what it means to me.

I have sat down with the Senator from Wisconsin (Mr. PROXMIRE), the Senator from California (Mr. CRANSTON), to find a solution, and I have sat down with Mr. Colby, who is a great American. He said, "Please do not do this. If you want to make my job easier, please do not do this." I cannot sit there after that admonition and exhortation and turn around and say, "Mr. Colby, I do not believe what you have to say." If I believed that for 1 minute, I would say, "You ought to give up your job."

I know the CIA got mixed up in Vietnam. Many got mixed up in Vietnam. I condemned it.

Do not forget, I was Governor of my State when the bomb fell on Hiroshima on August 6, 1945. A few days after that a second atomic bomb fell on Nagasaki. Frankly, I have not slept so well since then thinking about the horror that can be visited upon mankind if this thing ever lets go. I would hope that the CIA is not a provocative agency but a protective agency; that it is there to protect American security and the American people. The minute we disbelieve that we should do away with it entirely.

I repeat again that as long as we live in this kind of a world, where tomorrow we do not know where we will be, where the Russians now are trying to achieve parity with us; where we have been told categorically, without any question of doubt, that what they are doing is because they do not want to suffer the humiliation of Cuba again—that is what this is all about, and that is why they are coming along, hell bent for election, augmenting their military strength.

Look at the deal we made on SALT I. They can have over 60 missile firing nuclear subs; we have only a little more than 40 of this type of submarine. They have about 1,700 land-based missiles; we have slightly over 1,000.

When anyone stands up and says to me, "Oh, they are not going so fast," that person is not going to the briefings. One does not find that information on the floor of the Senate. He has to go to the secret briefings. There one sees the statistics, the facts. I can tell Senators that after they have done so they will be frightened as to what could happen to this world if one act of madness lets this thing go off.

And so I say to my distinguished colleague from Wisconsin, and all those who agree with him, I sympathize with his feeling. I realize the fact that the CIA has done some things wrong—perhaps too many things wrong—but let us correct it. Let us put the brakes on. Let us admonish the committee that is in charge to do its job. But in the name of truth, in the name of protecting this Nation against an assault, in the name of protecting the American people and their future, let us rely on the special committees that do their job, and if any Member of the Senate really wants to find out what the total amount is, I think in private he should be told.

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

Mr. PASTORE. I yield.

Mr. HUMPHREY. Mr. President, I rise to commend the Senator from Rhode Island and to associate myself fully with his comments. The Senator pointed out very properly that the Central Intelligence Agency has in the past engaged in activities that have been looked upon by certain Members of the Congress as undesirable; but I want to make it clear that every one of those activities had been ordered by a President. The Central Intelligence Agency does not just engage in activities for the love of work. I know that the Central Intelligence Agency, during the Kennedy years and the Johnson years, was engaged in activities in Laos——

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. THURMOND. Mr. President, I yield such time as the Senator may require.

Mr. PASTORE. Five more minutes.

Mr. HUMPHREY. There were Members of Congress who knew full well what we were doing, but at the time we thought we were doing the right thing. Hindsight is so marvelous, is it not? We see so much better after the fact.

Mr. President, the Central Intelligence Agency is possibly the most important agency in this Government. By and large, it is made up of people who are competent, able, and who have served this country well and faithfully. To be sure, there are times when it has engaged in activities, as we have said, that are looked upon with suspicion; but I think it would be folly for us to publicize all of its activities, to publicize the amounts it receives, particularly when there are ways and means within this body and within the other body of Congress to supervise it and to keep a check rein upon it.

The Soviet Union does not tell us what they spend in intelligence, or even in subversion, and they are not about ready to. The only way we have any chance of knowing what they are doing is through agencies like the Central Intelligence Agency—not alone, but that agency is, without a doubt, the prime instrument of this Government for the gathering of intelligence.

I was visiting earlier here with our distinguished friend and colleague from Washington—and I know this to be a fact, of course—and discussed the fact that there is only one person in the British Government who knows who the director of intelligence is and to whom that director reports—just one, and that is the Prime Minister. In most countries that is the case. In the Republic of France and in the Federal Republic of Germany it is the case.

Presently we are on a binge in this country about every aspect of government. Everything is suspect. Well, Mr. President, you have got to call a halt to something. You cannot just start to dismantle the structure because of the transgressions, or alleged transgressions, of a few.

I think that the Senator from Rhode Island stated it so succinctly and so effectively that all I can do is just add my amen to it; but I had the privilege of serving on the National Security Council, and I want to tell my colleagues that the Central Intelligence Agency was the most accurate and effective instrument of Government for that council. Its reports were most accurate, and had we followed the advice of the Central Intelligence Agency in many areas, we would have been better off, but at least it was there.

I know the Senator from Wisconsin is going to say he is not going to interfere with them, and that is true, but the figure will be out there, and right away there will be some of my political persuasion, who are labeled "liberals," who are going to say, "Well, look at how much money they are spending on spying. Look at how much money they are spending on gathering information which is unnecessary. Look at what they are going to do on counterfore activities or clandestine military activities."

If the Congress does not want it to engage in clandestine activities, all it has to do is legislate it—they will obey the law. But the trouble around here is that we like to put the blame on a lot of other people when we do not have the guts to legislate what we ought to be legislating.

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

Mr. HUMPHREY. I yield

Mr. PASTORE. Talking about the amendment, it sounds so harmless to say, "All we want is the overall figure."

When we discussed this with Mr. Colby and asked him, "What is wrong with the overall figure?" he told us, "There is a lot wrong with it, because if you choose to cut the figure down at some time, privately and secretly, and I have to live with it, nobody knows what is done, but if you do it publicly, then the Russians and the Chinese Communist will know we are doing less, and that might let them become more audacious. They might think we are letting our guard down. It will have repercussions."

This came from the lips of an expert in the area, and it makes sense.

If I thought giving the overall figure would be the answer to our problems, I would go along with it, because, after all, it could be argued, "Well, we are not giving the details," but, as the expert said, if we give the overall figure, what does it mean? If anybody thinks we are spending too much, he will want to know where we are spending it. If we are spending too little, he will want to know what we are doing. These are not matters that we can discuss before the public for the public.

It does not make any difference to me personally. I am interested in my family. I am interested in my grandchildren. I want them to live in a safe country. I do

not want them to live in an unsafe country. Other than that, I do not relish the job; I am not trying to keep this away from the American people. I am concerned and interested because that is the only way we can behave in a crazy world, and it is a crazy world.

Mr. HUMPHREY. And it is going to continue that way for some time, regrettably.

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

Mr. PASTORE. I yield.

Mr. JACKSON. And what if the following year the CIA found it necessary to ask for more money? Then we would have the same problem. They would want to know what they are engaged in now that they were not engaged in in the past. We could not allow the publication of the figures without that sticking out like a sore thumb.

Mr. PASTORE. You cannot win.

Mr. JACKSON. You cannot win either way.

Mr. HUMPHREY. It is a no-win proposition.

Mr. JACKSON. I commend the Senator from Minnesota and the Senator from Rhode Island.

Mr. PROXMIRE. Mr. President, as long as the Senator from Rhode Island and the Senator from Minnesota have the floor, I would like to ask them some questions.

Mr. PASTORE. I yield.

Mr. PROXMIRE. I ask the Senator if it is not true that the amendment does not require the revealing of information or any figure about the CIA, but simply the total national intelligence overall figure, including the CIA, the DIA, the Army and Navy Intelligence, all together. It is not an anti-CIA amendment. What this amendment would do is tell us whether we are spending $1 billion, $5 billion, $10 billion. It would give us some notion of how important this is in terms of resources and would mean we could have some attention given to these agencies, attention we do not have now.

The fact is, as the Senator from Missouri (Mr. SYMINGTON) said, that in 1970 the CIA oversight committee of the Senate Armed Services Committee met twice. In 1971 there were no meetings. In 1972 it met once. When it does meet, what does it accomplish? It does not keep a record. No staff is present. Only Senators are present. We know that without a staff or a transcript, a hearing like that cannot be very useful.

When we have some knowledge of what this amount is, whether it is $6 billion, $7 billion, or $10 billion, we have some interest or pressure on this. Not being on the oversight committee, one would be entitled to ask about it, so one would be inclined to be better informed. It seems to me we will function far better. That is all the amendment is intended to do.

Mr. PASTORE. When the Senator says there is no record kept, that is true, but there is an obvious reason for that. The staff is there. The Senators are there. We sit there for hours, listening, and we have a very minute scrutiny of the items that are presented.

Is the Senator telling me that if the entire figure is revealed, at some time he would not get up on the floor of the Senate and ask how much higher or lower the figures are for this year as compared to last year? Knowing the Senator from Wisconsin, he would be the first in the Senate to do so.

Mr. PROXMIRE. Would that not be good? What would be wrong with that?

Mr. PASTORE. The Senator can reveal what he knows.

Mr. PROXMIRE. I do not have to reveal it. I can ask about it.

Mr. PASTORE. What am I supposed to do? I cannot tell the Senator; so the Senator goes out and says, "Senator PASTORE would not tell me."

Mr. PROXMIRE. No. But the Senator from Rhode Island and other Senators know about it.

Mr. PASTORE. The Senator can find it out privately, but he does not want to find it out privately. He wants to tell the world about it.

Mr. PROXMIRE. I think the world ought to know the overall figures.

Mr. PASTORE. Does the Senator mean Russia should know?

Mr. PROXMIRE. Right.

Mr. PASTORE. My goodness, I quit.

Mr. HUMPHREY. Would the Senator say that it would have been in our national interest in World War II if Franklin Delano Roosevelt had published how much money was invested in the atomic bomb?

Mr. PROXMIRE. Of course not. My amendment would not require it.

Mr. HUMPHREY. I realize whenever we get into any element that is called secrecy here it is suspect. We are dealing with national security, and one has got to trust somebody. We have a way at least of checking here a little bit, and that check is with the ad hoc committee. If that committee does not meet often enough, I suggest we submit an amendment requiring the committee to meet monthly or to meet quarterly for whatever time is necessary. That is what we need to do.

I happen to believe that we need a Joint Committee on National Security in Congress, that is going to have general supervision of the CIA, consisting of the top people of Congress, just as we have a National Security Council.

I proposed it repeatedly. I proposed a Joint Committee on National Security, in which the Members of the Senate and the House of Representatives would have particular responsibility in the field of national security.

But my point is, and I think the Senator from Rhode Island is so right, the minute we publicize all these intelligence figures, the inevitable followthrough is a debate in this body as to what it is for, it will be in every journal and every tabloid. It will be all over. It will not serve the public interest.

If we could get the Soviet Union and the Chinese to walk to the altar with the rest of us, confess our sins, live a pure life, and pledge ourselves to peace and love, then I would let them know everything about what was going on. But, frankly, they will not do it.

I believe in détente. No Senator has worked harder for arms control; no Senator has worked for more open committees. But there is a point where we have to stop, at least in my judgment.

I know the Senator can make a brilliant argument and a moving, emotional argument, that we ought to have all these figures right out in the open, and if we can have assurance that is all we are going to do, that is all it would lead to. Even that would be a risk, but perhaps one that we could take.

But just as surely as we are in this body today debating whether or not we ought to have a release of the figure, next year it will be whether it is too big or too little, and then it will be what is in it. Then when we start to say what is in it, we are going to have to expose exactly what we have been doing in order to gain information; for example, years ago as to where the Soviet Union was building its nuclear subs and the kind of nuclear subs they were. I saw that material in 1965—how far they were along, what their scientific progress was. I do not think it would serve the public interest for all of that information to have been laid out. It would have destroyed our intelligence gathering completely.

I wonder how many Senators realize the unbelievable torture that a number of our Central Intelligence agents go through in order to get information that is vital to the Nation's national security.

It is because I feel this strongly that I make this statement, although it runs counter to much of my so-called ideological philosophy. One advantage I have had—and I am not going to be a partisan around the Senate when it comes to national security—is to sit on the other end of the line. I am here to tell the Senate, that if we start to tinker with the intelligence services of this country, we do it at our peril.

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

Mr. HUMPHREY. Yes, I yield.

Mr. PROXMIRE. Could not the same argument the Senator is making be made with much more force with respect to our Defense budget? We debate on the floor of the Senate, we have open public hearings, we publish a great deal about our missiles, about our submarines, about our most advanced and complex planes. This does give great information to the Soviet Union. I am not asking about anything of that nature with respect to intelligence. This would not even reveal how much we provide for the CIA.

All I am saying is that the taxpayer is entitled to know how much of the billions of dollars he contributes in taxes goes for intelligence operations overall. Then he can, through his Representatives, determine to some extent whether we spend any kind of effort and interest and concern with whether or not that money is wisely spent. That is all the amendment does.

Mr. HUMPHREY. I think I understand fully the Senator's honorable, legitimate purpose. I really am not opposed to that legitimate purpose. The problem is it is sort of like loose string on a ball of twine, so to speak, that starts to unravel. Now, indeed, we tell the whole world about practically everything we are doing. As Gunnar Myrdal, the great Swedish soci-

ologist, once said about the United States:

If you really want to find out what is wrong in America, you don't have to do research; just ask anybody and he will give you a full hour's dissertation.

Mr. PROXMIRE. We have a pretty good system.

Mr. HUMPHREY. Do not misunderstand me.

Mr. PROXMIRE. It works well. It is open and free.

Mr. HUMPHREY. I think this openness is our strength. I think a society has to have that openness. But I think there are some things in family life that are private, that do not aid a good family if one starts exposing it all.

I think there are some things, may I say, in public life called national security, particularly when it comes to intelligence gathering. It is a nasty business, and the Senator knows it and I know it, and, of course, it makes good headlines, it makes good stories; it makes good fiction; it makes good TV. But there is a point, I think, where we have to ask ourselves, "Do I dare go this far," and that is all the Senator from Minnesota is doing.

I really do not intend to get so involved in this debate, but I feel a very deep obligation about this. I think that I owe it to this body to at least tell what my experience has been, even though I had no direct responsibility. I only served as Vice President, but I happen to believe that this agency is so important that we ought to make sure within the confines of Congress that we know what it is doing, and set up the instruments and men we can trust.

We trust one another in this body on the basis of censorship of each other. One thing I plead for in the Senate is more trust rather than our running to get the headlines. More love, more affection in this body; that is what this country really needs today.

What I worry about is that somehow or other we feel we cannot trust each other here. I happen to think—and I use one Senator, the Senator from Rhode Island—who is as much interested in cutting the defense budget as the Senator from Minnesota. I want to see that budget reasonable, and I want to see it trimmed. By the way, the committee did cut it. It cut it so much that some of us who thought we were going to cut it feel that they beat us to it.

It is my judgment that we have got to trust somebody. I think what we are doing here is trusting somebody.

Mr. McCLELLAN. I might say that at the same time we cut the defense budget, we also cut this budget more than we did the defense budget. I will just say that much for the record.

Mr. HUMPHREY. There we are. I believe we have to have some place in this body where there are some of most delicate things involved where we can put our trust. When we find that trust has been violated, we can remove people from those positions.

I do not believe I have any more to add and be redundant. I have participated in this debate because I feel we have got to be very, very careful. I welcome the initiative of the Senator from Wisconsin, because it gives us a chance to really explore what we are doing.

Mr. PROXMIRE. Mr. President, I yield the Senator from Iowa such time as he may require.

Mr. STENNIS. Before he does that, will the Senator yield to me to ask how much time we have remaining, those in opposition to the amendment?

Mr. PROXMIRE. I yield.

The PRESIDING OFFICER. Those in opposition have 54 minutes remaining.

Mr. STENNIS. Fifty-four minutes; what about the proponents?

The PRESIDING OFFICER. The proponents of the amendment have 72 minutes remaining.

Mr. PROXMIRE. Mr. President, I yield the Senator from Iowa such time as he may require.

Mr. HUGHES. I thank the distinguished Senator from Wisconsin.

Mr. President, the distinguished Senator from Minnesota has six guests waiting in the dining room. He has assured me he is not walking out on my dissertation here today. I assure him that he is free to go. I value his friendship and integrity beyond anything he could possibly know.

The debate I have listened to so far seems to carry an implication that this amendment is a threat to the internal workings of the CIA and the intelligence gathering community of America around the world, and thereby a threat to the security of the United States of America.

The amendment is very simple, Mr. President. It would list publicly the ceiling or the total amounts of money spent in the intelligence gathering community.

One of the greatest threats to any country, and particularly a country that has great military strength, is not from the outside or from its foreign enemies, it is from the inside, from secrecy and interior deterioration. The greatest threat of all is when we begin to lose control and not know what is happening, and when we begin to give large sums of money to mechanizations and machines that have no bureaucratic control over them.

The Senator says, trust. Yes, we trust and we love. But we know from reading history that governments have destroyed themselves when they no longer had knowledge of what was happening, and when the interior started breaking down.

I am not half as concerned, in today's world, about the future of America based on exterior threat as I am about what is happening inside this country and what can happen inside this country unless we are completely open, with every ounce of communications we can have with the people of this country. If thereby there is some little risk to the world, with the risks we are already living with, I say it is not too high a price to pay.

What is the role of the CIA? As far as I know, I know nothing. I am a member of the Armed Services Committee, and I know nothing. I could get such information, as the Senator from Minnesota has said, given to me privately. It would be given. But as far as I know, there is no Member of the Senate, no Member of Congress, and no member of the administration, including the President of the United States, who knows precisely and exactly what the CIA is doing in every incident.

We do know they are involved, as the Senator from Minnesota has said, in a nasty business. They are involved in a nasty business in a lot of areas of the world, and that nasty business is supposedly directed at protecting the freedom of the people of this country and our friends in the free world. But no one has the certainty to know precisely what everyone is doing, or even where they are doing it from time to time.

But that is not what we are asking for today. Not at all. All of this debate that I have been listening to, though relevant to the overall intelligence community, which is certainly involved in the security and freedom of the people of the free world, not just in our country but that of the people of other countries, has no relationship to the risk involved in giving the people of this country a glimpse of light in telling them what the total cost is involved in the intelligence activities of this country throughout the world. We do not know that amount, but we do know it is in the billions of dollars.

I listened to the chairman of the Senate Appropriations Committee say he did not even want to know, because he was afraid he might talk in his sleep sometime and thereby disclose it to someone. He made that statement on the floor of the Senate.

Mr. President, we are asking just for a thread of light into what may be not only our greatest source of security, but has the potential to be our greatest threat, without the observation and light and without the security that we ourselves as publicly elected officials can place upon those who have the capacity together with the restraint—and if there is any evidence that we have applied, as elected officials, the responsibility of restraint I am unaware of it. I am not saying there are misdeeds or there are wrongs. I am saying none of us know whether we are right or wrong. If we know, I would like to know it is and how much he knows, even an individual Senator, if he is asked far enough ahead, to know what groundwork is being laid for the capacity to draw the threads of the armaments of this country into entanglements.

We have wrestled for years with the problem of the CIA. We do not know. We are uninformed. The oversight that is done apparently is not carried out either mechanically or intelligently. We have not had the capacity or responsibility to know even when we were given information whether it was right or wrong, or what was happening.

Mr. President, one of the great Senators of our time has been the distinguished Senator from Minnesota. He is, as he called himself, a liberal, who has said, "Let us show the public everything, let us give them all the information."

I respect his debate today in saying the public should not have this information, that it is a threat to our security. But, Mr. President, I leave this thought with the Members of the Sen-

ate: The greatest threat to the security of this Nation is the secrecy that we ourselves place on these events. It will be from the inside, not from the outside.

We talk about the numbers of missiles, we talk about the numbers of warheads, we talk about the numbers of submarines, we talk about the numbers of airplanes, and all of these things; but when each can destroy the Earth, then how much is enough?

The threat will come from losing control on the inside. If maintaining that control requires an ounce of risk, then I think we should be prepared to take that ounce of risk in at least letting us see publicly and the people see publicly whether we are spending $3 billion, $7 billion, or $90 billion, and how we are concealing it and hiding it, and if we are protecting ourselves from the inside as well as from the outside.

I think that ounce of risk, if it exists, is worth taking, and I thank the distinguished Senator from Wisconsin for yielding.

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

Mr. HUGHES. I yield.

Mr. HUMPHREY. Mr. President, I respect this good man the Senator from Iowa, who is one of the great men of the Senate, a great spirit and a great inspiration to me, and I really regret that on occasions like this one has to disagree with a friend so dear and precious, but I want to say to the Senator that while this argument is moving and I think filled with much truth, we can control any possibility of secrecy or of coverup by establishing within the instruments of the Congress the necessary machinery for the supervision of the Central Intelligence Agency.

We have executive sessions in this Congress. We have them in the Foreign Relations Committee and we have them in the Armed Services Committee, and we do not permit those executive sessions to become public. Maybe that is a mistake. But I, over long years of service here, have felt that some of these sessions are necessary.

I feel there is a tendency to try to make too much secret and too much executive. This is why I have proposed that we have a joint committee on national security of the House of Representatives and the Senate. We have an ad hoc committee on this matter of the intelligence operations of our Government, and on that ad hoc committee serve some of the finest Members of this body. I know what good men they are. I am confident that they are as concerned about the security of this country inside and outside as any of us. I find them philosophically the kind of Senators who would be able to cross-examine anyone. And while I cannot help but agree with the Senator from Iowa that one of our great threats is from within, particularly from the moral erosion that is taking place in our society, not only now but over the years, I do not underestimate the threat from without.

Furthermore, good intelligence permits us to do a better job in terms of our national security expenditures and operations, not necessarily increasing them but reducing them, and I believe I heard today from the chairman of the Committee on Appropriations that the funds for intelligence operations have been reduced.

I happen to believe that we have the power in Congress to set up whatever kind of method or supervisory system we need so that we do not let the executive branch run rampant. But, under our system, we put a great deal of trust and faith in the President. I know that this is a difficult time to discuss that, because of the events of recent months, but I do say to you, Mr. President, that we have a man in that high office, the President of the United States, who has the prime responsibility for these requirements of intelligence and national security and if we do not have the right man there, then it is our fault, because we elected him.

We can establish all kinds of systems, elections, and campaign reform, and say that we do a better job, but I happen to believe that we should proceed with great caution when it comes to this business of, really, opening up and exposing, because I think of what would be the inevitable result of our intelligence operations.

Mr. President, I regret to have to say this, because I would like very much from my own political point of view to say to the contrary, but from the point of view of my conscience, I speak as did the Senator from Iowa. Is it not a wonderful thing in this body that two of us can believe so differently and can be as sincere in our point of view?

I greatly respect the Senator from Iowa, and if his point of view prevails, I think it will prevail in large measure because of our great respect for him.

Mr. HUGHES. I thank the distinguished Senator from Minnesota. I am ready, willing, and I hope able to join him, and I hope the chairmen of all of the committees, to find out what they are doing. This would be the appropriate moment, the time, and the day to find out. Let us make sure, instead of an ad hoc oversight or a minimum oversight, that there is some sort of bearing and adequate responsibility on that oversight and in carrying it out. Although we do not have enough time, I agree that an occasional session here is useful so that the youngest and the newest Members can get available information in relation to these activities so that they would know something about them.

Again, I say that this is no risk compared to the risk of darkness. A little bit of light at this moment might help us all in the years to follow.

Mr. PROXMIRE. I want to commend the distinguished Senator from Iowa (Mr. HUGHES). He has hit the target exacly on this issue. The greatest danger we face is from within, I agree. We have seen what has happened to the intelligence community. But I want to tell the Senator from Iowa that I tried to get the most practical and limiting amendment that I could get. I discussed the amendment recommended by the majority and minority leaders, written to the chairman of the Appropriations Committee, and it was agreed, after a study by the Senate Select Committee on Secret and Confidential Documents, that the Senate should be provided with all of the information requested for intelligence. They believed that the release of this limited information would be useful to the Senate in maintaining the necessary support for intelligence operations. All I do is provide the overall figures. The committee consists of Senators MANSFIELD, PASTORE, HUGHES, CLARK, GRAVEL, JAVITS, HATFIELD, GURNEY, and COOK. Their report recommended this procedure. That is all. It certainly does not go so far as breaking it down as to what the CIA and the DIA spend. The leaders concluded that if we get this overall information, we will be in a better position to discharge our duties and responsibilities to the people.

Mr. President, I reserve the remainder of my time and I yield the floor.

Mr. STENNIS. Mr. President, I yield 8 minutes to the Senator from Arkansas (Mr. MCCLELLAN).

The PRESIDING OFFICER (Mr. HASKELL). The Senator from Arkansas is recognized for 8 minutes.

Mr. MCCLELLAN. Mr. President, I am reluctant to speak on this issue, because of the position I occupy as chairman of the Appropriations Subcommittee on Intelligence Operations. By reason of that position as chairman of that subcommittee, I have the duty of oversight over the CIA.

I am reluctant to speak on these matters because—I do not relish nor do I cherish nor do I take pride in the fact—that I may have access to information that I cannot share with my colleagues. I would wish it were practical. I wish it were a proper thing to do—to disclose every bit of information that I have been able to obtain from time to time respecting the activities of the CIA, what it does, its methods of procuring information, how it spends its money, and the results that it achieves. I would prefer to do that. The subcommittees who have this responsibility are ad hoc committees of the Appropriations Committees and the Armed Services Committees of both the Senate and House. We are instrumentalities of the Senate, of the Congress, and so created where we are serving as your agent, as your tool, to achieve the supervision that is possible and necessary. We are charged with the responsibility to see that this work is carried on, and to recommend the proper appropriations therefor.

If these subcommittees—and there are 22 members on them. Ten are from the Senate—five are from the Appropriations Committee and five are from the Armed Services Committee, who are privy to this information that is withheld for security reasons from the public. The committee members are:

INTELLIGENCE SUBCOMMITTEES

Senate Appropriations: McClellan, Stennis, Pastore, Young, and Hruska.

Senate Armed Services: Stennis, Symington, Jackson, Thurmond, and Dominick.

Mr. President, there are 12 members of the Armed Services Committee and the Appropriations Committee of the House of Representatives. The House Committee members are:

House Appropriations: Mahon, Whitten, Sikes, Minshall, and Cederberg.

House Armed Services: Nedzi, Hébert, Price, Fisher, Bray, Arends, and Bob Wilson.

Mr. President, as I have pointed out, we are servants of this body and of the House. If it is desired that this matter be not handled this way, the Senate should recommend a change in the law and a joint supervisory committee be created. I will support it. I will welcome it. I do not care.

But, let us bear in mind that if we are to have a security intelligence agency, we cannot have it with national publicity on what it does, how it does it, and how much it spends here, or how much it spends there.

I was intrigued by the statement of the Senator from Wisconsin when he said, "Let us end this ignorance."

All right. How much is ignorance?

First, the total amount. You want to end that ignorance? That is when you intend to put the camel's nose under the tent. That is the beginning. That is the wedge. You say you do not want to know all the details on how the money is spent. But if you get the overall figures of $1 billion or half a billion dollars or $5 billion, or whatever, then how are you going to know, how can you evaluate, how can you judge or make an intelligent judgment on whether that is too much or too little, whether it is being expended wisely or unwisely, except when you can get the details?

How? You cannot know. And if you receive these figures and if you end this ignorance as to the total amount, next, you will want to end the ignorance as to the different agencies and how it is spent, and through whom it is spent. Next, you will want to end the ignorance on what it is spent for. Next, you want to end the ignorance of how that intelligence is procured. There is no end to it. We take a choice. If you vote this way, the Senate takes the responsibility. It is no embarrassment to me or to any other member of this committee. If this is the way the Senate wants to do it, that is its responsibility.

The national security of this country also is the Senate's responsibility. If this is the way the Senate wants to do it, very well. But let me say this: By ending the ignorance that the Senator speaks of, that can be pursued logically to the point that this will not be the end of it. It will go on from here.

"Ignorance" is a harsh word. We have to be ignorant of many things in Government. If Government is going to function in the area of national security, we cannot be informed at all times about everything that is going on. We often inform our enemies of too much—and they can take advantage of it.

If you are going to end all their alleged ignorance, you are going to end national security. Where do we stop? If you do not like the ad hoc committees, do what the distinguished Senator from Minnesota has suggested: Create another committee in which you will have confidence. Create another committee; name the people you will trust to oversee.

The PRESIDING OFFICER. The Senator's 8 minutes have expired.

Mr. STENNIS. I yield the Senator 1 additional minute.

Mr. McCLELLAN. Mr. President, this has been a burden to me. I have had Senators in good conscience, in good faith—dedicated, loyal, patriotic Americans—come to me and seek this information. I would like to give it to them. But I am torn between the personal desire to make them acquainted with everything I know—everything I have seen and heard in these hearings—and the duty to help maintain and preserve our national security. A security that will be effective and can be useful and can serve to protect the welfare of our country. I have to make that choice.

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

Mr. McCLELLAN. I will yield, but first I should like to make one other comment.

I think I can go this far. For the past 5 years, we have held extensive hearings on these requests for appropriations. It has been more than adequate supervision with respect to expenditures; I can say that. It has been on the conservative side, I may say to the Senator, without any reservation whatever.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. STENNIS. I yield the Senator 1 additional minute.

Mr. McCLELLAN. We cut the national defense budget. We cut this more percentagewise.

The issue can simply be stated. Do we want to publicly disclose these figures? Or do we want some other change, some other committee to try to perform these functions? I am willing to abide by the decision of the Senate.

Mr. PROXMIRE. Mr. President, will the Senator yield on my time?

Mr. McCLELLAN. I yield.

Mr. PROXMIRE. I yield myself 2 minutes, Mr. President, to ask the distinguished Senator from Arkansas a question.

On November 15, the majority and minority leaders wrote the Senator from Arkansas, asking that he release all overall intelligence information of the kind called for in the amendment. The response of the distinguished Senator from Arkansas, on November 20, is as follows:

I have your letter of November 15 and want you to know that I intend to comply, as fully as possible, with the recommendation of the Senate Select Committee on Secret and Confidential Documents to provide the Senate with the over-all sums requested for each of the various intelligence agencies.

What was the intention of the Senator from Arkansas? Is his intention the same now, or has he changed his mind?

Mr. McCLELLAN. It was my intention and it would be my intention now, to release those figures if it would not jeopardize our national security. I do not want to withhold them. I would like to give the Senator everything I know. But this is not my responsibility. I am not the committee. I would have no right to come here and spread these matters on the floor of the Senate without the approval of the committee.

Mr. PROXMIRE. The Senator is absolutely right.

Mr. McCLELLAN. It would not be right for me to do that. But I wish it were possible and consistent with the best interests of our country to disclose these figures on the front pages of the press, on television and radio, so that everybody would know. I believe, however, that the Senator agrees with me that that would be a bad mistake. I think it is a mistake to start the public disclosing of these matters. If you do not like the setup, change the setup, but we must protect our national security.

Mr. PROXMIRE. I say to the Senator from Arkansas that I wholeheartedly agree that the Senator is absolutely right to come and ask for the Senate's decision on this.

As I understand the Senator's response, at one time he thought that he could release this if the Senate would approve; but he has had second thoughts on it, and now he feels that it might not serve the interests of the country to disclose this information at the present time.

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

Mr. PROXMIRE. I yield.

Mr. McCLELLAN. We had Mr. Colby in and discussed this matter. I asked Mr. Colby to come down, and I asked the Senator from Wisconsin and the Senator from California to come in and interrogate him and visit with him about these things. I have done everything I possibly can to try to find an answer to this problem. But I do not know the answer. We either have to do it or not do it.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I should like to make one other statement.

The Senator from Arkansas has argued, as do other Senators, that the release of this information, the overall total information, is going to be of some value to the Soviet Union, but of no value to us. That does not make any sense at all to me. It may or may not be of any value to the Soviet Union. Frankly, I think it will be of none. There is no way the Soviet Union can interpret whether our overall figure indicates what we are doing within our intelligence committee. Suppose we decrease the amount we are spending. That may mean that our satellites are more effective. That may mean we have found methods that are more efficient in gathering intelligence than relying on manpower. If we increase the amount we are spending, it may mean the reverse. It may not mean that we are making a greater intelligence effort.

What this does is to alert the Senate of the United States—it alerts Members of Congress—so that they, in turn, can get the information they should have if they feel that a disproportionate amount is being devoted to the intelligence community—as to whether they feel it is too much or too little.

As the letter from Senator HUGH SCOTT and Senator MANSFIELD pointed out, the purpose of this is to maintain the necessary support for our intelligence operations, not to tear them down. Not to diminish our effort, but so that we can reinforce it and do so wisely and intelligently.

One more point. With all the debate we have heard—and I challenge the dis-

tinguished Senators who have yet to speak in opposition to the amendment—I have not heard one, single, solitary, real, hypothetical, or imaginary example of how any damage is going to be done to the United States of America. How is this information going to be used against us? I have heard nothing on that score. I have heard generalizations as to what might happen if we were to release information not called for by this amendment. That does not make any sense. Because we provide the overall total figure for intelligence does not mean we are going to tell anything about the CIA.

My point is that if this amendment is wrong, the burden of proof certainly is on those who would say it is wrong; because what we are doing is simply providing the taxpayers what they are entitled to know, information on where their money goes. If we are not going to disclose this, the burden of proof certainly should be on the side of those who say we should insist on secrecy and not provide disclosure.

So I say that proof has been lacking and I see no examples at all of any damage this could do.

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

Mr. STENNIS. Mr. President, how much time remains in opposition to the amendment?

The PRESIDING OFFICER. The opposition has 45 minutes remaining.

Mr. STENNIS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I have said in this Chamber before and I repeat now that it is not fun being on this committee that looks into the money that goes into intelligence. I say that after years of service on the Committee on Armed Services and the last 5 years as chairman of that committee.

This idea of not having had any surveillance and Congress having failed to go into it, those statements are just unfounded because they are made on facts that have been told to some Senators that are not correct.

I do not like to go into this matter but in the formative days men like former Senator Russell of Georgia, former Senator Ellender of Louisiana, and former Senator Smith of Maine were Members of this body, and they were some of the personalities involved. I have served with them, as has the Senator from North Dakota (Mr. YOUNG), who is still serving. Also the Senator from Arkansas (Mr. MCCLELLAN) is here. He already has spoken.

It is a mistake to say that the Committee on Armed Services in the year 1970–71 held no meetings on this matter. Every item in the CIA budget in those years was gone over by members of the committee and the capable staff members, and checked in and checked out.

I remember that in January of 1973 we had a full briefing before the full committee by the CIA, and the budget committee on the CIA had meetings, and we have had meetings this year, in 1974, that went over the budget; and we had briefings by the CIA direct to our full committee.

But going back over the years, every year this matter has been scrupulously gone into because of the special nature and because we had this extraordinary responsibility. I remember asking Deputy Secretary of Defense Packard when he was here 3 years ago to look into this matter from his viewpoint, and he did that.

Now, we are talking about a good many different groups that are connected with the intelligence effort. The Senator from Wisconsin asked for something specific.

To start with, the Soviets know almost everything about everything we are doing by merely going to the bookstore or to the newsstand. They get all of that laid out before them, almost everything; and we get nothing. Wo do not know anything much about what they are doing. That is what makes it necessary for us to have such a vast intelligence-gathering activity which is worldwide. We have to carry a great deal of the load, the majority of the load for the free world. I am talking about the money load. But we do not have anything to start with. The Soviets have everything, almost.

If they are given this new information then certain deductions could be made about how much of the budget is going for these different activities and the first thing we know calculations are made and they come pretty close to being correct as to how much is spent by the military, how much is spent in the civilian area, how much is spent on satellites, and how much is spent by the CIA itself and where. Following a series of deductions and inferences based on all the information they already have from us, from the newspapers, and from the newsstands, they will be able to make fairly good calculations.

Specifically I wish to point out one matter. Senators remember the incident of the U–2 having been shot down. Remember that landing that was made. We later had that gentleman before our committee. President Eisenhower was President then. He said:

I am to blame if any blame is to be attached.

That U–2 venture saved our Treasury billions and billions of dollars, in my judgment, and I am familiar with the facts. If we had not been carrying on an activity such as that we would have been totally in the dark with respect to what we knew about the extensive missile work, the silos that they had, and a great many other things that could be named. There is a specific illustration.

Some might say, "Go on and develop what is happening now." I cannot do that; I cannot go on. That is one of the things that can be brought out. I have talked to Senators in the cloakroom and largely have satisfied them with respect to the matters we have talked about, with respect to these programs, and this money, and how we hold back the actual dollar amounts for reasons I have already given, and other reasons that could be given. I know this has been a good debate and I have never seen a debate where I was so certain no single speaker was speaking for any agency.

This argument today is not prompted by the CIA. I have not mentioned this matter to the CIA. I do not have one scintilla of line about them, or a telephone call, a meeting, or anything else. Those of us who have been in touch with the problem have a feeling about it. As the Senator from Arkansas said, we are not speaking for a committee, or a department, a director, an employee, or anything else. This is a problem concerning our national security that has jammed us right to the question of national survival. That is why we stand here year after year standing firm on this position. It may sound apologetic, but it is not apologetic. It goes as far as it can to explain to the membership and to the American people the problem we are up against, and how this problem is handled; and, as much as we can, the reason for handling it that way—at the same time showing the proper respect for every Member of this body and for the taxpayer who contributes as much as one thin dime to the cause involved.

Now, what about the CIA itself. The Senator from Wisconsin has offered a valuable amendment with respect to the basic CIA law, and it has been accepted. I commend him highly for the amendment. We had a bill I had introduced in my committee. We have not yet had a chance to have hearings on that bill. There are some of its provisions that I am delighted to see added as a part of this bill. They are relevant and will be helpful.

For many years I, along with other Senators, have gone over every single major item in the CIA budget.

On my responsibility to my colleagues, they in CIA keep a clean house. They have had a conservative operation dollar-wise and have accounted for the money in a splendid way. That has been true without exception. There has been no great spillage of money or great extravagances, and not one bit of scandal or odor of any kind.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. STENNIS. I yield myself 2 more minutes.

In connection with the expenditure of that intelligence money. There are other agencies involved, as we all know. The military services have already been mentioned. The Defense Department itself has a certain intelligence agency attached to it.

So when I say these matters have been gone over, I mean all of it, but our Armed Services Committee is the so-called parent committee of this direct CIA money. I am not here to praise anyone, but I tell you, Mr. President, that moneywise for years and years the CIA has been conservatively operated and has had a firm hand and a clean house and a clean record with reference to the handling of the taxpayers' money.

I hope that in a moment of frustration—and I do not blame any Senator for being frustrated about this—this system is not overturned here on the floor of the Senate on an amendment which, if it becomes law and is carried out, would, as its practical effect, virtually destroy 80 to 90 percent of the effective-

ness of much of our most important work in the field of intelligence.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STENNIS. I yield myself 1 minute more.

I oppose the amendment because it would give our adversary, now and in the future, the working tools, a blueprint, to a degree, of our activities that have already proved to be so valuable and are proving themselves more valuable, in a way, as each year comes and goes.

So I hope the Senate will not only defeat this amendment but, with all due deference to my friend, do so by a large vote. I will be glad to be relieved of my responsibilities in this field if the Senate wants to adopt a new system.

I yield to the Senator from South Carolina.

Mr. President, how many minutes do we have left?

The PRESIDING OFFICER. The Senator has 30 minutes left.

Mr. STENNIS. I yield 12 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment by the senior Senator from Wisconsin. The proposal has the lure of simplicity, but consequences that run deep, and against our Nation's fundamental interests. It contains the promise of informing the public while preserving the essential security of our foreign intelligence capabilities. In fact, I believe it would serve both interests poorly.

A constant in the needs of sovereign nations is to possess intelligence about the intentions and capabilities of adversaries. General Washington wrote one of his intelligence chiefs, Col. Elias Dayton:

> The necessity of procuring good intelligence is apparent and need not be further urged—all that remains for me to add, is, that you keep the whole matter as secret as possible. For upon Secrecy, Success depends in most Enterprizes of the kind, and for want of it, they are generally defeated, however well planned and promising a favorable issue.

That was the statement of our first Commander in Chief, the first President.

The tragic experience of Pearl Harbor taught us a number of painful lessons. In the 1947 National Security Act the Congress took a giant step toward assuring that executive action or inaction in the international field would be based upon the best information available. Insofar as it is possible for the Congress to direct the executive branch in the conduct of essentially an executive responsibility, the National Security Act of 1947 provided the authority needed for an effective foreign intelligence establishment.

The CIA Act of 1949 provided additional administrative authority for CIA and provided for its funding. The funding of CIA was particularly important from the point of view of Congress since it establishes the second of the two principal relationships between an executive branch agency and the Congress—legislation and appropriations.

I believe that our Nation is unique in the attention its legislature has given to specifying and circumscribing the activities of the agency designated to perform its foreign intelligence mission. In the process of working out legislation for CIA, it was necessary to somewhat change the procedures followed in the case of the more normal Federal agency. This was particularly true in connection with provisions concerning the authorization and appropriation of funds.

Public revelation in these areas would alert potential adversaries to programs, needs, and accomplishments. This knowledge could be used against our Nation's interest to offset the value of intelligence collected or to neutralize the sources and methods used.

The 1949 CIA Act permits the allocation of sums for the CIA to carry out its activities without publicly revealing the secret purpose to which such funds may be put.

Mr. President, I ask unanimous consent that section 6 of that act be printed at this point in my remarks.

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

> Sec. 6. In the interests of the security of the foreign intelligence activities of the United States and in order further to implement the proviso of section 403(d)(3) of this title that the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure, the Agency shall be exempted from the provisions of section 654 of Title 5, and the provisions of any other law which require the publication or disclosure of the organization, functions, names, official titles, salaries, or numbers of personnel employed by the Agency: Provided, That in furtherance of this section, the Director of the Bureau of the Budget shall make no reports to the Congress in connection with the Agency under section 947(b) of Title 5.

Mr. THURMOND. Mr. President, as a matter of fact, the arrangements worked out are completely responsive to the major elements of the Federal budgetary systems. Changes from the norm are designed to provide a reasonably controlled environment so as to protect and preserve the sources and methods which necessarily must be resorted to in collecting foreign intelligence.

As a matter of fact, I know that the budget of CIA is scrutinized with great care.

Similar procedures have been used over the years to fund other governmental activities of an extremely sensitive nature when the public interest would not be served through the use of more common explicit procedures. Examples of this include the Manhattan project for the development of the atomic bomb and the development of the U–2 airplane.

On May 10, 1960, following the loss of the U–2 over the Soviet Union, the chairman of the House Appropriations Committee, Clarence Cannon, explained that:

> The plane was on an espionage mission authorized and supported by money provided under an appropriation recommended by the House Committee on Appropriations and passed by the Congress.
>
> Although the Members of the House have not generally been informed on the subject, the mission was one of a series and part of an established program with which the subcommittee in charge of the appropriation was familiar, and of which it had been fully apprised during this and previous sessions.
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> The appropriation and the activity had been approved and recommended by the Bureau of the Budget and, like all military expenditures and operations, was under the aegis of the Commander in Chief of the Armed Forces of the United States, for whom all members of the subcommittee have the highest regard and in whose military capacity they have the utmost confidence.
>
> The question immediately arises as to the authority of the subcommittee to recommend an appropriation for such purposes, and especially the failure of the subcommittee to divulge to the House and the country the justifications warranting the expenditure and all details connected with the item at the time it was under consideration on the floor.
>
> The answer of the subcommittee is—absolute and unavoidable military necessity, fundamental national defense.
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> * * * * *
>
> This appropriation, and its purpose, is justified by honored and established precedent. This subcommittee, including the same personnel with the exception of two members who have since died, was the same committee which for something like 3 years provided in the annual appropriation bills a sum which finally totaled more than $2 billion for the original atomic bomb. Session after session the money was provided, and the subcommittee visited Oak Ridge where the work was in progress without any Member of the House with the exception of the Speaker of the House being aware of this tremendous project or the expenditure of the money. According to the testimony of all military authorities that bomb ended the war and saved the lives of not less than half a million men who would have had to be sacrificed in the conquest of Japan. No one has ever said that the subcommittee was not justified in expending an amount that eventually aggregated more than the assessed valuation of some of the States of the Union for that purpose.
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> * * * * *
>
> And now the most gratifying feature of the entire incident.
>
> The world has always recognized the remarkable success of our form of government. It has been the wonder and admiration of mankind. But they have said that it was at a great disadvantage in a war with an authoritarian dictatorship.
>
> We have here demonstrated conclusively that free men confronted by the most ruthless and criminal despotism can under the Constitution of the United States protect this Nation and preserve world civilization.

The CIA is held tightly accountable within the executive and legislative bodies. There may be disagreement as to whom the Members should be or more particularly what committee they should be from in the Congress, but I think such disagreements can only be resolved on the basis of giving priority to the special constitutional roles of the Congress—the appropriation of funds—the enactment of legislation—and the oversight of legislation already enacted. It is difficult to perceive how enlarging a somewhat small group into a somewhat large group would assure that these congressional responsibilities are being fulfilled. Clearly information on the activities of the CIA should not be displayed in a public arena. To do so would defeat our national interest.

Mr. President, I simply want to say that four committees of Congress now receive this information—the Armed Serv-

ices Committee of the Senate, the Appropriations Committee of the Senate, the Armed Services Committee of the House, the Appropriations Committee of the House. So there is nothing hidden. It is disclosed. It is not disclosed to just anybody. If any particular Senator wants this information, he can get it from these committees on a classified basis.

It should be classified. This information should not be made public. Those who passed a law of Congress in 1949, I think, were very far-sighted when they provided that such information would not be made public.

I do not know of any objection that has been made to the way these four committees have handled this information. So far as I know, the four committees in Congress have done a good job handling this information.

If we reveal this information to the public generally it will simply aid our enemies. We cannot get around that. There is no doubt about it. It will reveal the size of our activities that the CIA is engaged in. It will reveal not only the size but also the trends, because some year it may go up, some year it may go down. Then that will indicate to our enemies what we are doing. It will indicate whether we are increasing our intelligence activiites; whether we are reducing our intelligence activities. Then the effort will be made to know where, in what country.

Another thing: In dealing with foreign nations this could be a sensitive matter. Our relations could be affected because if we make this information available then there is going to be the desire on the part of somebody to know how much of it is being spent in this country, how much is being spent in that country. This is a sensitive question that might bring about some ill will in our foreign relations.

No country in the world reveals this information to the public. Why should we do it in the United States? Why should we tell our enemies the size of our expenditures in collecting information which we need to preserve this form of government and protect the people of the United States?

This would be an opening wedge for intelligence details. Once the total amount is revealed there will be the strenuous effort to collect the details. There will be a strenuous effort to collect the sources of information, the methods of collecting information, who is engaged in this, and how they go about it.

Further, I know of no clamor from the public. If the Senator from Wisconsin knows of any clamor from the public to divulge figures here that will hurt our country and help the enemy, I do not know about it.

Mr. President, I may say, further, that it has been referred to here that Dr. Schlesinger does not seem to object to the amendment, and that Mr. Colby does not object to it. I believe the Senator from Wisconsin made some such statement. At any rate, during the course of the hearing on his nomination to be Secretary of Defense, Dr. Schlesinger did make the statement, but the Senator from Wisconsin did not give the entire statement. I want to give some of the rest of it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. THURMOND. These are his words.

Mr. STENNIS. Mr. President, I am virtually out of time, but I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. Dr. Schlesinger stated:

> I would lean against it. But I think that it could be done. The problem that you get into, you see, as you well know, Senator, is that it would be just a free floating figure, unsupported and unsupportable in public, with nobody except the members of the Oversight Committees or members of the Armed Services Committee and Appropriation Committees who would know the details. Those are circumstances which under certain conditions would elicit the strong tendency for a flat 10 percent, 20 percent, 50 percent, 100 percent, cut in intelligence activities because there is an identifiable target with no broad understanding of what the components are and it is that aspect that I think concerns me.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. THURMOND. I may say in closing that we do have an open society.

Mr. STENNIS. I yield one-half minute to the Senator to conclude.

Mr. THURMOND. We do have an open society, but there are some things that have to be kept secret, and this is one of those things.

Mr. STENNIS. Mr. President, I yield to the Senator from Arizona for 2 minutes.

Mr. GOLDWATER. I thank the Senator.

I want to express my deep concern about this amendment. I think it is extremely dangerous, and it should be defeated.

It is dangerous because it starts a precedent. It is a precedent that I do not know exists any place else in the world, and I do not know that it even exists in this country.

If this amendment is voted on favorably today, we can rest assured that within a year or two, the demand will be made to break the figures down so that we will know where every cent is going.

In military operations there is nothing that approaches intelligence. The estimate of the situation that is made by every man in any battle he has ever engaged in is headed by intelligence of the enemy forces. If the enemy knows what we know about their forces, then this intelligence becomes valueless.

Mr. President, I see no need for this amendment. Any Senator can attend briefings by the CIA if he is cleared for top secret. Any Senator can get the figures that we are talking about by asking for them. If we make them public I think we are asking for trouble.

We have had imposed on us an almost impossible task of espionage with respect to the Soviet Union, while they have a very easy time of it in the United States. I do not want to make that any easier.

I hope that the Senate will say "no" to this very ill-advised amendment.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Nevada.

Mr. CANNON. I thank the chairman for yielding to me.

I must say that I am in complete accord with the statement just made by Senator GOLDWATER. I cannot think of anything more unwise or anything that could possibly be more harmful to our Government than to let this amendment be agreed to, providing for full and free information to people from whom we would like to keep that information.

I certainly am in favor of full disclosure on matters that ought to be of public interest and ought to be disclosed to the public. I have supported that concept continuously over the years. But I think that disclosure of the intelligence budget would, over the years, by virtue of the trends that were discovered, and which that would disclose, would certainly provide valuable assistance to our adversaries.

I think that if we were to provide that type of information, then we might just as well discontinue the type of activities that we are trying to continue to keep this country informed of for the benefit of the people who reside here.

I hope that the Senate will defeat this amendment overwhelmingly.

I thank the distinguished Senator for yielding.

Mr. STENNIS. Mr. President, I yield 4 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, I do not feel that this proposal really meets our national interest. It is true that a foreign intelligence service like the CIA must operate more openly in our society than any other similar service in any other democracy in the world. Let us look at the facts:

Last year the new Director of Central Intelligence, William Colby, appeared before the Senate Armed Services Committee and gave extensive testimony in public. I know of no other democratic society in which this would occur.

It has been mentioned here earlier, Mr. President, that the head of MI–6, which is British Intelligence, is known only to the Prime Minister of Great Britain. That is how close they keep that information.

The functions and responsibilities of the Central Intelligence Agency are fully prescribed in statute. I know of no other democratic society in which this has been done.

Finally, the appropriations for CIA are subject to a process which intimately involves four committees of the Congress who are aware of and approve the details of its programs.

The proposal before us is designed to contribute to a more informed public. But how can the public be really informed unless the details of CIA's programs are also spelled out? Yet, if we did so, I can guarantee that we will be providing what is necessary for our potential adversaries to neutralize the methods which we must use in order to obtain information about closed societies.

The paradox of the situation is reflected in the fact that recently some journalists were jailed in Sweden—certainly not a closed society—for merely mentioning that Sweden has an intelligence service.

In summary, our foreign intelligence service arises out of an act of Congress and all of its activities are closely scrutinized by a number of representative members of both the Senate and the House of Representatives. This is how we have resolved the balance between the needs of an open society and the needs for a secret foreign intelligence service. I certainly do not think that this is the time to unbalance the situation as I am confident enactment of the proposed amendment would do.

Mr. STENNIS. Mr. President, I thank the Senator. I am sorry I do not have more time, but I am glad to yield a minute to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I merely want to join with my colleagues on the Armed Services Committee in opposing this amendment. We are all proud of the open society of which we are a part, but there is a time when we must keep some of our intelligence secret, and I would urge my colleagues, in the interest of the country, to defeat this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time does the opposition have remaining? I might have misunderstood the Chair.

The PRESIDING OFFICER. The opposition has 9 minutes. The proponents have 54.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I rise to oppose the amendment.

I see no objection to every Member of the Senate knowing exactly how much money is spent for intelligence, and Senators can get that information now if they want it. It cannot be made public though. But as one who has served for many years on this five-member Subcommittee on Intelligence Appropriations and Oversight I can see great danger in having to publicize the amount of money that can be spent for intelligence purposes.

Let me give a good example. During World War II, President Roosevelt spent some $4.5 billion, as nearly as I am able to ascertain, to develop the atomic bomb. That was probably the best kept secret this country ever had. It was a good thing it was, because the Germans had the know-how, and if they had known we were developing an atomic bomb, they could probably have developed one before us. I understand only five or six Members of Congress knew of that development. Even Vice President Truman did not know it until he became President. If the bomb had not worked, President Roosevelt might have been subject to impeachment for spending so much money without being authorized to do so.

Also, during World War II, a German named Richard Sorge became a Russian Communist spy. He found out from Japan that they had no intention of attacking Russia, but were going to move south, and as a result, the Russians were able to remove their crack troops from the Far East and win the war against Germany.

Our problem with the removing of the Russian missiles from Cuba posed a real critical situation. What was not generally known at that time was that a high ranking Russian G.R.U. intelligence agent named Oleg Penkovsky had turned against the Communists, and he was supplying information, quite accurate as it turned out, as to how far the Russians would go. If anyone wants to read something interesting on intelligence operations. The Penkovsky Papers is the most interesting book on the subject I have ever read.

I know there is great interest in the public knowing everything possible, but I think there are some things that should be kept secret for our own security.

Mr. STENNIS. That is a fine statement.

Mr. PROXMIRE. Mr. President, since this is my amendment, I prefer that the opposition make whatever statements they want to make. I intend to speak only another minute or so, and then I shall yield back the remainder of my time, which is 54 minutes.

Mr. STENNIS. Mr. President, if the Senator will conclude in 1 minute, I will yield back the rest of my time right now, and that will conclude the debate.

Mr. PROXMIRE. Mr. President, with all deference to my colleagues, I think this amendment has been very badly misinterpreted. It would not give away any secrets or expose any of the secret workings of the CIA. All it would do is provide one overall figure, of what our intelligence operations in total cost.

There has been not one example during the debate of how this figure could do us any damage; not one. How it would help the Russians is beyond me. If they inquire as to what the figure means, obviously they get no answer. But Members of the Senate or the House of Representatives, on the basis of this figure, could inquire if the total is increasing or decreasing, or determine whether they think it is too big or too small. I point out that it might very well be too small.

Finally, Mr. President, this proposal is not based on something that came from my mind, by any means. This is based on the recommendation of a bipartisan committee of Democrats and Republicans, headed by the majority leader and the minority leader, who recommended that the release of this limited information will be useful to the Senate in maintaining the necessary support of our intelligence operations.

I just cannot understand how Members of the Senate could be afraid of a little knowledge of a little information on the basis of which inquiry could privately be made, so we could see whether or not these enormous sums are being spent wisely. Now we do not know whether it is $1 billion, $5 billion, $10 billion, or what it is. We do not know whether the amount is going up or down. It has been indicated by the chairman of the Appropriations Committee that the amount has been fairly stable, and perhaps has declined in the last year or so. This is very useful to know. It seems to me that we have a right to know how much is involved and a duty to know, and a duty to act on the information.

Mr. President, I am prepared to yield back the remainder of my time, if the opposition is prepared to yield back its time.

Mr. STENNIS. Mr. President, I am glad to yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HASKELL). All remaining time having been yielded back, the question is on agreeing to the amendment (No. 1369) of the Senator from Wisconsin (Mr. PROXMIRE).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. MOSS), the Senator from Alabama (Mr. SPARKMAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 33, nays 55, as follows:

[No. 224 Leg.]

YEAS—33

Abourezk	Hatfield	Muskie
Baker	Hathaway	Nelson
Bayh	Hughes	Pell
Case	Javits	Proxmire
Church	Magnuson	Randolph
Clark	Mansfield	Ribicoff
Cook	Mathias	Schweiker
Eagleton	McGovern	Stafford
Gravel	Metcalf	Stevenson
Hart	Metzenbaum	Weicker
Haskell	Mondale	Williams

NAYS—55

Aiken	Dole	McClure
Allen	Domenici	McGee
Bartlett	Dominick	McIntyre
Beall	Eastland	Montoya
Bennett	Ervin	Nunn
Bentsen	Fannin	Pastore
Bible	Fong	Pearson
Biden	Goldwater	Percy
Brock	Griffin	Roth
Brooke	Gurney	Scott, Hugh
Buckley	Hansen	Scott, William L.
Burdick	Helms	Stennis
Byrd, Harry F., Jr.	Hollings	Stevens
Byrd, Robert C.	Hruska	Taft
Cannon	Humphrey	Talmadge
Chiles	Jackson	Thurmond
Cotton	Johnston	Tower
Curtis	Long	Young
	McClellan	

NOT VOTING—12

Bellmon	Huddleston	Packwood
Cranston	Inouye	Sparkman
Fulbright	Kennedy	Symington
Hartke	Moss	Tunney

So Mr. PROXMIRE's amendment (No. 1369) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1378

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of amendment No. 1378, by the distinguished Senator from Minnesota (Mr. HUMPHREY), which the clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. 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 17, between lines 20 and 21, insert a new section as follows:

SEC. 703. Notwithstanding any other provision of law, no funds appropriated pursuant to this or any other Act may be used for the purpose of carrying out research, testing, and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological, or chemical warfare agents upon dogs.

The PRESIDING OFFICER. Time for debate on this amendment shall be limited to 30 minutes, to be equally divided between and controlled by the mover of the amendment and the manager of the bill.

Mr. HUMPHREY. I yield myself such time as I may need.

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats or retire to the cloakroom for their conversations. The Senator will not proceed until the Senate is in order.

Mr. HUMPHREY. Mr. President, I discussed this amendment yesterday. I want to be sure that the Department of Defense and its related departments or agencies do not engage in the use of dogs for carrying out research, testing, and evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological or chemical warfare agents. That is the whole purpose of this amendment.

The PRESIDING OFFICER. The Senate is not in order. The Senator from Minnesota is entitled to be heard. The Chair asks the indulgence of Senators.

Mr. HUMPHREY. Mr. President, because I want to make sure that this amendment is specific and is directed toward the Department of Defense, as it relates to the use of dogs in the testing of poisonous gases, radioactive materials, poisonous chemicals, and biological or germ warfare agents. I want to change my amendment very simply, by making sure that it applies directly to this act. Therefore, on line 2 I would say:

No funds appropriated pursuant to this Act may be used for the purpose of carrying out research, testing . . .

I so modify the amendment.

The PRESIDING OFFICER. The Chair advises the Senator that inasmuch as the yeas and nays have been ordered, unanimous consent is required.

Mr. HUMPHREY. I ask unanimous consent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The modified amendment is as follows:

On page 17, between lines 20 and 21, insert a new section as follows:

SEC. 703. Notwithstanding any other provision of law, no funds appropriated pursuant to this Act may be used for the purpose of carrying out research, testing, and/or evaluation of poisonous gases, radioactive materials, poisonous chemicals, biological, or chemical warfare agents upon dogs.

Mr. HUMPHREY. Mr. President, the purpose of that is for clarity. We are not trying in this proposal to move in on the National Science Foundation, in its normal research work, or the Department of Health, Education, and Welfare.

I wonder what the arguments are against this particular proposal. The arguments are, of course, that if the Humphrey amendment, known as the beagle amendment, passes, it will restrict research, and it will complicate the problems of the Department of Defense on ascertaining how much, for example, an individual or man can take in a submarine; how much bad air; how much polluted air.

Mr. President, I say all of that is not relevant because if the Department of Defense wants to make tests as to the effect of poisonous gases, radioactive materials, poisonous chemicals, biological, or germ warfare agents, there are plenty of other animals they could use such as rates and mice.

I do not believe any Member of this body wants to see the Department of Defense advertise, as it has recently, for 450 beagle puppies for the purpose of testing poisonous gases, radioactive materials, poisonous chemicals, biological or germ warfare agents.

I, for one, am trying to save the Department of Defense from a little more bad publicity. I hope they were mistaken in that original advertisement. This amendment really is the result of conversations I have had with the distinguished Senator from Washington (Mr. MAGNUSON), who long has been interested in this kind of legislation. The Senator from Washington was not on the floor yesterday when I proposed this amendment, so I ask unanimous consent that his name be added as a principal cosponsor of the amendment, along with the Senator from Kansas (Mr. DOLE), and the Senator from West Virginia (Mr. RANDOLPH).

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

Mr. HUMPHREY. These Senators all have given serious consideration to this proposal.

Mr. President, the amendment before us addresses the question of the cruel testing by the Department of Defense of poisonous gases, germ warfare agents, nerve gas, biological warfare agents, poisonous chemicals, and radioactive materials on dogs.

As I pointed out to my colleagues late yesterday afternoon upon introduction of this amendment, the military branches have been insensitive to the hue and cry in this country against their continued use of dogs in test gas programs. The DOD has used dogs extensively and currently is using dogs in the evaluation of the toxicity and disabling nature of poisonous gas. The DOD needs some direction in its use of dogs in an experimentation program. My amendment gives it that direction. It prohibits the use of dogs in all such deadly and cruel experimentation.

Mr. President, I find the poison gas experiments by the DOD on dogs—on man's best friend—reprehensible.

It is one thing to do legitimate medical research on rats and rabbits, but it is quite another thing to use dogs, to use beagle puppies, in the testing of poisonous nerve gas and radioactive material and other deadly agents of warfare.

I want to remind my colleagues in the Senate of the moving words of Senator George G. Vest, who served in the Senate in the late 1800's to 1903:

The one absolutely unselfish friend that man can have in this selfish world, the one that never deserts him, the one that never proves ungrateful or treacherous, is his dog . . . He will kiss the hand that has no food to offer. . . . When all other friends desert, he remains.

I introduce this amendment not only to protect our dogs, which are so close to our hearts, but also with earnest concern for the provisions of the Geneva Protocol of 1925 which prohibits the use of asphyxiating, poisonous, or other gases, in war, and the use of bacteriological methods of warfare.

I am the author of Senate Resolution 48 which calls for the Senate to support a broad interpretation of the Geneva protocol. In so doing my resolution recommends that the United States be willing, on the basis of reciprocity, to refrain from the use in war of all toxic chemical weapons whether directed against man, animals, or plants.

The amendment which we are considering today is in the context of my concern that we prohibit the development and use of all chemical and biological weapons whether directed against man or man's best friend.

The DOD currently is testing poisonous gases on beagles and it will continue to do so unless we prohibit such a heartless practice.

Senators have been calling the Department of Defense, editors have been writing editorials, doctors have been protesting, but the Department of Defense just goes willy-nilly on its way with its deadly research on dogs.

As I indicated earlier, the U.S. Army's Edgewood Arsenal in Maryland currently is advertising for 450 beagle puppies to be used to test poisonous chemicals and gases. We must stop the appalling suffering which the dogs must experience in these DOD experiments.

If my colleagues were able to read the scientific description of some of these experiments from the American Hygiene Journal, which appeared in the RECORD yesterday, I am sure they will want to stop these devastatingly cruel experiments by supporting my amendment. I urge its adoption.

Mr. President, before anything further is said about it, there is not one bit of necessary research that would be inhibited by this amendment. Not one bit of research has to be done on dogs in connection with poisonous gases, radioactive materials, poisonous chemicals.

biological, or germ warfare agents that could not be done on rodents.

I suggest the Department of Defense take greater interest in rats and leave the dogs alone. I am confident that this Senate is overwhelmingly going to approve the amendment which may on its face seem to be an amendment which is small and inconsequential. But let me warn the Senate that millions of people in America are fed up with this kind of insensitive action on the part of researchers in the Department of Defense. I speak for those millions of people. If we do not agree to this amendment, the mail service will be behind one month delivering the protests coming to this body.

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

Mr. HUMPHREY. I yield.

Mr. McINTYRE. Mr. President, I ask that the Senator add my name as a cosponsor.

Mr. HUMPHREY. I thank the Senator. I ask unanimous consent that the Senator's name be added as a cosponsor.

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

Mr. HUMPHREY. I would be glad to add the names of other Senators who wish to join in sponsoring the amendment. There will be a rollcall vote.

Mr. RANDOLPH. Mr. President, will the distinguished Senator from Minnesota, my able colleague, yield?

Mr. HUMPHREY. I yield.

Mr. RANDOLPH. Mr. President, the presentation of the Senator from Minnesota (Mr. HUMPHREY) is factual and it is a privilege to join with him as a cosponsor. This amendment has been presented on its merits.

It is my belief that better methods can certainly be found for experimentation by the Department of Defense in dangerous research projects. I realize that adequate safeguards must be developed to insure the health of military personnel in their occupational environment. However inflicting pain and punishment on animals must be discontinued.

I understand the public outrage over the use of beagle dogs and other types of animals for research. Those who have had dogs as pets realize the happiness that they provide to children and families as household pets and even protectors. As a young boy, two of my favorite companions were my loyal pet dogs. No matter how bad the day and its problems are, a dog seems to understand.

The sentiment and compassion of former Senator George Vest of Missouri are well known and should remind us this afternoon to recognize the friendship of dogs. More emphasis must be directed toward preventing suffering of animals in research. Through public service groups and organizations animals are now receiving more protection and attention and this amendment will significantly strengthen that effort. It will help insure that Government also meets its obligation in this area.

This proposal, Mr. President, is a good one and I hope it will be approved by the Senate.

Mr. HUMPHREY. I thank the Senator. It is not only this concern that I express, but not long ago I rose to protest what happened to a group of black men in Tuskegee when medical research caused them to suffer the ravages of syphilis when they could have been cured. The Government should set a good example. When people do not set a good example and violate humane principles, we should straighten them out.

Mr. STENNIS. Mr. President, I yield myself 1 minute. I wish to yield to the Senator from South Carolina who has a matter that he wishes to present. I understand he has been in conference with the Senator from Minnesota.

I yield to the Senator from South Carolina for 5 minutes.

Mr. THURMOND. Mr. President, as far as we are concerned we are willing to take the amendment to conference. I have conferred with the distinguished Senator from Minnesota. The only concern we have is that we do not want to handicap any research that might help human beings. By the time we go to conference I think a fair study can be made of the matter because I think everyone is sympathetic toward dogs. No one wants to see any dog harmed unless it is absolutely essential to protect human life.

We are willing to take the amendment to conference.

Mr. HUMPHREY. Mr. President, I appreciate those words, I want to make it very clear that one of the reasons I want a rollcall is that I have been taken to conference before. I have been taken to the mountain. I did not quite get to Heaven, but I have been taken to the mountain. Now I am on steady ground. I have quit running for these big offices. I have quit going to conferences. I know we will go to conference on this amendment, but I want a rollcall vote rather than just be told it will be taken to conference, I have hit a few sliders in my day, but this is a home run. I want to be sure we touch all the bases. I want to ask for the yeas and nays.

I will yield back the remainder of my time.

Mr. STENNIS. Mr. President, I wanted to say a word, but first I will let the Senator ask for the yeas and nays.

Mr. HUMPHREY. They have already been ordered.

Mr. STENNIS. I am glad to yield to the Senator from Wyoming 3 minutes.

Mr. HANSEN. Mr. President, I do not think I could fairly be categorized as a person insensitive to the need for compassion for every living creature. I happen to be a rancher. I have spent most of my life working around animals, and I know something about their needs, what hunger does to them, what cold does to them, and everything else; but I must say that I was on Livestock, Research and Marketing Advisory Committee to the Secretary of Agriculture and while I was on that committee we visited Oak Ridge, Tenn., where some experiments were being carried on with animals to test what effect radiation had on those animals and what might be done with respect to adequate use of modern drugs and treatment in order to minimize the effect that oftentimes follow exposure to radiation.

I fully appreciate the compassion that prompts the distinguished Senator from Minnesota to speak out as he has, but I must say that I think we have to be realistic in this day and age if we are to learn how—and I hope we will never have to face the problem—to decide what to do in case some of our population, or people anywhere, are subject to poison gases, or whatever. I cannot think it makes good sense on behalf of this Government to say categorically that it will be denied the use of animals for experimental purposes in undertaking to evaluate the impact of some of the modern implements of war.

For those reasons, I am going to have to vote against this amendment.

I wanted to say a word because I appreciate my good friend's sentiments, and I suspect I will be only one of a very small number not to support the amendment; but I think the concern of humanity has to be overriding, and for those reasons I will vote against the amendment. I thank the Senator for yielding.

Mr. STENNIS. Mr. President, I yield myself 5 minutes.

I was getting ready to thank and compliment the Senator from Minnesota for a very fine speech he made on a preceding amendment here, and I am going to go ahead and do that, anyway, although I want to remind him and the rest of my colleagues that this is a military procurement bill concerning billions of dollars for missiles, submarines, ships, and manpower to carry that program forward. We do not want to let it be used as a kind of handrack or dog rack, or anything of that kind. I think I know something about it. I am not going to quote what the Senator said about a dog and what the Senator from West Virginia said with reference to Senator Vest, but I know the seriousness of the Senator from Minnesota and the seriousness of this matter, too.

I know the yeas and nays have been ordered, and it is all right, but it is rather serious to me that we call nearly 100 Senators away from their business to come in and vote on amendments that are noncontroversial and that have already been accepted, as announced by the Senator from South Carolina here.

We are going to try to have other amendments ready on the bill after this vote, and also we are ready to get agreements on any we can for tomorrow or for Thursday. I know our leaders are working on that matter.

I have the Senator from New Hampshire in mind here. I have asked him to be prepared on a special speech, and I want a chance to hear his speech this afternoon.

If Senators will excuse those rambling remarks, which are for the benefit of Senators who may be interested, I now, under those circumstances, yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, if the Senator will yield to me on the matter of a rollcall, as I said yesterday, I was prepared to go without it, but a number of

our colleagues have asked that we have it, and I think it is only fair that I should keep my word on it.

Mr. STENNIS. I take no exception to it. I make the general observation that I think we have to mend our ways on some of these rollcalls.

Mr. DOLE. Mr. President, I would like to associate myself with the remarks of my friend from Minnesota, Mr. HUMPHREY, who has introduced an amendment to the military procurement bill that would bar experimentation on beagles. I am pleased to be a cosponsor of that amendment.

PREVIOUS ACTION TAKEN

Last December, I wrote to John L. McLucas, Secretary of the Air Force, to protest experiments using beagle dogs to test environmental pollutants at Wright-Patterson Air Force Base in Ohio. I considered these experiments conducted on mute victims to be cruel and inhumane. I was assured at that time that it was not the policy of the U.S. armed services to conduct experiments that would cause needless suffering and torture of these domestic animals.

I now understand that the Edgewood Arsenal Research Center has advertised for 450 beagle puppies to be used in experiments with toxic materials used in chemical and biological warfare. I have been informed that the research center has used 446 beagles for these tests since July 1, 1973. Those dogs that do not die during the painful experiments are killed later for autopsies to study the effects of the gases. In many cases these animals are debarked so they cannot emit so much as a whimper during these experiments.

CONGRESSIONAL MEASURE NEEDED

At present there are no laws to protect dogs in laboratories. No regulations at all as to what can be done to them, no requirements that they be handled humanely—only suggested guidelines. It is obvious to me that it will take more than the public outcry to halt these experiments and provide for the humane treatment of these domestic animals.

It is the public policy in this Nation to prevent inhumane treatment of both domestic and wild animals as evidenced by the excellent and often thankless work of the SPCA and various humane societies. The Congress itself has taken a stand on the treatment of wild horses and has set stiff anticruelty regulations on trapping practices. The taxpayers resent their tax dollars being used to finance these experiments where no safeguards have been provided to insure that the methods used are painless, or that more humane, alternative procedures could not achieve the same research results.

I believe it is time for the Congress to help stop this barbaric cruelty. In addition to cosponsoring Senator HUMPHREY's amendment, I earlier introduced similar legislation that would prohibit the departments and agencies of the Federal Government from using dogs in these experiments, causing needless suffering and inhumane treatment of these domestic animals.

I would hope that the Congress will respond swiftly to this problem, and will act to put an end to these practices which are so abhorrent to the American people.

Mr. McINTYRE. Mr. President, I must compliment my distinguished friend and colleague, the Senator from Minnesota, who has exhibited his admirable humanitarian spirit by introducing an amendment to prohibit the use of dogs for experimental purposes involving their exposure to poisonous gases, radioactive materials, poisonous chemicals, and biological or chemical warfare agents. By taking the lead on this matter Senator HUMPHREY will be recognized as a leader of humane causes.

I am surprised that the Department of Defense opposes this amendment. But then again, there are many other activities of the Department which also surprise me.

Concern for this testing process was first brought to my attention by many active members of New Hampshire's Humane Society. Since that time I have repeatedly expressed my concern for these dogs to Secretary McLucas and was surprised to read recently that this testing process is being extended.

I find it hard to believe that if testing of these materials is necessary, no alternative method of testing can be employed. This matter has caused an unprecedented swell of correspondence from humane societies across the country.

Dogs have won a place in almost everyone's heart and rightly so. As a watchdog this animal protects our lives, our children, and our property when we cannot be there; as an aide dogs serve our men-in-blue patrolling the dark and lonely alleys of our cities; or snffing out narcotics for our customs agents; as a friend and companion the hunting dog enhances our leisure time. I can think of few crueler ways to utilize the talents of this valuable member of the animal kingdom than has the Department of Defense.

There are many actions brought against our animal population which are cruel and unfair. In the past I have supported legislation aimed at correcting some of these abuses.

Therefore, I wish to join with my good friend from Minnesota in strongly recommending adoption of his amendment.

Mr. STENNIS. While I am not going to vote for the amendment on the military procurement bill, I have nothing further to say, and I yield back my time.

Mr. HUMPHREY. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota.

The yeas and nays have been ordered, and the clerk will call the roll——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

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

ORDER TO CONVENE AT 10 A.M. ON WEDNESDAY, THURSDAY, AND FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, tomorrow, and Thursday, it stand in adjournment until the hour of 10 a.m., respectively, on Wednesday, Thursday, and Friday.

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

ORDER TO CALL UP MANSFIELD AMENDMENT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the close of business tomorrow, the distinguished majority leader may be recognized to call up his troop withdrawal amendment and that it be made the pending business for Thursday.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, the requests I am about to propound have been cleared with the distinguished manager of the bill (Mr. STENNIS), the distinguished ranking minority member of the committee (Mr. THURMOND), the distinguished assistant Republican leader (Mr. GRIFFIN), and other Senators.

Mr. President, I ask unanimous consent that on Thursday there be a time limitation on the bill of 3 hours; that all amendments dealing with troop withdrawals and/or troop reductions be in order for Thursday only; that there be a time limitation on the Mansfield amendment of 3 hours, to be equally divided between Mr. MANSFIELD and Mr. STENNIS; that there be a time limitation on any amendment to that amendment of 30 minutes, with a time limitation on any debatable motion thereto or appeal of 30 minutes, to be equally divided and controlled in accordance with the usual form; that there be a time limitation on any other amendment to the bill, dealing with troop withdrawals or troop reductions, of 1 hour, to be equally divided in accordance with the usual form, with a limitation on amendments to such amendment of 30 minutes, and the same with reference to debatable motions and appeals; and that the division of time and the control of time be in accordance with the usual form; with the understanding that Senators in control of the time for debate on the bill may yield therefrom to any Senator on any amendment, debatable motion, or appeal.

Mr. McINTYRE. Mr. President, may I ask the majority whip a question?

Mr. ROBERT C. BYRD. Yes.

Mr. McINTYRE. There is nothing suggested in your unanimous-consent agreement which would prevent calling up my amendment, along with that of Senator BROOKE, on counterforce, which we would like to offer this week or sometime next week?

Mr. ROBERT C. BYRD. No. This request, if granted, would not prevent

amendments dealing with other subjects from being called up on Thursday. It would, however, require all amendments dealing with troop withdrawals and troop reductions to be called up on Thursday.

Mr. GRIFFIN. Reserving the right to object, the Senator's very last sentence clears up a point which was not too clear, because the majority whip said the troop withdrawal amendments would be called up, in order, on Thursday; but it is further understood that all troops withdrawal and troop reduction amendments would be called up on Thursday.

Mr. ROBERT C. BYRD. They would be required. In other words, they would not be eligible on any other day.

Mr. HUMPHREY. Mr. President, will the Senator yield? That means we will definitely vote on all troop withdrawal amendments on Thursday, whatever the hour.

Mr. ROBERT C. BYRD. Yes. They will be disposed of on Thursday.

Mr. HUMPHREY. Mr. President, will the Senator yield for one other question?

Mr. ROBERT C. BYRD. Yes.

Mr. HUMPHREY. Do I understand that on Friday we will not be on the Defense authorization bill?

Mr. ROBERT C. BYRD. Oh, yes, we will still be on the Defense authorization bill if it has not been disposed of on Thursday, as it will probably not be. But it would mean that no troop withdrawal amendments or troop reduction amendments would be in order on Friday or thereafter.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. GRIFFIN. Reserving the right to object, it is my understanding that on the Mansfield amendment there would be a time limit of 40 minutes instead of 30 minutes.

Mr. ROBERT C. BYRD. The Senator is correct. I modify my request accordingly, Mr. President. We had first talked in terms of 30 minutes. I think the chairman suggested 40 minutes. It will be 40 minutes.

Mr. STENNIS. Mr. President, reserving the right to object, and I do not intend to object, but to be certain we understand each other on troop withdrawal or troop reduction amendments, the substance is they will be eligible on Thursday of this week and at no other time.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. STENNIS. Also, if there is time, other amendments on other subjects can be called up and disposed of, but only if there is time to take care of them and also to take care of the amendments on troop reductions.

Mr. ROBERT C. BYRD. The Senator is correct; with the further understanding that there would be no time limitation on other amendments unless such agreements were entered into subsequent to this moment.

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

Mr. ROBERT C. BYRD. Mr. President, if I may have 1 additional minute, I ask unanimous consent that on the amendment dealing with the B–1 bomber, to be proposed by the distinguished Senator from South Dakota (Mr. McGOVERN), there be a limitation thereon of 3 hours, to be equally divided between Mr. McGOVERN and Mr. STENNIS, with a limitation on any amendment thereto of 30 minutes, to be equally divided in accordance with the usual form, with a time limitation on any debatable motion or appeal, of 20 minutes, to be divided in accordance with the usual form; and that the amendment by Mr. McGOVERN be laid down at the close of business today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. McINTYRE. Mr. President, may I ask the majority whip whether he cleared that with the senior Senator from South Dakota (Mr. McGOVERN)?

Mr. ROBERT C. BYRD. Yes.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procuremnet of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The PRESIDING OFFICER. The question is agreeing to the amendment of the Senator from Minnesota (Mr. HUMPHREY). 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 California (Mr. CRANSTON), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Utah (Mr. Moss), the Senator from Alabama (Mr. SPARKMAN), the Senator from California (Mr. TUNNEY), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 76, nays 12, as follows:

[No. 225 Leg.]

YEAS—76

Abourezk	Dominick	Metcalf
Aiken	Eagleton	Metzenbaum
Allen	Fannin	Mondale
Baker	Fong	Montoya
Bartlett	Goldwater	Muskie
Bayh	Gravel	Nelson
Beall	Griffin	Nunn
Bentsen	Gurney	Pastore
Bible	Haskell	Pearson
Biden	Hatfield	Pell
Brock	Hathaway	Percy
Brooke	Helms	Proxmire
Buckley	Hollings	Randolph
Burdick	Hughes	Ribicoff
Byrd, Harry F., Jr.	Humphrey	Roth
Byrd, Robert C.	Jackson	Schweiker
Cannon	Javits	Scott, Hugh
Case	Johnston	Stafford
Chiles	Long	Stevens
Church	Magnuson	Stevenson
Clark	Mansfield	Talmadge
Cook	Mathias	Thurmond
Cotton	McClellan	Weicker
Dole	McGee	Williams
Domenici	McGovern	Young
	McIntyre	

NAYS—12

Bennett	Hart	Stennis
Curtis	Hruska	Taft
Eastland	McClure	Tower
Ervin	Scott, William L.	
Hansen		

NOT VOTING—12

Bellmon	Huddleston	Packwood
Cranston	Inouye	Sparkman
Fulbright	Kennedy	Symington
Hartke	Moss	Tunney

So Mr. HUMPHREY's amendment (No. 1378, as modified) was agreed to.

Mr. HUMPHREY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, before we take up the next amendment, there is a certain matter pending here that the Senator from New York (Mr. BUCKLEY) and the Senator from Nevada (Mr. CANNON) want a 3-minute colloquy on, and I ask unanimous consent that they be allowed——

Mr. ROBERT C. BYRD. Without prejudice to the Senator from Delaware (Mr. BIDEN) who has already been recognized.

Mr. STENNIS. I understand—yes.

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

Mr. BUCKLEY. Mr. President, I thank the distinguished Senator from Delaware and the committee chairman for their accommodation. I am anxious to clarify one item in the bill and address my question to the Senator from Nevada (Mr. CANNON).

On lines 17 to 20 on page 2 of S. 3000, funding for the A–10 or the A–7D aircraft is made conditional on the winner of a fly off competition between such aircraft.

I call attention to the language which states:

> . . . provided no objection is interposed by any of the four authorizing or appropriation committees having jurisdiction over such procurement, . . .

Is it not a proper understanding of that clause, that Congress does not intend this procedure be used either to impose undue delay in providing the pro-

curement funds or to circumvent the results of a flyoff between the two aircraft?

Mr. CANNON. Mr. President, the answer to that question is "Yes," I say to my colleague from New York. It is not our intent to delay procurement in any way. We hope, as a matter of fact, that they will proceed expeditiously in resolving the winner and announcing the results. But we feel that the appropriate committees of Congress should be notified what action is proposed to be taken, in the event there was any desire to review or modify that in any way. So there is no intent to delay the program. We realized the time constraints regarding the flyoff that we on the committee were confronted with and, therefore, we did write the amount of the funds into the bill but put in the language so that they could proceed in either direction.

Mr. BUCKLEY. I thank my friend from Nevada very much for this clarification; and also my colleague from Delaware (Mr. BIDEN) for his accommodation.

Mr. BIDEN. Mr. President, I ask unanimous consent that a member of my staff, Dale Lewis, be permitted the privilege of the floor.

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

AMENDMENT NO. 1282

Mr. BIDEN. Mr. President, I call up my amendment, No. 1282. and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 8, between lines 15 and 16, insert a new section as follows:

SEC. 702 (a) The Congress declares that it is not a proper function of the Department of Defense, in determining the amount of the budget for that department for any fiscal year, to make allowances for amounts needed to help stimulate or otherwise effect a change in the domestic economy. No funds authorized to be appropriated to the Department of Defense by this or any other Act may be expended for the purpose of stimulating or otherwise affecting a change in the domestic economy unless the expenditure of such funds for such purpose is specifically authorized by law enacted after the date of enactment of this Act.

(b) The Secretary of Defense shall submit a written report to the Congress within thirty days after the date of enactment of this Act indicating the specific amounts, if any, requested or included in the budget of the Department of Defense for the fiscal year ending June 30, 1975, which were requested or included for the primary purpose of stimulating or otherwise effecting a change in the domestic economy.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Delaware be agreeable to a time limitation of 30 minutes to be equally divided between Senator STENNIS and the Senator from Delaware?

Mr. BIDEN. I have no objection.

Mr. ROBERT C. BYRD. Mr. President, then I so request it and ask unanimous consent that it be done.

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

Mr. BIDEN. Mr. President, I do not anticipate taking the full 30 minutes, but I would like to take this opportunity to thank the distinguished Senator from Mississippi, the rest of the Armed Services Committee and its staff for doing such a comprehensive and responsible job in regard to reporting the Defense Department's authorization request for fiscal year 1975.

In view of the overwhelming nature of the Defense Department's annual requests and the speed with which the committee conducted hearings that were quite thorough and then marked up the bill for consideration by the full Senate, I think that the distinguished Senator accomplished an even more formidable and noteworthy job. I should like to make one last remark before beginning discussion of the amendment that I have introduced to the Defense Department's authorization for fiscal year in 1975.

I should like to express for myself and my colleagues our sentiment for the healthy return to your responsibilities here in the Senate, Senator STENNIS.

At this time, I should like to open for discussion my amendment to this defense request.

This amendment is divided into two sections.

The first section declares the will of Congress that the Defense Department may not during any fiscal year adjust its budget to help stimulate or effect a change in the domestic economy.

Funds would be expressly prohibited from such use.

Second, this amendment requires the Secretary of Defense to submit a written report to the Congress within 30 days of enactment of the fiscal year 1975 Department of Defense budget authorization appropriation specifying and delineating amounts, if any, included for the primary purpose of stimulating or effecting a change in the domestic economy.

Some might ask why such an amendment is necessary.

I offer it to my distinguished colleagues for consideration in response to certain statements that Secretary of Defense Schlesinger made, during hearings on February 29, 1974, before the House Appropriations Defense Subcommittee, and also to newsmen following these hearings.

Although there seems to be some contradictions in various statements that he made, the gist of Secretary Schlesinger's remarks indicate that there is an element of economic stimulation in the Defense Department fiscal year 1975 budget request.

I should like to quote from parts of Secretary Schlesinger's testimony.

This may be found in part I, page 336 of the Defense Department hearings before the House Defense Appropriations Subcommittee.

Secretary Schlesinger said:

It (FY 1975 Budget Request) only provides economic stimulus in the sense that Mr. Mahon addressed the subject, that is, the defense budget might have shrunk in real purchasing power were it not for the employment situation.

Secretary Schlesinger also said:

But I believe it was recognized late in calendar year 1973 that there may be an easing of the economy and some growth in unemployment, and that as a consequence of that, the total figure for budget outlays could be relaxed.

A little later in the testimony, Secretary Schlesinger said:

If there had not been this perception of an easing economic environment, I believe our outlays might have been a billion or a billion and a half dollars less in (fiscal year) 1975.

Interestingly enough, there was a followup to the Secretary's remarks.

In the Washington Post, on May 22, 1974, in a story by Michael Getler, the following points were made.

Schlesinger sought to correct his own earlier indications that as much as $6 billion extra may have been allowed to remain in the defense budget by the White House to pump up the domestic economy.

He said about $1.5 billion in actual spending was retained equal to perhaps $2 to $3 billion in obligational authority.

At this time, I would like to assure you, Mr. President, that my argument does not rest on the fact that extra money was added to the budget late in the budget cycle or even that money was in there that might ordinarily have been cut out if our country had been enjoying normal economic times, but rather that somehow, some of the budget contains money that can be construed from the Secretary of Defenses' testimony as pump priming or employment growth oriented.

My contention is that the defense budget is an inappropriate place to cushion, prime or stimulate the domestic economy.

I, along with the distinguished chairman, can only support—and I do not mean to imply that he uncategorically supports this—appropriations that respond to the needs of our national defense and security.

I think that all of my fellow colleagues would agree that in debating this proposed budget request we should not consider amounts included to help cushion our slumping economy against rising unemployment.

I raise this question, because when we put this issue in its proper perspective, one must ask, why use defense spending rather than increased spending in the civilian sector of the Federal budget to stimulate or aid the economy?

I would argue that other departments of the Federal Government might better help decrease unemployment by producing more jobs and increasing the output of goods and services than the Defense Department.

I should like to share some statistics with you, Mr. President, compiled by the U.S. Department of Labor, in the Bureau of Labor Statistics, bulletin No. 1733, 1972, table 9 that show that $1 billion spent on defense generates 75,812 jobs, while the same amount spent at the State and local level would create 80,041 jobs if spent on healthcare and 104,019 jobs if spent on education.

Money spent in the civilian sector has a greater potential to have a multiplier effect by creating more jobs.

Basically, I am making two propositions.

First, economic stimulants should be aimed at meeting domestic needs.

The object of the annual defense budget is to insure national security.

I contend that funding might better be increased for public service jobs, summer youth programs, housing and mass transit where such funds could be targeted on critical areas of need and unemployment.

Second, pumping money into defense spending has an inflationary effect, because goods and services are not produced that are needed by the ordinary consumer or other Government agencies.

I offer this amendment from a position of concern about the present and continuing status of our domestic economy which concerns us all.

Before voting on my amendment, I would like to suggest a few minor technical changes.

On page 1, line 1, substitute "Section 703," in lieu of "section 702."

On the same page, on line 3, insert "request" following the word "budget."

On line 4, page 1, substitute the word "designed" for the word "needed."

I ask that the amendment be so modified; and if I need unanimous consent to do so, I request it.

The PRESIDING OFFICER. The amendment will be so modified.

The modified amendment is as follows:

On page 9, after line 2, insert a new section as follows:

SEC. 703. (a) The Congress declares that it is not a proper function of the Department of Defense, in determining the amount of the budget request for that department for any fiscal year, to make allowances for amounts designed to help stimulate or otherwise effect a change in the domestic economy. No funds authorized to be appropriated to the Department of Defense by this or any other Act may be expended for the purpose of stimulating or otherwise affecting a change in the domestic economy unless the expenditure of such funds for such purpose is specifically authorized by law enacted after the date of enactment of this Act.

(b) The Secretary of Defense shall submit a written report to the Congress within thirty days after the date of enactment of this Act indicating the specific amounts, if any, requested or included in the budget of the Department of Defense for the fiscal year ending June 30, 1975, which were requested or included for the primary purpose of stimulating or otherwise effecting a change in the domestic economy.

Mr. BIDEN. In addition, I invite the attention of my colleagues to an article that appeared in today's Baltimore Morning Sun, and I ask unanimous consent that it be printed in the RECORD.

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

THE $5 BILLION TARGET SET FOR CUTS; WHITE HOUSE HOPES TO TRIM 1975 BUDGET

(By Art Pine)

WASHINGTON.—The Nixon administration tentatively has set a target of $5 billion for its planned federal spending cutbacks for fiscal 1975, officials disclosed yesterday.

Policy-makers cautioned that final plans have not been worked out yet, but said the $5 billion figure is being viewed as "a good working target." Fiscal 1975 begins July 1.

The administration is hoping to trim outlays substantially in fiscal 1975 as part of its effort to slow inflation. Strategists are trying to tighten spending policy gradually in fiscal 1976.

Planners said they still have not decided where cutbacks will be made, but indicated paring would be timed to fall in the first half of the fiscal year to have some impact on the economy by January or February.

PROGRAMS UNKNOWN

There traditionally is a lag of six to nine months between a policy change and a visible effect on the economy. Impact by January would mean rapid results.

There were no precise indications which programs would be cut. Policy-makers said they still are at the beginning planning stages and have not decided on specific cutbacks.

However, officials asserted the cutbacks would be made in relatively small amounts across the board, with no single program suffering a major setback.

Planners said at least some "trimming" probably would be done by deferring some outlays originally scheduled for fiscal 1975 until the following fiscal year—a maneuver that trims the fiscal 1975 deficit, but adds to fiscal 1976.

In any case, officials asserted there would be no major presidential impoundment of funds, as was done by the White House to reduce outlays in fiscal 1973—apparently in part because President Nixon has less political clout now.

SOME ROOM

Strategists conceded that any White House refusal to spend sums appropriated by Congress probably would run into serious opposition. "We're not talking about actions that would not be sustainable," one said.

Apart from deferring or accelerating some expenditures, the administration has some room to make spending cuts, mostly by paring new urban development outlays and cutting construction projects and some operating costs.

Budget analysts outside government were skeptical whether the White House would be able to make enough lasting cuts to trim outlays by the $5 billion target. However, most conceded it was at least a possibility.

In discussing their cutback plans, administration planners said the fiscal 1975 cuts would be designed to do two things: to provide symbolic evidence the government was battling inflation and to serve as a steppingstone for 1976.

To approach a balanced budget in fiscal 1976, the administration must begin trimming outlays now, planners noted. "In that sense," one said, "we must make actual reductions in fiscal 1975, not just deferrals."

Revised budget figures published Friday point to projected outlays of $305.4 billion for fiscal 1975, with receipts estimated at $294 billion, resulting in an expected $11.4 billion deficit.

THE $6.4 BILLION DEFICIT

If the current target were carried out, officials said, cutbacks would trim outlays to $300 billion, resulting in a $6.4 billion deficit, assuming that revenues came in as projected.

The $5 billion target involves projections at an annual rate. If cutbacks were concentrated in the first half of the fiscal year, this means reductions would be sharper early in the year and would taper by year-end.

Mr. BIDEN. The thrust of the article discloses that administration officials yesterday set a target of $5 billion for its planned Federal spending cutbacks for fiscal year 1975.

I bring this to the attention of Senators, because it is consistent with the spirit of my amendment—to slow inflation and insure a balanced budget.

Mr. President, on the desk of each Senator is a very brief five-point summary of my amendment and what it is intended to do.

I should like to emphasize to the chairman, as I am sure he already knows, and the ranking minority member of the committee that this amendment does not set a ceiling. It is not intended specifically to cut the budget. It is intended to state a policy that the place to prime the economy is not in the Defense Department. It is not appropriate. If there is money that would not ordinarily be expended for defense, it should not be left to the discretion of the Department of Defense to make such an expenditure in order to stimulate the economy.

I yield to the Senator from Mississippi.

Mr. STENNIS. I yield myself 5 minutes, and I should like to question the author of the amendment for a minute.

I address this question to the Senator from Delaware. As I understand the amendment, first, it expresses the thought and the attitude of Congress that amounts put into the budget for the Department of Defense to stimulate or otherwise affect a change in the economy would not be a proper function of the Department of Defense.

Mr. BIDEN. That is correct. That is the objective.

Mr. STENNIS. I agree wholeheartedly with the sentiment of the Senator from Delaware. I said this morning, before I knew that his amendment was going to be called up, that I did not think the Department of Defense should ever be used in a make-work program or to stimulate the economy solely, that its function is to see to the security of the United States and to have the military strength apparent, so that it will deter others, and that we will be prepared if we have to go to war. I am in sympathy with the sentiments in the first provision.

I come now to line 2, page 2, of the Senator's amendment:

No funds authorized to be appropriated to the Department of Defense by this or any other Act may be expended for the purpose of stimulating or otherwise affecting a change in the domestic economy unless the expenditure of such funds for such purpose is specifically authorized by law enacted after the date of enactment of this Act.

Of course, the Senator recognizes that this language allows for the fact that expenditures by the Department of Defense in a community will stimulate and thereby affect the economy of the area. That is recognized by the distinguished Senator, I assume.

Mr. BIDEN. Yes, it is. It is not my intention to affect that.

Mr. STENNIS. The ordinary expenditures, even the extraordinary expenditures, if they were for a military purpose, would not be affected by the Senator's amendment.

Mr. BIDEN. That is the intention of the Senator from Delaware.

Mr. STENNIS. Mr. President, in view of the amendment and the Senator's explanation of it, which has been excellent, it certainly would be worthwhile to have the amendment as a part of the law; and I hope that our conferees will agree to it.

I hope we will not have to have a rollcall vote, if everyone here is going to agree to the amendment.

I yield to the Senator from Texas.

Mr. TOWER. I thank the chairman. I believe he asked the question that I would have asked to clarify the intent.

The fact is that defense spending is an economic stimulus in various areas of the country. This is not intended to deny that expenditure, so long as it is a legitimately needed military expenditure.

Mr. BIDEN. That is the key—so long as it is a legitimate defense need.

My concern, about the testimony of Secretary Schlesinger—and I may have read more into it than was intended—was that there were situations in which the Defense Department was considering expending moneys primarily to affect the economy, which would have a secondary effect on defense. Were they just considering it from a defense posture, they would not have expended those moneys.

Mr. TOWER. Of course, various sections of the country are interested in having defense contracts, for the reason that they are an economic stimulus. As a matter of fact, I believe that former Secretary Packard estimated that $1 billion in defense expenditures resulted in 100,000 jobs. Obviously, then, it is a matter of great attractiveness to the various areas of the country.

I do appreciate the clarification of the Senator from Delaware.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. Schlesinger to Representative HÉBERT, the chairman of the Armed Services Committee of the House. I think it clarifies his statement, which in effect says that he did not intend to convey the impression that the priority reason for some requests was for an economic stimulus.

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

THE SECRETARY OF DEFENSE,
Washington, D.C., May 21, 1974.

HON. F. EDWARD HÉBERT,
Chairman, House Armed Services Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Some confusion seems to have arisen regarding the possible impact of domestic economic considerations on the formulation of the FY 75 Defense program. I am writing to amplify the record of my response to Chairman Mahon's question on this point when I appeared before the Appropriations Committee on 28 February 1974.

As you know, our Defense program is based on a five-year planning cycle. The program now before the Congress represents a real reduction from the Five-Year Defense Plan current at the time this budget was submitted. This reduction resulted from the recognition of the realities bearing on formulation of the Federal Budget. Any such budget necessarily balances revenue against competing demands for these revenues, and takes account of the impact that the resulting total budget may have on the national economy. Needless to say, I believe that the entire Defense request resulting from this process is wholly justified on its merits and is essential to the maintenance of our national security.

During the course of the formulation of the FY 75 budget there was a time when it appeared that the Defense outlays might be reduced even further below the Five-Year Defense Plan by perhaps as much as $1–1½ billion; that would have been a very unwise decision in my judgment. This possibility was considered in the course of studying various alternatives—a normal budgetary procedure for assessing the impact of total Federal spending on the national economy. It was concluded that such a reduction would seriously impair our national defense capability, and subsequent study resulted in the budget that is now before you.

The most serious misunderstanding regarding the formulation of the FY 75 program arises from the association of an $85 billion outlay figure with the requested TOA of $91.3 billion. In mentioning a figure of $85 billion before Chairman Mahon's Committee, I was referring to outlays, not TOA. The illogical association of $85 billion with the $91.3 billion has led some observers to the erroneous conclusion that $6.3 billion was added to the program in order to stimulate the national economy. Such a conclusion is presumably based on ignorance of the simplest budgetary fundamentals according to which a change of $1 billion in outlays would be associated with changed obligational authority of perhaps $1.5 billion, and this would apply to the entire defense appropriation, including O&M, military personnel, etc., as well as the procurement bill. Distortion of this issue interferes with serious and constructive consideration of the Defense budget request.

Fiscal policy is regularly and properly adjusted to macroeconomic conditions in accordance with the Murray Act, so as best to maintain employment, out-put, and income. This is a normal budgetary procedure that takes place in December when the final assessment of outlays and prospective revenues is made. This is not only consistent with law but is responsible fiscal policy. I do hope that there will be no retrogression in the attempt intelligently to formulate fiscal policy simply because such formulation has the effect of enhancing the national security.

It is my considered judgment that this FY 75 Defense budget is certainly no greater than—and may indeed be less than—that which is necessary to maintain our national security establishment at a level required by the current world situation. There are specific categories in which I might have wished to see larger authorizations and appropriations, but, taking into account all the considerations which bear upon our budget formulation, it is in my view an austere, but prudent, budget for the present time and circumstances.

JAMES R. SCHLESINGER.

Mr. TOWER. Mr. President, I concur with the chairman that this amendment should be accepted.

The Department of Defense feels that the amendment is not necessary and is redundant, but has no objection to it; therefore, I have none. I am willing to let it go by voice vote.

Mr. STENNIS. Mr. President, in view of the developments here, if the Senator is willing to yield back the remainder of his time and is willing to let us dispose of this amendment by voice, I am willing to do so.

Mr. BIDEN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STENNIS. Mr. President, are there any other amendments to be offered at this time? Otherwise, since we are not under controlled time, I would like the Chair to recognize the Senator from New Hampshire for 35 minutes, and I hope he can finish his speech in that time.

Mr. McINTYRE. I thank the distinguished chairman.

Mr. President, I would like to speak briefly in support of the fiscal year 1975 military procurement authorization bill, S. 3000, with amendment, as reported by the Armed Services Committee. Following that, I will discuss in detail that portion of the bill which is the specific responsibility of the Subcommittee on Research and Development, which it is my privilege to chair.

This has been a most difficult year for the committee for several reasons. First, the amount of time available to review the details of the programs covered by the bill, to conduct the formal hearings necessary to obtain essential testimony upon which to base committee considerations, and to reach the conclusions reflected in the committee recommendations, was sharply curtailed. By comparison, the report on last year's bill was made on September 6, 1973, more than 3 months later than this year.

Second, the committee was faced with a serious dilemma. With the single exception of fiscal year 1973, which was higher only because it included an amendment for Southeast Asia and SALT I related requirements, the request for fiscal year 1975 is the highest during the past 10 years. Of course inflation accounts for much of this, but one would expect that in the first year following our withdrawal of forces in Southeast Asia, Defense procurement spending would decline. Moreover, with the President's pronouncement involving détente with the Soviets, the improvement of relations with Communist China, with mutual balanced force reduction and SALT II negotiations underway, and finally with a real hope for lasting peace in the Middle East, I find it very difficult to accept the need for continued astronomical levels of defense spending.

It was this basic concern as well as my conviction that embarking on the major new strategic initiatives to increase the yield and accuracy of our strategic ballistic missile force was not essential to the survivability of our future deterrent capability and would be highly destabilizing in its effect on the Soviets, that led me to my unsuccessful efforts to persuade the committee to deny $77 million requested for three such programs. I would not belabor this issue now, but I intend to introduce an amendment to address the use of these funds during the debate on the bill.

I would like to emphasize one point, Mr. President, and the record will bear me out. I am totally dedicated to a military defense strong enough to deter any threat to our national security wherever and whenever it may occur, and this includes the full accommodation of our treaty obligations to our allies. However, the issue clearly goes beyond this point of responsibility and basically falls into the category of excessive defense spending. It is because of my sober regard for the vital defense of the Nation, both present and future, and the serious responsibility which this committee bears in this matter that moved me to recommend a strong and adequate research and development program and to support the committee in its recommendations on all other parts of the bill. In fact, in the R. & D. program, while recommending denial of the three strategic initiatives, I was persuaded to recommend full support of such other new

strategic initiatives as a mobile intercontinental ballistic missile, increasing the number of Minuteman reentry vehicles carried in a single warhead, and both the Air Force and Navy strategic cruise missiles. These all represent a substantial augmentation in our strategic offensive capability as well as strengthening our bargaining position in SALT II.

But an overriding and perplexing question which weighs heavily on my mind, as it must on the minds of my colleagues, is can we be the world leader in peace if our economy is falling apart? Are we undermining the daily needs of our people by diverting too much of energies and resources to Defense? What is the proper balance? Unfortunately, Mr. President, I believe that there just is no easy answer to these questions. We in the Senate must devise the elusive formula and prescribe what the country needs. And the committee has done a commendable job in its action on the pending bill. For instance in gross dollars alone, the committee reduced the $23.1 billion request by $1.3 billion, or 5.5 percent. The committee reduced active duty military strength by 2 percent and civilian strength by 4 percent. Military Assistance Service Funds were reduced by $287 million, the proposed modification of the Civil Reserve Air Fleet costing $155 million was denied, as well as $677 million for construction of an attack submarine, the sea control ship, four patrol frigates and a destroyer tender.

While these are substantial cuts, the $21.6 billion remaining will, in my opinion, be adequate for the necessary replacement and modernization of our military equipment.

Mr. President, turning now to the research and development portion of the bill, it has been my privilege for the sixth consecutive year to serve as chairman of the Subcommittee on Research and Development of the Armed Services Committee.

Serving with me on the subcommittee have been the senior Senator from Virginia (Mr. HARRY BYRD, JR.), the senior Senator from Iowa (Mr. HUGHES), the senior Senator from Colorado (Mr. DOMINICK), and the junior Senator from Arizona (Mr. GOLDWATER). The work of the subcommittee was greatly enhanced by the collective breadth and depth of knowledge and experience of its members concerning military requirements, equipment, and research and development.

In my 6 years as chairman of the subcommittee, I have acquired a keen awareness of the importance of a strong technology base and the manner in which it evolves into the advanced military equipment that insures our qualitative superiority in future years. The whole world of research and development is best described as one of change. The challenge is to be sensitive not only to technical change but equally to changing requirements as they are dictated by the dynamics of geopolitical developments and relationships. A recent case in point is the Middle East War which spotlighted deficiencies in our arms as well as the need to revise certain concepts and tactics.

The genius and dedication of our scientists and technicians both in industry and in government continues to amaze me and fill me with pride. Not that I am proud of their ability to fashion better weapons of destruction, but rather that they insure the future safety of people. And it is also satisfying to observe the transfer and application of many of these inventions to the betterment and welfare of our citizens. I need only mention the widespread uses of lasers in our medical field as well as in our commercial manufacturing processes, and the profound impact that computers have had on our everyday lives, as graphic illustrations of what initially evolved from military research and development. Still, I must emphasize that this of itself does not justify high levels of defense spending.

At the risk of rehashing old issues, Mr. President, I must point out that the problems of cost overruns, oversophistication of design, unrealistic performance requirements, so-called gold plating, unwarranted duplication, and excessive redundancy all remain with us still. However, the criticisms of these by this committee and the Senate as a whole are being heard. And I am encouraged by the sensitivity of the new team of defense managers to these ills, and the constructive steps which they already are taking to correct them. But we cannot and will not relax our vigilance. Within our capabilities we will continue to probe and prod and in the process stimulate defense program managers to exercise prudent judgment on a widening scale in the hope that more general improvement will be accomplished.

Military research and development, like all research and development is a mixture of success and failure. This is to be expected and it is generally accepted. However, the real problem is to recognize failure early in the game and to take positive corrective action or to terminate unpromising work without delay. Only in this way can the flow of dollars and efforts be turned off or diverted to other essential needs. Here again, the quality and effectiveness of defense management is put to the test, and congressional vigilance must remain constant. And above all we must all strive for high quality at affordable cost.

With keen awareness of these varied and conflicting considerations, the subcommittee conducted a detailed examination of the major programs and issues involved in the authorization request for research and development. Considerations included the respective merits of each program as measured against the need, the technical feasibility, costs, and alternative programs. The recommendations to the full committee, and in turn to the Senate, reflected this overriding objectivity in arriving at a research and development program adequate to the needs of the United States.

The subcommittee devoted some 35 sessions and 91 hours to hearings of Defense officials, who included the Director of Defense and Air Force Assistant Secretaries for Research and Development, the Military Department Deputy Chief for Research and Development, and the Director of the Defense Advanced Research Projects Agency.

The subcommittee also cross-examined numerous program managers responsible for the major weapon systems that account for the largest dollar amounts requested. This was supplemented by extensive discussions with defense representatives by the committee staff who also conducted numerous field trips to military installations and contractors' plants to obtain firsthand and current information on major programs. This was literally a backbreaking effort within the constraints of time.

I would be remiss, Mr. President, if I did not at this time express my admiration and appreciation for the herculean task accomplished by the entire committee staff. And I must give special recognition to those staff members who concentrated on the research and development program. These include Mr. Hyman Fine, Mr. Robert Old, and Mr. George Foster of the committee staff. In addition, a major contribution was made by Mr. Charles Stevenson, legislative assistant to Senator HUGHES, and in the strategic area by my own assistant, Mr. Larry Smith.

This year, the B–1 advanced strategic bomber consumed more subcommittee attention than any other single program. In fact, the Secretary of the Air Force and the Commander of the Strategic Air Command also appeared and testified in support of this program. The review also covered the total request for $1.9 billion for the Trident submarine launched strategic weapon system, and included not only the research and development appropriation, but the ship construction and weapons procurement appropriations involved in the bill.

Special attention was directed to the review of the Army SAM–D air defense missile system in deference to my good friend, the junior Senator from Indiana. In fact, a member of his staff was invited to attend the subcommittee hearings and submitted a series of questions which have been answered for the record.

The Tactical Air Power Subcommittee, under the able chairmanship of my good friend from Nevada (Mr. CANNON) held separate hearings on those research and development programs involving the tactical air mission. I understand that his statement covers these items.

Mr. President, in summary, the fiscal year 1975 authorization request for the research, development, test, and evaluation appropriation totals $9,325,039,000 and is the largest amount ever requested. The committee recommends authorization of $8,952,412,000, which is $372,627,000, or 3.9 percent, less than the amount requested. It is $49,251,000 less than the amount authorized by the House.

The committee did not act on the House bill because it was received too late for committee consideration. It should be noted that while the committee reductions were specifically applied to individual programs, the House reduction of $323.4 million included $45.2 million for Defense agencies to be applied on the basis of priorities within each agency.

The committee reduction of $372.6 million reflects decreases of $377.1 million

which are partially offset by a single increase of $4.5 million for development of the Army Cobra/TOW helicopter system. This increase represents simply a transfer from the procurement to the R.D.T. & E. account. The committee recommendation is $1.1 billion more than the amount authorized and $1.2 billion more than the amount appropriated for fiscal year 1974. These increases are apparent, rather than real, because $515 million represents the cost of inflation and $225 million the value of items transferred from other accounts into R.D.T. & E.

The real increase requested is the balance of $494 million. Applying the committee recommendation reduces this to $121.4 million which represents a real increase of only 1.5 percent over the amount authorized and appropriated for the current fiscal year.

The bill, as recommended by the committee, will provide for support of the following major research and development programs:

The amount of $741 million to continue development of the Trident submarine-launched ballistic missile system;

The amount of $455 million to continue engineering development of the three prototype aircraft B–1 advanced strategic bomber;

The amount of $219.7 million for continued engineering development of the Air Force airborne warning and control system, AWACS;

The amount of $182.6 million for continued development of the Air Force F–15A air superiority fighter; and, finally,

The amount of $123.9 million for continued development of Minuteman improvements.

Major reductions made by the committee include:

The amount of $50 million in the Army Site Defense of Minuteman prototype demonstration program;

The amount of $44 million in the Air Force B–1 bomber program;

The amount of $21.2 million in the Army Heavy Lift Helicopter prototype development program;

The amount of $16 million in denying initiation of the Navy improved strategic nuclear ballistic missile submarine system, the SSBN–X; and also

The amount of $91.6 million representing funds determined to be excess to requirements because of program slippage, unrealistic schedules, or denial of the fiscal year 1974 readiness supplemental.

Mr. President, it gives me a measure of satisfaction to report the turnabout in the Trident program. It is rather ironic that the program proposed for fiscal year 1975 is essentially the same program which I tried so hard to establish last year by floor amendment. That effort came within barely several votes of passing.

My proposal to restore the submarine building rate to the original Navy plan of two per year instead of the proposed three per year has been adopted by the Navy.

My proposal to backfit the Poseidon submarine with the Trident C–4 missile beginning in 1979 to provide a substantial increase in our strategic capability, instead of remaining as an option for possible use in the early 1980's, has also been adopted.

It is rather unfortunate that the extensive lobbying efforts by the Navy last year were permitted to persuade some of my colleagues to set aside the sound logic of my arguments.

Last year, as we were considering this Trident program, we could look back to the year 1972, when we were discussing the 1973 fiscal year budget. Due to a serious illness on my part, the chairman of the Armed Services Committee asked the distinguished Senator from Texas (Mr. BENTSEN) to take over and to take a hard look at what was then being proposed for the first time, the Trident program.

At this time I would like to yield to the distinguished Senator from Texas, who, because of the wonderful work which he did, allowed me to pick up the pieces and to make the recommendations which I make this year.

So I yield now to the Senator from Texas.

Mr. BENTSEN. Mr. President, I thank the distinguished Senator from New Hampshire. I know of the long hours and labor that the Senator has expended and spent in working on the R. & D. Although it is an expert staff, it is a small staff, and it faces a most unequal task when confronted with the vast number of Pentagon representatives.

Mr. President, one of the most promising developments of the recent Defense Department budget proposed to Congress is the decision by the Department to decelerate the Trident submarine program.

For 2 years now the Senate has debated the future course of this program and for 2 years a narrow majority of Senators supported the acceleration of Trident which has now been abandoned by the Navy.

I believe a brief review of this controversy can tell us much about both the nature of defense planning and the role of congressional consideration in shaping those plans. Such a review can tell us a great deal about both the capacity of officials at the Department of Defense to err and the capacity of the Congress to set them straight when they do err.

For the Trident debate marks a distinct departure from a time in the past when the Department of Defense was thought to have all the expertise and when many Members of Congress thought of the Defense budget only in terms of contracts and bases for their own constituencies. The Trident debate marks a juncture where the Congress will become more of a partner in the details of defense planning—rather than being a mere automatic clearinghouse for defense spending.

The Trident dispute has its genesis in a decision by the Department of Defense in January of 1972 to speed up the Trident submarine program by 2 to 3 years and to provide for the deployment of the Trident I missile in 1977 to our Polaris fleet.

This Navy decision increased the Trident request for fiscal year 1973 by over $500 million and sparked a debate in the Congress which eventually led to two major Senate floor battles and finally to a decision by the Department of Defense this year to revert to a more reasonable construction schedule.

In 1972 and 1973 the Navy testified to the Congress that the Trident could not wait for the orderly development schedule proposed in its earlier budgets. The Navy claimed that the condition of our "aging" Poseidon/Polaris fleet and the advances of the Soviet Union in submarine and antisubmarine technology made it imperative that we put as many Tridents to sea in the shortest time possible.

This year, however, Secretary of Defense Schlesinger, in his posture statement, makes a strong case against the pell-mell construction program sought by the Navy in 1972 and I believe his words are worth quoting:

While failures encountered in the Poseidon operational tests have no direct relation to the Trident missile program, they do remind us once again of the monetary risks involved in moving rapidly into large-scale production of any new major weapon system. Operational testing, of course, cannot commence until the system has actually been operationally deployed. But by holding initial production to a reasonably low rate, we can reduce the costs of correcting those inevitable deficiencies which are not discovered until the system is operationally tested. This is particularly true in the case of such technically advanced and costly weapon systems as the Trident submarine.

Accordingly, after starting the first Trident submarine in fiscal year 1974, we now propose to build the nine remaining Trident submarines discussed here last year at a rate of 2 a year—instead of 3 a year—beginning in fiscal year 1975. In addition, we currently plan to procure sufficient Trident I missiles to backfit 10 Poseidon submarines.

I congratulate Secretary Schlesinger on the cogency of his argument and I can only say that I wish we had had his help earlier in this dispute.

I hope the Senate will indulge me for just a minute but I would also like to quote from a speech I made in 1972 which reflected the position of the sponsors of my amendment.

I am not opposed to the Trident System. But I am opposed to rushing precipitously into a long-range commitment before the facts are in. We do not have the facts on the *Trident* submarine. Design is not completed. We do not have adequate information on which to base a responsive decision. Surely the experience we have had in the recent past with high cost overruns on defense contracts is enough to warn us to put on the brakes before responding to the "full speed ahead" order. We have accepted the principle of "fly before buy" in aircraft procurement. Isn't it commonsense to adopt a "try before you buy" policy for billion-dollar submarines?

The parallel between our arguments then and the official position of the Department of Defense today are just too striking for me to allow them to go unnoted.

I sat on the Research and Development Subcommittee which studied the Trident proposal and heard the Navy case for the acceleration of Trident. I believe it might be valuable to reexamine some of the Navy arguments that led to the decision by the Congress to accelerate the Trident program and to see how those arguments stack up against the recommendations made by the Re-

search and Development Subcommittee. Then we should look at the decision made by the Defense Department this year to follow the recommendation made by the Research and Development Subcommittee and to restructure the Trident program.

In 1972 the Navy argued that our polaris/poseidon fleet was beginning to show its age and that the growth of the Soviet A.S.W. threat made it necessary to accelerate the construction of the new Trident submarine. In addition, the Navy sought to step up the delivery schedule for the new Trident missile so that it could be available for our poseidon fleet in 1977 than the original date of 1979.

The Research and Development Subcommittee spent weeks considering these arguments, sifting through the volumes of testimony and finally arriving at the decision that the acceleration of the submarine construction schedule was neither necessary nor feasible. It was unnecessary because the Polaris/Poseidon fleet gave every indication of being effective into the 1980's and it was unfeasible because of the problems of concurrency that arise in any weapon program when one rushes from design to construction in too short a time.

In addition, the subcommittee felt that not enough consideration had been given possible alternatives to an all Trident force.

In 1972, the subcommittee submitted its proposal for returning the Trident construction program to its original schedule. This schedule proposed by the subcommittee would have allowed for the delivery of the first Trident submarine in 1981 and would have reduced from three to two the number to be delivered each year of construction. The subcommittee proposal would not have affected the early delivery date for the Trident missile. The full Armed Services Committee split on a tie vote and at that point the quiet process of official testimony and reasoned consideration ended and the Pentagon lobbying began.

In 1972, I offered, with a number of cosponsors, an amendment on the floor which would carry out the Trident recommendation made by the Research and Development Subcommittee. Judging from the response of the Pentagon, one would have thought that the effectiveness of our whole deterrent force hung in the balance despite the fact that the recommendation we were making had been their very own position less than 6 months before.

I have not seen so many admirals and Pentagon officials on the Hill since the last pay raise bill was being considered. The Pentagon had a command post right off the Senate floor and for every point raised by the authors of the amendment there was always a new Navy position or response issued to fit the debate. I think I know how Custer must have felt at Little Big Horn, the indians just kept coming.

The net result of all this activity in 1972 was a close vote in the Senate that affirmed the request for an accelerated Trident program. This same process was repeated in 1973 when the able chairman of the Research and Development Subcommittee, Senator McIntyre, carried an amendment to the floor which would have decelerated Trident and returned the program to a more orderly schedule. That amendment also failed on a close vote.

I certainly do not question any other Senator's judgment in this regard, but I do believe we must consider the context of the debate in which those judgments were formed and how they might have affected the outcome on Trident.

The authors of the Trident amendments, both in 1972 and 1973, argued for a more orderly program and for the consideration of possible alternatives to the Navy request.

We argued that the United States had time to do the job right and that the acceleration proposed by the Navy was the surest way imaginable to distort this important stategic weapon system. Furthermore, those of us who argued for an orderly development of Trident had serious questions about whether the United States should place so many of its allowable missiles under the SALT agreements into so few submarine platforms.

On the floor we were told by the Navy that our questions were interesting but that they had already been answered in the form of the Trident. We were told that the Trident design was final, but that the number of missile tubes remained inflexible. We were told that the Polaris/Poseidon were aging and needed to be replaced and that Trident was the Navy candidate to do the job. We were told that the builders of Navy submarine faced no problem in meeting an accelerated schedule and that we should trust Navy planners and not question their judgment.

The culmination of the debates in 1972 and 1973 were close Senate votes in favor of acceleration of Trident by the Senate.

The request for fiscal year 1975 by the Defense Department, however, with minor exceptions, represents a complete agreement, with the recommendations that the Research and Development Subcommittee made in 1972 and 1973.

I want to commend the planners of the Defense Department for what I believe is a forthright and commendable policy change. I also urge the Members of the Senate to take a close look at the history of this program and to see if there are lessons here which can be applied to other defense programs as well.

Specifically, I would ask Members of the Senate to reflect on the judgments that the Research and Development Subcommittee made in this case, and to have more faith in the ability of the Congress to deal with complex defense issues.

Indeed, Mr. President, we in the Congress must call the shots when we feel that the Pentagon is wrong.

To borrow a phrase from Madison Avenue—you gotta believe. The Congress has to believe in the ability of its own Members and staffs to disagree with the defense experts and to be right when the evidence supports us.

Quite frankly, I believe that too much of the Trident debate consisted of authoritarian Pentagon arguments that assumed the Navy experts had all the facts and that the best course for the Senate was to defer and not take a chance on the judgment of its own experts. There can be no partnership in defense planning between the Congress and the Defense Department when one of the partners is willing to let the other do all his thinking for him.

The existence of a partnership implies a certain balance and accommodation between opposing points of view. The outcome of the Trident debate represents a balanced partnership between the Congress and the Pentagon. It opens a middle ground between those in the Congress who would blindly follow every Pentagon request, no matter what its faults, and those who instinctively oppose any such request, no matter what its merits.

I am proud to have been a part of that exercise. I believe the debate on the Trident has strengthened an important weapons system and has helped revitalize the faculty of Congress to make policy in the area of national defense. We have contributed to the country's defense by pursuing our convictions on how that defense can best be achieved. That is a satisfying result and it is a satisfaction that I hope other Members will increasingly share.

I congratulate the distinguished Senator from New Hampshire (Mr. McIntyre) for the major role that he has played in working with the Secretary of Defense to bring this about. I think the Senator has saved the taxpayers a great deal of money and performed a great public service.

Mr. McINTYRE. Mr. President, I want to keep the record straight. In 1972, after I returned from Johns Hopkins, having had a little siesta in order to recover from surgery, I had missed a great deal of the work which had been done by the distinguished Senator from Texas (Mr. Bentsen). Consequently I want to remind him I believe I voted against his amendment in our executive session. I can only say that when I took up the cudgels the following year, after he lost the bout in 1972, I was able to pick up where the Senator left off, and I could see the instructive manner in which he approached the whole program. I was able to embrace it, and to present it to the Senate in as good a fashion as, I think, it could have been done because the lobbying that was going on by our good friends in the Navy at that time was beyond description.

The Senator will remember how excited we became one time when they indicated the Communists were lobbying the Halls of the Senate.

Mr. BENTSEN. I do not recall exactly how many submarine bases had been promised to be built on each coast by the time the Trident debate was through, but I do recall that it was quite a number.

Mr. McINTYRE. The Senator might be interested in knowing, too, that while I join him in expressing our keen appreciation to the Secretary of Defense for his bringing this program to a much more advantageous and intelligent way of doing this R. & D. program, he should be aware that a certain amount of vacillation is going on there in the submarine

field. We in the R. & D. area this year have denied—have really denied temporarily—a request by the Navy to start a new, smaller submarine originally called the Narwhal because of the type of propulsion system it involves, but is known now as the SSBNX.

This is a $16 million startup program. I have written to the Secretary of Defense, because of what seemed to be all sizes and shapes of submarines, as to just what direction they really intend to go.

One argument that we did not use last year has come to the fore. At Electric Boat—perhaps the distinguished Senator from Rhode Island will remember, as he fought this amendment of mine—they are jammed to their eyebrows with submarine work. They could not possibly have kept up with the program that the Navy and the Secretary of Defense wanted the previous year.

I think what I want to say most of all is how much I respect the leadership of the able Senator who, as a Member of the Senate, opened my eyes in 1972.

I only wish he had never left the Armed Services Committee. We need men like him on that committee.

Mr. BENTSEN. I thank the distinguished Senator, and I look forward to his continued cooperation and that of the distinguished Senator from Mississippi, chairman of the Armed Services Committee who sets a tremendous example of leadership that we all try to follow. I enjoyed serving with both of them on the Armed Services Committee.

Mr. McINTYRE. I may say, too, Mr. President, that one thing we need on the floor of the Senate, insofar as these weapons systems are concerned, is more vigilance. We need to stop the business of taking everything that the military say, that that is going to be it. We have got to be tougher-minded.

Mr. President, I shall bring my remarks to a close by commenting on a few other matters I wish to discuss.

I am apprehensive about the excessive number of major new programs proposed for fiscal year 1975. If these are all permitted to progress through development and ultimately into production, we will not be able to afford the multiplying cost. This was a major consideration in my unsuccessful attempt to persuade the committee to deny $77 million for the three new strategic initiatives.

The committee shares my concern about the broader implications of a large number of new programs, and expresses its view on page 84 of the committee report which reads as follows:

> . . . there is always the problem that such programs, once they are begun, tend to acquire a momentum and cloak of permanency which is very difficult to undo.

For instance, give me one brigadier general and two Congressmen, and it is surprising how difficult it is to bring that particular R. & D. program to a close.

The report continues, in its reference to the new strategic initiatives, with the following statement which I strongly endorse:

> The Department must be conscious of this risk and be prepared, if international tensions ease and if SALT II is successful, to turn off those programs which prove to be unnecessary.

The tendency to start major new research and development programs therefore requires a strong measure of control by the Department of Defense, and, if that fails, by the Congress. In fact, this applies in a broader sense to the entire research and development program.

In an atmosphere of growing competition for money within the overall Defense budget, the practical answer lies more perhaps in the exercise of greater foresight and better judgment in the selection of the most critical and most urgent development programs to propose each year. This also will insure more favorable consideration by the Congress.

Before concluding, Mr. President, I would like to address an area which I consider to be of great importance, and which I have spoken to in the past. This involves the opportunity for closer cooperation with our allies in military research and development

The former Director of Defense Research and Engineering consistently and repeatedly, in appearances before the committees of the Congress and in public forums, has stressed the importance of such cooperation. A major reason is the unwarranted duplication and overlap which he estimated as about $1 billion each year. Largely due to his initiative, and now being strongly supported by his successor, substantial efforts in the direction of cooperation are beginning to pay off. The NATO patrol hydrofoil missile ship is one example of such a successful joint venture which is of benefit to labor and industry in the United States now and will also benefit the Federal Republic of Germany and Italy.

However, while I am working toward an expansion of such arrangements, I am concerned about a related aspect of our international commerce. I mentioned this in my statement in support of last year's bill, but it bears repeating. U.S. industry is expanding its efforts to export technology to the Soviets and the Eastern European nations. There is a danger that if this is not very closely and carefully controlled, we may be handing over to these potential enemies the high technology that can be turned against us in a military sense. Such things as integrated circuits, advanced computers, and even production knowhow can backfire on the United States. Not only can our potential enemies apply these technologies sooner, but those skilled scientists and engineers who otherwise would have to work on these items become available to solve other technical problems sooner.

And this would also have the effect of threatening our commercial leadership in the world, but at a later time. We should restrain our industries in their willingness to trade near-term profits at the risk of long-term inferior trade positions.

I again call upon all parties in the Government who have an interest or responsibility in this matter to give it their most urgent and serious attention. This is the time to close ranks and take positive actions to bring the situation under control. I will continue to press toward this objective.

So in conclusion, Mr. President, let me state my conviction that the selective reductions recommended by the committee will still provide the level of research and development required to maintain our technical lead where we already have it. Moreover, if our Defense managers are efficient and prudent in the accomplishment of their tasks, we should be able to recover the lead in important technical areas where we have fallen behind. The ability of the Department of Defense to insure the timely and necessary introduction of advanced weapons into our operating forces is, in my opinion, less dependent on the total amount of money provided than it is on sound judgment in the selection of weapon systems to be developed and on the efficiency of the Department of Defense.

Mr. STENNIS. Mr. President, if the Senator will yield to me, I want to especially commend him and thank him as well for the excellent work he has done as chairman of this subcommittee for this year; and that includes recognition of the fact that he had some excellent help from his fellow members of the subcommittee as well as the staff members.

The Senator from New Hampshire is a 12 months a year Senator, and he works on this bill, the research and development part of it, for 12 months every year.

I want to point out again for the record something not generally realized: There is almost $9 billion in the research title of this bill—that much for research and development alone—and the Senator from New Hampshire and his subcommittee staff have actually gone through, taken the bill apart, examined all the major parts of it as well as many of the minor parts, and then put it back together. They have a judgment here in their report, an actual judgment made by our fellow Members on all of these major items, that is of unestimable value. It is more minute than the Secretaries of the services could possibly have a chance to make, with all of their other duties, and it gives us a layman's estimate also of the value and necessity of the programs.

I have been here at times when the research and development part of a bill, nothing like as great as it is now, was not gone into anything like as much as it is now. So I have an opportunity to evaluate the Senator's services on the subcommittee, and I value them very highly indeed. I commend him again, and I thank him, too, for the fine work he has done here year after year.

Mr. McINTYRE. I thank my chairman.

Mr. President, before I yield, I ask unanimous consent that Larry Smith and Robert Span, of my staff, be accorded the privilege of the floor during the consideration of S. 3000 and any votes thereon.

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

Mr. DOMINICK. Mr. President, as the ranking minority member of the Re-

search and Development Subcommittee of the Armed Services Committee, I am pleased to support the recommendations of the committee, as presented by Senator McINTYRE, the distinguished Research and Development Subcommittee chairman.

Senator McINTYRE has made a very comprehensive presentation of the Research and Development recommendations and I do not intend to go over all of the same programs. Rather I plan to make a few general observations on the Department of Defense's research and development programs and policies, as I see them, and then I will comment on a few specific programs.

First, I think it is significant to note that from the Department of Defense through each of the services the R. & D. key personnel were newly on board at the beginning of this budget year. In spite of that, I felt this was one of the best presented budgets of some time. Dr. Malcom Currie, in a very minimum of time, has developed a fine understanding and appreciation of the many ramifications of his position. And I like the fact that he is not locked in on every program. He has taken the attitude that none are sacred and it was refreshing to see the SAM–D program and even the surface effect ship program, one that I think has great potential, slowed down to make sure the technology was in hand a little better. The service Secretaries are to be commended also for the aggressive way they have moved out with their programs and with the meaningful cooperation each has established with D.D.R. & E. I feel our committee has a very good relationship with this entire R. & D. team.

Each year we invariably ask the question about the ratio of basic research to the rest of the R. & D. effort. I am not sure that anyone really knows what that ratio should be but I do have the feeling Dr. Currie has a good handle on this particular area. Consequently, I do not believe we need be overly concerned in this area about the Soviets catching us with our technological pants down. I might say that the Department knows it has the support of the committee in this area.

A few years back David Packard instituted his "fly before buy" and competitive prototype policy which is still in effect. Actually, we are really just beginning to see the results of this policy since it has taken this long to produce the hardware. The A–10 was probably the first major program where a selection was made from between two competing prototypes and that seemed to work out very well. The Army's advanced attack helicopter program is proceeding under this policy with selection of a winning prototype scheduled for next year. Army was also going to make a selection between two armored scout vehicles but other considerations changed that particular plan. I bring this subject up because I am not personally convinced we need to build two different models of everything before it can be decided which is better. We obviously do not build two competing Trident submarines, or two competing aircraft carriers or two competing B–1's prior to making a contractor selection. But we do apply this policy at a lower point somewhere on the cost scale. Where exactly, I am not sure, but it should be pointed out it can be unnecessarily expensive when a little commonsense as to which system would be better would work just as well. So it seems to me DOD needs to examine this policy very closely and that it should be used very judiciously.

Mr. President, turning now to the funding, the $8.9 billion recommended is about 41 percent of the committee's total $21.8 billion recommendation. The $8.9 billion represents a $372.6 million or 3.9 percent reduction from the amount requested. Although the total R. & D. dollar amount is greater this year than last, when inflation and a pay supplemental is included, the real program totals for the fiscal year 1974 and fiscal year 1975 are practically the same.

Mr. President, if we have one major problem in reviewing the annual R. & D. request it is trying to keep track of such a large number of programs. Because of time constraints we really only review the big programs. For example, this year the committee held hearings on 37 major programs for which $3 billion is recommended. But still that represents only about one-third of the total amount recommended. About two-thirds, then, of the almost $9 billion being recommended is for literally hundreds of smaller in dollar amounts but, nevertheless, important programs. When I am asked what we are getting for our R. & D. dollar I can point to the major programs, but I must stress those smaller programs are often every bit as important.

Now, the committee took some actions this year I am pleased with and I believe it demonstrates the committee operates with independence and does not mirror the position of the Department of Defense.

Last year, my colleagues may recall, there was a close vote in the committee on the Trident submarine program. Some of us felt this was not a legitimate requirement to accelerate the Trident program as well as building these new submarines at a three-per-year rate. This year the Department of Defense proposed a two-per-year construction rate and is now planning to backfit the Poseidon fleet with the C–4 missile when it becomes available. This option was one suggested by the committee, but at the time it was not accepted by the Department of Defense.

Because of the way the Trident program is proceeding, the committee did not feel it was necessary at this time to begin work on another type SSBN. The committee, therefore, denied the funds requested for the SSBN–X, as being premature. However, it does support the concept of such a submarine as a less expensive replacement for the Poseidon fleet or as a substitute for Trident beyond the scheduled 10.

Referring now to the site defense program, last year the request was for $170 million. Our committee recommended $100 million, and $110 million was eventually appropriated. This year the request is for $160 million and our recommendation is $110 million. The committee's major concern, which I believe bears emphasis, is that there does not appear to be a requirement to proceed with a full prototype demonstration which would require the expenditure of $600 million between now and 1978. The committee is of the belief that our intentions about site defense will be quite clear to the Soviets by keeping the level of effort at about $100 million per year until the technology is in hand. If, for some unlikely reason it appears the ABM treaty may be abrogated, then we can do whatever is required to get site defense on line. In the meantime, I believe we would better serve our own interests by concentrating our effort and our limited resources on our other capabilities.

Mr. President, the last program I wish to mention is the B–1. We are recommending a reduction of $44 million from the Air Force request and this is primarily because the committee is not convinced it is absolutely necessary to begin a fourth research and development aircraft this year. Let me stress that we looked at this program in great detail and while from a straight business point of view it makes sense to start aircraft No. 4, from a congressional responsibility point of view, it does not. Our recommendation to deny aircraft No. 4 this year and to continue support of the three aircraft program is designed to keep our investment prior to a production decision to a minimum. This is in keeping with our understanding of the program as presented by the Air Force over the past 3½ years. If aircraft No. 1 has a successful and ongoing flight program next year when the committee reviews the program, I am sure this will have a significant impact on our considerations and recommendations. It is my judgment we can still attain those weapon systems essential to our national security, even though the rate of procurement may be somewhat less than desired by the Pentagon.

Mr. President, I wish to commend my distinguished Research and Development Subcommittee chairman and friend from New Hampshire. He has this year, as he has in the past, done a truly remarkable job in reviewing these programs and presenting the recommendations to the full committee and to the Senate. I know there are pending amendments that would reduce some of these programs further, but we believe they are at the right level so we will oppose any further cuts. I think our recommendations are sound and that the level of research and development funding recomended will insure we do not fall behind our potential adversaries. I urge suport of the recommendations as presented.

UNANIMOUS-CONSENT REQUEST

Mr. ABOUREZK subsequently said: Mr. President, I ask unanimous consent that it be in order for me to lay before the Senate an amendment at this time to S. 3000 so that it may be considered as the pending business tomorrow morning.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. COTTON. Mr. President, reserv-

ing the right to object, how much time do I have left on the bill and how much time does the Senator from Michigan have left?

The PRESIDING OFFICER. The Chair is advised that the Senator has about 25 minutes on the bill.

Mr. COTTON. I yield such time as the Senator needs. How much time does the Senator need? Three or four minutes?

Mr. ABOUREZK. One minute.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, will the Senator repeat his request?

Mr. ABOUREZK. I ask unanimous consent that it be in order that I may lay before the Senate an amendment to S. 3000 so that it may be the pending business tomorrow when this bill is taken up.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, under the order previously entered, the Senator from South Dakota (Mr. McGOVERN) will lay an amendment before the Senate at the close of business today. I would ask the Senator to modify his request in the following manner: that the McGovern amendment be temporarily laid aside tomorrow morning until the disposition of an amendment of Mr. ABOUREZK (No. 1372).

Mr. GRIFFIN. Mr. President, reserving the right to object, I really do not know what this is all about. Is this an amendment that has been cleared with the manager and the ranking Republican member of the committee?

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me to proceed, may I say to the distinguished Republican whip that both Mr. THURMOND and Mr. STENNIS have agreed to a limitation of 1 hour on each of three amendments which will be proposed by Mr. ABOUREZK, amendments numbered 1372, 1373, and 1374. I have not as yet proposed that request. The Senator from South Dakota is at the moment proposing that his amendment No. 1372 be laid before the Senate at the close of business today, and, of course, it would be the pending question when the Senate resumed consideration of the unfinished business tomorrow.

Mr. GRIFFIN. I assume that is all right. There is no time limit.

Mr. ROBERT C. BYRD. I would like to ask for a time limitation, which has been cleared with Mr. THURMOND and Mr. STENNIS, on each of three amendments.

Mr. GRIFFIN. I think that would be all right. I wonder if the distinguished majority whip would give me a few minutes to make a call.

Mr. ABOUREZK. On the time limit or on the amendment itself?

Mr. GRIFFIN. On both.

Mr. ABOUREZK. Mr. President, I withhold the request.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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, it appears that it is not possible to get other amendments to the pending military procurement authorization bill called up today. Consequently, with the approval of the distinguished manager of the bill (Mr. STENNIS), the ranking minority member (Mr. THURMOND), and the distinguished Senator from Texas (Mr. TOWER), I ask unanimous consent that this bill be set aside for the remainder of the day, and that the Senate proceed to the consideration of Calendar No. 833, S. 2846.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, I just want to ask the Senator, is there any intention of getting unanimous consent to limit the time on amendments to this bill? I say that because I have an amendment which Senator TOWER and I have agreed we will bring up tomorrow.

Mr. ROBERT C. BYRD. At the moment there is no proposal that I know of——

Mr. JAVITS. The Senator, I hope, will advise me.

Mr. ROBERT C. BYRD. Surely. Yes. As I understand it, the Senator would be agreeable to a time limitation on his amendment?

Mr. JAVITS. I do not want to say that now. I just want to be advised.

Mr. ROBERT C. BYRD. Very well. The Senator will be advised.

Mr. JAVITS. I thank the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, the pending bill will be temporarily laid aside.

EMERGENCY CHLORINE ALLOCATION ACT OF 1974

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider S. 2846, which will be stated by title.

The assistant legislative clerk read as follows:

S. 2846, to protect the flow of interstate commerce from unreasonable damage to the environmental health by assuring an adequate supply of chlorine and other chemicals and substances which are necessary for safe drinking water and for waste water treatment.

Accordingly, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert: That this Act may be cited as the "Emergency Chlorine Allocation Act of 1974".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) There is a shortage at present of available supplies of chlorine for treating drinking water and waste water and for other purposes necessary to protect the public health.

(2) As a consequence, many municipalities and other persons may be forced to terminate chlorination.

(3) Since chlorine is a chemical that is essential to making water safe for drinking, bathing, and for the treatment of waste water, the termination of chlorination for any public water supply in the Nation would endanger the public health.

(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this Act to establish a procedure for the diversion of such amounts of chlorine in commerce as are necessary to insure treatment of drinking water needed to protect the public health and for the diversion of such other amounts from nonessential purposes to those necessary to protect the public health.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Adequate supply" means such supply of chlorine in such quantity and form and under such conditions as is necessary to meet Federally approved drinking water and water pollution standards and otherwise as is necessary to protect the public health.

(2) The Secretary, as soon as practicable, but not later than 15 days after a determination of need made by the Administrator in accordance with paragraph (2) of subsection 5(b) of this Act, shall take such action as is necessary to assure that the amount of chlorine needed to assure an adequate supply (as specified in such determination by the Administrator) is allocated to the applicant for such determination, including, if necessary, issuance of a priority order directing delivery of such chlorine. Such chlorine shall not be taken from chlorine presently used for the treatment of drinking water. Any such priority order shall be issued only after a proposed priority order has been published in the Federal Register and interested persons have been given an opportunity to submit written data, views, or arguments to the Secretary in accordance with section 553 of title 5, United States Code. The Secretary may afford an opportunity for oral presentation of such data, views, or arguments.

(3) Such priority order shall be directed to applicable persons in accordance with subsection (b) of this section. Any such person shall accept and perform contracts or orders in accordance with such priority order in preference to any other contracts or orders.

(4) There shall be available as a defense to any action brought for breach of contract in a Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange chlorine subject to an order issued under this section that such delay or failure was caused solely by compliance with such order.

(b) APPLICABILITY.—(1) No order issued under this section shall require the provision of chlorine by any person who historically has produced, distributed, or repackaged chlorine solely for his own use.

(2) Orders issued under this section shall be apportioned fairly and equitably among producers, distributors, or repackagers. In making such apportionment for chlorine, the Secretary shall consider the geographical relationship between producers, distributors, repackagers, and customers; established commercial relationships between producers, distributors, repackagers, and customers; the amount of chlorine historically supplied by each producer for purposes necessary to protect the public health; each producer's pro rata share of the total national annual production of chlorine; and other relevant factors.

DETERMINATION OF SHORTAGE

SEC. 5. (a) REQUEST.—(1) Any person who lacks an adequate supply of chlorine for the treatment of drinking water may request the Administrator to make a determination of need for timely submission to the Secretary for the issuance of a priority order pursuant to section 4 of this Act. Such request shall be published in the Federal Register.

(2) Any person who lacks an adequate supply of chlorine for any purpose necessary to protect the public health, except for the treatment of drinking water, may request the Administrator to make a deter-

mination of need which shall include (i) a finding that such person making a request pursuant to this paragraph lacks an adequate supply of chlorine and (ii) a finding of the amount of chlorine needed to assure an adequate supply. Such request shall be published in the Federal Register and shall be in such form and be submitted in such manner together with such material and other information as the Administrator may prescribe, and shall include the names and business addresses of all persons whom the applicant believes would be able to provide, in whole or in part, the amount needed to assure an adequate supply.

(b) DETERMINATION.—(1) The Administrator either shall make a prompt determination of need with respect to any request received pursuant to paragraph (1) of subsection (a) of this section and shall forward a copy thereof in a timely manner to the Secretary together with any pertinent data accompanying such request, or shall promptly decide against such determination.

(2) The Administrator shall, as soon as practicable, but not later than 15 days after receipt of any request submitted pursuant to paragraph (2) of subsection (a) of this section, either make a determination of need with respect to such request or decide against making such determination. Such determination or decision shall be made only after interested persons have been given an opportunity to submit written data, views, or arguments to the Administrator in accordance with section 553 of title 5, United States Code. The Administrator may afford an opportunity for oral presentation of such data, views, or arguments. If the Administrator makes a determination of need, he shall forward such determination of need to the Secretary together with the findings specified in paragraph (2) of subsection (a) of this section, the names of the person or persons from whom supplies of chlorine have been sought, and the stated reasons for the inability of such persons to provide an adequate supply.

USE OF EXISTING FACILITIES

SEC. 6. (a) In carrying out the provisions of this Act, the Secretary and the Administrator shall use, to the extent practicable, existing facilities, services, and personnel of the Department of Commerce, and the Environmental Protection Agency, respectively.

(b) The Secretary or the Administrator, with the consent of the head of any other agency of the United States, may utilize such officers and employees of such agency as he deems necessary to assist him in carrying out the purposes of this Act.

MAINTENANCE OF RECORDS AND INSPECTIONS

SEC. 7. (a) Every person who is subject to an order or regulation under this Act shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Secretary or the Administrator may reasonably require by regulations to assist him in determining whether such person has acted or is acting in compliance with this Act.

(b) The Secretary or the Administrator, or their duly designated representatives, upon presenting appropriate credentials and a written notice to any person subject to an order or regulation issued under this Act, is authorized to enter, at reasonable times, any establishment or facility or other property of such person in order to determine whether such person has acted or is acting in compliance with this Act, including for this purpose, inspection, at reasonable times, of records, files, papers, processes, controls, and facilities, which are relevant to the administration of this Act.

(c) Whoever fails or refuses to comply with any requirement under subsection (a) of this section or to allow the Secretary or the Administrator or their representatives to enter and conduct any inspection authorized by subsection (b) of this section shall, upon conviction, be fined not more than $5,000.

REGULATIONS AND ASSIGNMENT OF PERSONNEL

SEC. 8. (a) The Secretary and the Administrator are authorized to prescribe such rules and regulations as are necessary or appropriate to carry out their functions under this Act.

(b) Upon the request of a State or interstate agency, the Secretary or the Administrator may assign personnel to such State or interstate agency for the purposes of carrying out the provisions of this Act.

ENFORCEMENT OF PRIORITY ORDERS

SEC. 9. Any person who fails to comply with any order issued pursuant to this Act shall be subject to a civil penalty of not more than $5,000 for each day of failure to comply. If he willfully fails to comply with any order issued under this Act he shall be guilty of a criminal violation and shall, upon conviction, be fined not more than $10,000 for each day of failure to comply, or be imprisoned for not more than 1 year, or both. The Secretary or the Administrator or, at the request of either, the Attorney General, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation of any order issued pursuant to this Act. The district courts of the United States shall have jurisdiction to grant such relief as is necessary or appropriate for violations under this Act, including manadatory or prohibitive injunctive relief.

RELATIONSHIP TO ANTITRUST LAWS

SEC. 10. Nothing in this Act shall be deemed to convey to any person immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws. As used in this section, the term "antitrust laws" includes—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1980 (15 U.S.C. 1 et seq.) as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

TERMINATION DATE

SEC. 11. The provisions of this Act shall terminate on December 31, 1975.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 12. There are authorized to be appropriated for carrying out the provisions of this Act such sums as are necessary, not to exceed $150,000 for the fiscal year ending June 30, 1974; not to exceed $500,000 for the fiscal year ending June 30, 1975; and not to exceed $300,000 for the fiscal year ending June 30, 1976.

Mr. ROBERT C. BYRD. Mr. President, would the Chair kindly state, for the information of the Senate, the details of the agreement in relation to the bill which the Senate is now considering?

The PRESIDING OFFICER (Mr. HELMS). One hour on the bill, to be divided between the leaders or their designees; 30 minutes on each amendment in the first degree; 20 minutes on each amendment in the second degree, debatable motion or appeal; with the agreement to be in the uusal form.

Mr. ROBERT C. BYRD. I thank the Chair very much.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

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

The second assistant legislative clerk proceeded to call the roll.

Mr. HART. 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. HART. Mr. President, I yield myself 1 minute to ask unanimous consent that the committee amendment in the nature of a substitute be agreed to and that, as agreed to, it be considered as original text for purposes of further amendment.

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

Mr. HART. Mr. President, this legislation establishes a temporary mechanism to assure that an adequate supply of chlorine will be available to meet public health needs, including the essential need for chlorine to treat our Nation's drinking water and waste water. The purpose of the bill is to prevent the possibility of a public health disaster that could occur if a municipal or public water system is unable to obtain an adequate supply of chlorine. Without chlorination of our water, outbreaks of diseases such as hepatitis and typhoid fever are likely.

From June 1973 to January 1974, 74 municipalities reported to the Environmental Protection Agency that they had experienced extreme difficulties in obtaining an adequate supply of chlorine for water treatment or were completely out of chlorine for a few days. More recently, the EPA has received reports from Colorado and Maine of untreated water due to the chlorine shortage. In addition, a repackaging company in Maryland, which supplies drinking water facilities, closed down for a week in May because of insufficient chlorine. As these problems indicate, as well as comments by the administration during and subsequent to the hearings on this bill, standby allocation authority for chlorine is needed to avoid a health crisis.

The mechanism proposed by this bill can be explained briefly. It gives standby authority to the Commerce Department to allocate chlorine on a case-by-case basis for the next 19 months of anticipated "tight" supply. The bill provides that an authorized applicant—in most cases a municipality—would apply to the Environmental Protection Agency for a prompt determination of need for chlorine. The Secretary of Commerce would then be required to issue a priority order requiring the provision of chlorine to any applicant EPA determines is lacking an adequate supply of chlorine.

The proposed legislation is an "emergency" bill because the shortage of chlorine for public health purposes is expected to be most severe this summer. The shortage is predicted to be over by the end of 1975, at which time the authorization under this legislation will cease.

Mr. President, I hope that the Senate

will pass this bill. I reserve the remainder of my time.

AMENDMENT NO. 1367

Mr. COTTON. Mr. President, I call up my amendment No. 1367 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. COTTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with because I can explain it very quickly. It is not complicated.

The PRESIDING OFFICER. Without objection, it is so ordered; and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 19, strike lines 22 through 25, and on page 20 strike lines 1 and 2 and insert in lieu thereof the following:

(4) "Purpose necessary to protect the public health" means the use of chlorine in treating drinking water and waste water, and for food processing which is determined to be essential for the protection of the health of the general public by the Administractor, in consultation with the Secretary of Health, Education, and Welfare.

Mr. COTTON. Mr. President, this is a simple bill. There is no dispute as to its merit or its need. The entire Committee on Commerce, I am sure, commends the distinguished Senator from Michigan (Mr. HART) for introducing it.

A temporary shortage of chlorine for treating drinking water and waste water did develop in several communities. And, although it may not be a complicated matter to manufacture chlorine gas, it does take time to get needed manufacturing plants on line to maintain a balance between supply and demand.

This bill is only to tide over a present emergency. Its provisions terminate on December 31, 1975. By that time, it should not be a difficult matter to have an ample supply of chlorine for all purposes. However, there is not an ample supply now, and for the coming summer months.

As the Senator from Michigan has so well stated, I believe that 74 cities in the country have found difficulty in obtaining chlorine to purify their drinking water and to protect the health of their citizens. Pending this emergency, it is the contention of the Senator from New Hampshire that the first priority should go strictly to the most necessary fields requiring protection.

The bill, with the committee amendments, provides that the purposes for which chlorine may be assigned by the Administrator of EPA means "any use of chlorine including, but not limited to, use in treating drinking water and waste water and in food processing, which is determined to be essential for the protection of public health by the Administrator, in consultation with the Secretary of Health, Education, and Welfare." However, it does not preclude these officials from making a determination and an allocation of chlorine for other purposes, subject to an administrative determination.

Mr. President, the amendment I have just offered is a relatively simple one. This is the same amendment which appears in my Additional Views in the Committee Report (No. 93-861), accompanying the bill.

What the pending amendment accomplishes is to provide a substitute definition for the terms "Purpose necessary to protect the public health," which appears in subsection 3(4) on page 19 of the bill. As presently defined in S. 2846:

"Purpose necessary to protect the public health" means *any use of chlorine including, but not limited to,* use in treating drinking water and waste water and in food processing, *which is determined to be essential for the protection of public health, by the Administrator in consultation with the Secretary of Health, Education, and Welfare.* (Emphasis supplied)

In other words, as presently written, this definition provides a relatively broad scope to include "any use of chlorine," subject to the stated determination by the Administrator of the Environmental Protection Agency—EPA.

What my amendment would accomplish would be to insure priorities for the use of chlorine for three compelling needs: first, in treating drinking water; second, in treating waste water; third, for food processing which is determined to be essential for the protection of the health of the general public by the Administrator of EPA.

This amendment is in keeping with the declared Congressional policy of S. 2846, as introduced, which was to require priority dispersal of chlorine for the treatment of safe drinking and waste water.

Unfortunately, this limited scope was broadened considerably in committee so as to include "any use," subject only to administrative determination.

Mr. President, allocation of specific materials or commodities by the Federal Government is, at best, an inefficient device necessary to meet a clear and compelling public need; at worst, it is a probable disruptive influence in the marketplace which may only prove to be counter-productive by compounding shortages and other market dislocations.

I fully support S. 2846 to provide the necessary authority to meet compelling public health needs and to avoid any potential major health hazards arising from a shortage of chlorine. But, Mr. President, I believe that any such legislation should be so limited as to be aimed at this limited target, rather than potential "shotgun approach" now provided for in the pending bill. For example, certainly the treatment of drinking water and waste water and for food processing are high on the priority to meet this need. But, under S. 2846 "any person," including the owner of a swimming pool at a private residence, or for that matter at some plush country club, is eligible to apply for a determination and allocation of chlorine. I therefore submit, Mr. President, that the prospect of Government allocation action entering into such an area demonstrates clearly just how far S. 2846 now strays from its original mark of compelling public health needs.

Mr. President, some will say that my fear is ill-founded, since the provisions of S. 2846 terminate on December 31, 1975, and that since it is applicable only for approximately 1½ years, little displacement will occur in the marketplace. I disagree. On the contrary, the very fact that S. 2846 is essentially a temporary measure only makes my argument more compelling that its scope should be limited so as to target in on those users of chlorine which have a clear and compelling need in the interest of protecting the public health.

In other words, if this bill is necessary at all, its need is only temporary since, by its very terms, it will expire at the end of 1975. Therefore, the bill should authorize the allocation of chlorine only until the supply is enlarged, and becomes more sufficient so that all municipal needs can be met.

As the supply becomes sufficient, of course, it will be available to swimming pools and other uses. There is no reason why within several months there should not be an adequate amount of chlorine. The evidence seems to indicate it was more or less through oversight that this temporary shortage occurred.

This bill is just a safeguard. My amendment simply provides allocation first to satisfy the needs for drinking water, then waste water, and then for food processing. Then, as the supply increases, of course, it can be supplied to swimming pools and all kinds of other purposes. Certainly, by the end of 1975, there is every reason to believe that an ample supply of chlorine should be available for all purposes.

Frankly, I cannot see why my dear friend and distinguished colleague from Michigan (Mr. HART) believes my amendment would defeat the purpose of the bill. On the contrary, I think it adds to the effectiveness of the bill. I rather hope he will accept the amendment and that we can pass the bill with the amendment. But, if he does not, I think this amendment is necessary.

Mr. HART. Mr. President, I yield myself such time as may be needed to reply.

The PRESIDING OFFICER. The Senator is recognized.

Mr. HART. Mr. President, the Senator from New Hampshire is absolutely correct in suggesting that the difference between the language reported by the committee and the language he proposes by his amendment is slight. I am ready to acknowledge that the probable effect in practice would also be slight.

As reported by the committee, the proposed bill would assure priority treatment for all uses of chlorine necessary to protect the public health. The primary focus of the bill is on chlorine used in the treatment of drinking water. However, numerous other limited, but essential, public health uses of chlorine exist: medical uses and chlorine for public swimming pools. Chlorine for these purposes would not be taken from chlorine used in the treatment of drinking water. The question for the Congress is whether priority should be given to these public health needs for chlorine over industrial needs for chlorine. Only approximately 5 percent of all the chlorine produced in the Nation is used for the combined public health purposes covered by this legislation. It is not asking a great sacrifice

that during the short period of limited supply these essential needs are met.

There is a possibility that in the period between now and the end of 1975, given the shortage we anticipate for chlorine, some medical use or other public health purpose, not related to treating water or use in food processing, might require the allocation of this short supply commodity. This, I think, is really the only difference between the committee bill and the amendment proposed by the Senator from New Hampshire.

The opportunity to allocate chlorine for these other public health purposes should be reserved. Such an allocation would be subject to the approval of the Administrator of the Environmental Protection Agency and the Secretary of Health, Education, and Welfare and would be for some, admittedly unanticipated at the moment, medical need, medical use, or other public health use.

Unless we retain the language of the committee bill it would appear to me there would not be the authority in the Administrator and the Secretary of Commerce to make a needed allocation of chlorine for these other essential public health purposes. The Cotton amendment would only allow the Secretary and the Administrator to respond to an emergency appeal in the event that there is an inadequate supply of chlorine for the treatment of water or for food processing.

Therefore, I believe the committee properly phrased the language. For that reason I doubt I would be authorized by the committee and I would not be comfortable myself in accepting the amendment.

Mr. COTTON. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, the wording of my amendment and the purpose of my amendment does not preclude the use of chlorine for other purposes. It simply insures that first priority be given to allocation for these three purposes, which constitute a compelling public health need.

To be frank, I am not sure this bill is as pressingly necessary as it was 2 weeks ago. I sat in my living room about 3 nights ago and saw a television commercial with people swimming in a swimming pool. The announcer said to be sure the water in the swimming pool is pure, blue, and healthy. Then, there was a picture of a can of chlorine to buy. So it is being advertised in television commercials.

However, if there does exist a need for chlorine to treat drinking water, then I think it should get first priority; then, it should go for wastewater which runs to the sewers and which is extremely dangerous to health; and then, food processing. Many of the 74 cities which experienced outages probably have already taken care of their needs. I question whether, under the wording of this amendment, any compelling public health needs could not promptly be taken care of. And, it is to meet just such compelling needs that I introduced the pending amendment, rather than leave it to some vague administrative determination at some future date.

My good friend, the Senator from Michigan (Mr. HART), admits that the present language in the bill is to meet some "unanticipated" need. I would observe that only last week the leadership introduced a bill, S. 3523, to establish a temporary National Commission on Supplies and Shortages, which is to report on such matters to the President and to the Congress by December 31, 1974. The need the Senator talks about is something unanticipated, but it is something this proposed Commission will be looking into.

All this amendment does is to take this bill, which is a good bill, and for which I commend the Senator from Michigan, and see to it that it is pointed directly to the three essential needs. These needs are to be taken care of first, and then the marketplace takes care of the balance.

Obviously, there should be enough chlorine within several months to take care of everybody's swimming pool, be it country clubs or private.

Mr. President, in view of the fact that the distinguished Senator cannot accept my amendment, I want to ask for the yeas and nays.

I suggest the absence of a quorum and ask unanimous consent that it not be charged to the time of either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. COTTON. 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. COTTON. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. COTTON. I yield back my time.

Mr. HART. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Hampshire. 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 Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Maine (Mr. HATHAWAY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Utah (Mr. MOSS), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alabama (Mr. SPARKMAN) and the Senator from California (Mr. TUNNEY) are necessarily absent.

I also announce that the Senator from Missouri (Mr. SYMINGTON) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. PACKWOOD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 43, nays 38, as follows:

[No. 226 Leg.]

YEAS—43

Aiken	Domenici	McClure
Allen	Dominick	Pearson
Baker	Eastland	Percy
Bartlett	Fannin	Roth
Beall	Goldwater	Schweiker
Bennett	Griffin	Scott, Hugh
Brock	Gurney	Scott, William L.
Buckley	Hansen	Stafford
Byrd, Harry F., Jr.	Hatfield	Stennis
Case	Helms	Stevens
Cook	Hollings	Taft
Cotton	Hruska	Thurmond
Curtis	Javits	Tower
Dole	Mathias	Weicker
	McClellan	

NAYS—38

Abourezk	Hart	Mondale
Bayh	Haskell	Montoya
Bentsen	Hughes	Muskie
Bible	Humphrey	Nelson
Biden	Jackson	Nunn
Burdick	Johnston	Pastore
Byrd, Robert C.	Kennedy	Pell
Cannon	Long	Proxmire
Church	Magnuson	Randolph
Clark	Mansfield	Stevenson
Eagleton	McGovern	Talmadge
Fong	Metcalf	Williams
Gravel	Metzenbaum	

NOT VOTING—19

Bellmon	Hathaway	Ribicoff
Brooke	Huddleston	Sparkman
Chiles	Inouye	Symington
Cranston	McGee	Tunney
Ervin	McIntyre	Young
Fulbright	Moss	
Hartke	Packwood	

So Mr. COTTON's amendment (No. 1387) was agreed to.

Mr. COTTON. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. BROCK. Mr. President, 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 further amendment.

If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time the question is, Shall the bill pass?

The bill (S. 2846) was passed, as follows:

S. 2846

An act to protect the flow of interstate commerce from unreasonable damage to the environmental health by assuring an adequate supply of chlorine which is necessary for safe drinking water and for other public health 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 "Emergency Chlorine Allocation Act of 1974".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) There is a shortage at present of avail-

able supplies of chlorine for treating drinking water and waste water and for other purposes necessary to protect the public health.

(2) As a consequence, many municipalities and other persons may be forced to terminate chlorination.

(3) Since chlorine is a chemical that is essential to making water safe for drinking, bathing, and for the treatment of waste water, the termination of chlorination for any public water supply in the Nation would endanger the public health.

(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this Act to establish a procedure for the diversion of such amounts of chlorine in commerce as are necessary to insure treatment of drinking water needed to protect the public health and for the diversion of such other amounts from nonessential purposes to those necessary to protect the public health.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Adequate supply" means such supply of chlorine in such quantity and form and under such conditions as is necessary to meet Federally approved drinking water and water pollution standards and otherwise as is necessary to protect the public health.

(2) "Administrator" means the Administrator of the Environmental Protection Agency.

(3) "Person" includes a State or political subdivision thereof, and a public water supplier.

(4) "Purpose necessary to protect the public health" means the use of chlorine in treating drinking water and waste water, and for food processing which is determined to be essential for the protection of the health of the general public by the Administrator, in consultation with the Secretary of Health, Education, and Welfare.

(5) "Secretary" means the Secretary of Commerce.

(6) "Waste water" means any discharge from sewage treatment plants into the natural waters of the United States.

PRIORITY ORDERS

SEC. 4. (a) ISSUANCE.—(1) The Secretary, as promptly as possible after receipt of a determination of need made by the Administrator in accordance with paragraph (1) of subsection 5(b) of this Act, shall issue a priority order directing that the amount of chlorine needed to assure an adequate supply for the treatment of drinking water (as specified in the determination by the Administrator) be allocated to the applicant for such determination.

(2) The Secretary, as soon as practicable, but not later than 15 days after a determination of need made by the Administrator in accordance with paragraph (2) of subsection 5(b) of this Act, shall take such action as is necessary to assure that the amount of chlorine needed to assure an adequate supply (as specified in such determination by the Administrator) is allocated to the applicant of such determination, including, if necessary, issuance of a priority order drecting delivery of such chlorine. Such chlorine shall not be taken from chlorine presently used for the treatment of drinking water. Any such priority order shall be issued only after a proposed priority order has been published in the Federal Register and interested persons have been given an opportunity to submit written data, views, or arguments to the Secretary in accordance with section 553 of title 5, United States Code. The Secretary may afford an opportunity for oral presentation of such data, views, or arguments.

(3) Such priority order shall be directed to applicable persons in accordance with subsection (b) of this section. Any such person shall accept and perform contracts or orders in accordance with such priority order in preference to any other contracts or orders.

(4) There shall be available as a defense to any action brought for breach of contract in a Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange chlorine subject to an order issued under this section that such delay or failure was caused solely by compliance with such order.

(b) APPLICABILITY.—(1) No order issued under this section shall require the provision of chlorine by any person who historically has produced, distributed, or repackaged chlorine solely for his own use.

(2) Orders issued under this section shall be apportioned fairly and equitably among producers, distributors, or repackagers. In making such apportionment for chlorine, the Secretary shall consider the geographical relationship between producers, distributors, repackagers and customers; established commercial relationships between producers, distributors, repackagers, and customers; the amount of chlorine historically supplied by each producer for purposes necessary to protect the public health; each producer's pro rata share of the total national annual production of chlorine; and other relevant factors.

DETERMINATION OF SHORTAGE

SEC. 5 (a) REQUEST.—(1) Any person who lacks an adequate supply of chlorine for the treatment of drinking water may request the Administrator to make a determination of need for timely submission to the Secretary for the issuance of a priority order pursuant to section 4 of this Act. Such request shall be published in the Federal Register.

(2) Any person who lacks an adequate supply of chlorine for any purpose necessary to protect the public health, except for the treatment of drinking water, may request the Administrator to make a determination of need which shall include (i) a finding that such person making a request pursuant to this paragraph lacks an adequate supply of chlorine and (ii) a finding of the amount of chlorine needed to assure an adequate supply. Such request shall be published in the Federal Register and shall be in such form and be submitted in such manner together with such material and other information as the Administrator may prescribe, and shall include the names and business addresses of all persons whom the applicant believes would be able to provide, in whole or in part, the amount needed to assure an adequate supply.

(b) DETERMINATION.—(1) The Administrator either shall make a prompt determination of need with respect to any request received pursuant to paragraph (1) of subsection (a) of this section and shall forward a copy thereof in a timely manner to the Secretary together with any pertinent data accompanying such request, or shall promptly decide against such determination.

(2) The Administrator shall, as soon as practicable, but not later than 15 days after receipt of any request submitted pursuant to paragraph (2) of subsection (a) of this section, either make a determination of need with respect to such request or decide against making such determination. Such determination or decision shall be made only after interested persons have been given an opportunity to submit written data, views, or arguments to the Administrator in accordance with section 553 of title 5, United States Code. The Administrator may afford an opportunity for oral presentation of such data, views, or arguments. If the Administrator makes a determination of need, he shall forward such determination of need to the Secretary together with the findings specified in paragraph (2) of subsection (a) of this section, the names of the person or persons from whom supplies of chlorine have been sought, and the stated reasons for the inability of such persons to provide an adequate supply.

USE OF EXISTING FACILITIES

SEC. 6. (a) In carrying out the provisions of this Act, the Secretary and the Administrator shall use, to the extent practicable, existing facilities, services and personnel of the Department of Commerce, and the Environmental Protection Agency, respectively.

(b) The Secretary or the Administrator, with the consent of the head of any other agency of the United States, may utilize such officers and employees of such agency as he deems necessary to assist him in carrying out the purposes of this Act.

MAINTENANCE OF RECORDS AND INSPECTIONS

SEC. 7. (a) Every person who is subject to an order or regulation under this Act shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Secretary or the Administrator may reasonably require by regulations to assist him in determining whether such person has acted or is acting in compliance with this Act.

(b) The Secretary or the Administrator, or their duly designated representatives, upon presenting appropriate credentials and a written notice to any person subject to an order or regulation issued under this Act, is authorized to enter, at reasonable times, any establishment or facility or other property of such person in order to determine whether such person has acted or is acting in compliance with this Act, including for this purpose, inspection, at reasonable times, of records, files, papers, processes, controls, and facilities, which are relevant to the administration of this Act.

(c) Whoever fails or refuses to comply with any requirement under subsection (a) of this section or to allow the Secretary or the Administrator or their representatives to enter and conduct any inspection authorized by subsection (b) of this section shall, upon conviction, be fined not more than $5,000.

REGULATIONS AND ASSIGNMENT OF PERSONNEL

SEC. 8. (a) The Secretary and the Administrator are authorized to prescribe such rules and regulations as are necessary or appropriate to carry out their functions under this Act.

(b) Upon the request of a State or interstate agency, the Secretary or the Administrator may assign personnel to such State or interstate agency for the purposes of carrying out the provisions of this Act.

ENFORCEMENT OF PRIORITY ORDERS

SEC. 9. Any person who fails to comply with any order issued pursuant to this Act shall be subject to a civil penalty of not more than $5,000 for each day of failure to comply. If he willfully fails to comply with any order issued under this Act he shall be guilty of a criminal violation and shall, upon conviction, be fined not more than $10,000 for each day of failure to comply, or be imprisoned for not more than 1 year, or both. The Secretary or the Administrator or, at the request of either, the Attorney General, may bring an action in an appropriate district court of the United States for equitable relief to redress a violation of any order issued pursuant to this Act. The district courts of the United States shall have jurisdiction to grant such relief as is necessary or appropriate for violations under this Act, including mandatory or prohibitive injunctive relief.

RELATIONSHIP TO ANTITRUST LAWS

SEC. 10. Nothing in this Act shall be deemed to convey to any person immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws. As used in this section, the term "antitrust laws" includes—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.) as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

TERMINATION DATE

SEC. 11. The provisions of this Act shall terminate on December 31, 1975.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 12. There are authorized to be appropriated for carrying out the provisions of this Act such sums as are necessary, not to exceed $150,000 for the fiscal year ending June 30, 1974; not to exceed $500,000 for the fiscal year ending June 30, 1975; and not to exceed $300,000 for the fiscal year ending June 30, 1976.

The title was amended, so as to read: "A bill to protect the flow of interstate commerce from unreasonable damage to the environmental health by assuring an adequate supply of chlorine which is necessary for safe drinking water and for other public health purposes."

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, without amendment, the bill (S. 3373) relating to the sale and distribution of the CONGRESSIONAL RECORD.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11864) to provide for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration and the Department of Housing and Urban Development, in cooperation with the National Bureau of Standards, the National Science Foundation, the General Services Administration, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling: asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TEAGUE, Mr. MCCORMACK, Mr. FUQUA, Mr. SYMINGTON, Mr. MOSHER, Mr. GOLDWATER, and Mr. WYDLER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 1, 11, 16, 26, 27, 28, 31, 41, 42, 45, 53, 54, 55, 66, 70 through 78 inclusive, 80, 91, 92, 106, 112, 123, 124, 125, 126, and 127 to the bill, and concurred therein; and that the House receded from its disagreement to the amendments of the Senate numbered 3, 15, 18, 19, 20, 29, 33, 48, 49, 60, 69, 87, 163, and 169 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

TRANSACTION OF ADDITIONAL ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of additional morning business with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, there will be no more rollcall votes today.

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.

ADDITION OF COSPONSOR OF AN AMENDMENT TO S. 2665

Mr. DOMINICK. Mr. President, the other day, Senators MCCLURE, DOMENICI, GOLDWATER, and myself proposed an amendment (No. 1358), which was accepted by the distinguished Senator from Minnesota (Mr. HUMPHREY) to the IDA bill; namely, to permit ownership of gold by September 1 of this year.

The distinguished Senator from South Dakota (Mr. MCGOVERN) was not in the Chamber when the colloquy occurred but he has informed me since that he would like to have been a cosponsor of that amendment.

I, therefore, ask unanimous consent that the name of the Senator from South Dakota (Mr. MCGOVERN) may be added as a cosponsor of the amendment insofar as the permanent RECORD is concerned.

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

ORDER FOR ADJOURNMENT UNTIL 10:30 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 10:30 a.m. tomorrow.

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

AUTHORIZATION FOR CONSIDERATION TOMORROW OF CONFERENCE REPORT ON THE SUPPLEMENTAL APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on tomorrow, the Senate proceed to the consideration of the conference report on the supplemental appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF S. 3000, DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on the supplemental appropriation bill tomorrow, the Senate resume consideration of the unfinished business, S. 3000.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, morning business is closed.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 8215) to provide for the suspension of duty on certain copying shoe lathes until the close of June 30, 1976.

The enrolled bill was subsequently signed by the President pro tempore.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1975

The Senate continued with the consideration of the bill (S. 3000) to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this request has been cleared with the distinguished manager of the bill and the distinguished ranking minority member—that on two amendments by the distinguished Senator from South Dakota (Mr. ABOUREZK), Nos. 1373 and 1374, there be a time limitation on each of 1 hour; that on amendment No. 1372 by Senator ABOUREZK, there be a time limitation of 90 minutes, with time on each of these amendments to be divided in accordance with the usual form; and that there be a time limitation on amendments to amendments of 30 minutes, to be equally divided in accordance with the usual form.

Mr. STENNIS. Mr. President, reserving the right to object—and I hope that I shall not have to object—that would be entirely all right with me, provided we not take up the Abourezk amendment with reference to South Vietnam—I believe that number is 1372—first, but after the B–1.

Mr. ROBERT C. BYRD. There is no thought of calling it up first.

Mr. ABOUREZK. Mr. President, reserving the right to object, is that being made a part of the order?

Mr. ROBERT C. BYRD. No; Senator STENNIS does not object to the time agreement. He just does not want amendment No. 1372 to be laid before the Senate first, as first consideration for tomorrow.

Mr. ABOUREZK. What I am asking the Chair is, is that condition being made a part of the agreement?

The PRESIDING OFFICER. The Chair would state that the Senator from West Virginia has not asked that that be made a part of the agreement, as the Chair understands it.

Mr. ROBERT C. BYRD. Mr. President, under the previous order, the amendment by the distinguished Senator from South Dakota (Mr. MCGOVERN) will be laid before the Senate tonight. So I am just asking for a time limitation on each of the three amendments of the distinguished Senator from South Dakota (Mr. ABOUREZK).

Mr. ABOUREZK. That is all right with me. I have no objection.

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

Pursuant to the previous order, the Chair lays before the Senate amendment No. 1346 of the Senator from South Dokota (Mr. MCGOVERN), which the clerk will state.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

AMENDMENT NO. 1346

On page 3, line 13, strike out the semicolon and insert in lieu thereof a comma and the following: "of which not more than $200,000,000 shall be available for research, development, testing, and evaluation in connection with the B–1 bomber aircraft program;".

On page 3, between lines 16 and 17, insert a new section as follows:

"SEC. 202. (a) The Secretary of Defense shall provide for an independent and comprehensive cost-effectiveness study, on a force level basis, of the manned bomber mission of the Air Force. Such study shall include, but shall not be limited to, a consideration of the following alternatives, taking into consideration both nuclear and conventional warfare roles of such alternatives:

"(1) the B–1 aircraft;

"(2) the existing B–52/FB–111 combination aircraft with appropriate modifications to extend the operational life and strategic utility of the B–52G and the B–52H series aircraft;

"(2) the FB–111 aircraft with modifications to provide greater range and increased payload capacity;

"(4) a modified version of the B–52;

"(5) the M–X or other aircraft-ballistic missile combinations designed not to penetrate enemy airspace or terminal defenses but to perform exclusively as a standoff aircraft; and

"(6) the complete reliance (no manned strategic bomber) on the modernization of sea-launched ballistic missiles and intercontinental ballistic missiles, within the constraints of negotiated limitations on strategic arms, to provide insurance equivalent to what the manned bomber would provide against any degradation of existing sea-launched ballistic missiles and intercontinental ballistic missiles.

"(b) With respect to the nonnuclear missions of the Air Force, the study provided for in subsection (a) of this section shall also include a cost-effectiveness comparison of the B–1 aircraft with currently available tactical aircraft and with tactical aircraft scheduled to become operational within the same time frame as the B–1 aircraft.

"(c) Both before and during the study the assumptions and methodology used in the study to measure the cost-effectiveness of strategic bomber options, including the plausibility and practicality of all missions assigned to manned strategic bombers, shall be available for review by the Committees on Armed Services and the Committees on Appropriations of the United States House of Representatives and the United States Senate.

"(d) The professional analysts selected by the Secretary of Defense to conduct the study provided for in this section shall be selected solely on the basis of their ability to carry out effectively and impartially the cost-effectiveness study required to be conducted by this section. Not more than one-half of the total number of the analysts selected by the Secretary may be composed of (1) current employees of or persons employed by the Department of Defense within a period of three years prior to the beginning of the study, and (2) persons employed or formerly employed by any business entity who have worked on Department of Defense projects at any time within a period of three years preceding the date of their selection by the Secretary of Defense to help conduct the study required under this section.

"(e) The Secretary of Defense shall initiate the study required by this section at the earliest practicable date and shall submit the results of such study to the Committees on Armed Services of the Senate and the House of Representatives not more than twelve months after the date of enactment of this Act.

"(f) The expenses incurred in conducting the study required by this section shall be paid for out of funds made available under section 201 of this Act for the B–1 bomber aircraft program.".

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10:30 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 5 minutes. At the conclusion of routine morning business, the Senate will proceed to the consideration of the conference report on the supplemental appropriation bill. At the moment I know of no problems in connection with that conference report. However, as Senators are well aware, yea-and-nay votes can be requested without prior notice and, of course, could happen in this instance. The distinguished chairman of the Committee on Appropriations (Mr. MCCLELLAN) tells me he knows of no controversy in connection with the conference report.

Upon the disposition of the conference report, the Senate will resume the consideration of the unfinished business, S. 3000, at which time the pending question will be on the adoption of amendment No. 1346 by Mr. MCGOVERN, on which there is a time limitation of 3 hours.

Other yea-and-nay votes will occur on tomorrow with respect to amendments to the bill (S. 3000). I would anticipate that it will be a busy day with several rollcall votes occurring during the day.

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.

ADJOURNMENT TO 10:30 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 the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 5:24 p.m. the Senate adjourned until tomorrow, Wednesday, June 5, 1974, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 4, 1974:

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. William V. McBride, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Louis L. Wilson, Jr., [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. John W. Pauly, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Bryce Poe, II, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

IN THE MARINE CORPS

The following-named (Navy enlisted scientific education program) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Barbee, Forest L.
Hayes, Daniel P.

HOUSE OF REPRESENTATIVES—*Tuesday, June 4, 1974*

The House met at 12 o'clock noon.

Rev. John F. Warren, National Church of God, Washington, D.C., offered the following prayer:

O mighty God, be the auditor of all the business transactions of this House. Keep each Member honest to the *n*th degree. Help each servant maintain the sensitivity necessary to serve. Give each heart vigor that willingly accomplishes the task. Give each Member energy to keep busy doing the work of the people. Give each one grace to call on You for a refreshing supply of life.

All-seeing and all-knowing God, You see through the coverup we make for our failings and sins. Give us the moral courage to stand or fall on our own accomplishments.

Help us to rely upon the righteousness which is to be had in Christ. 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

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 28, 1974:

H.R. 5621. An act to amend title 10, United States Code, to provide for the presentation of a flag of the United States for deceased members of the Ready Reserve and for deceased members of the Reserve who die after completing 20 years of service, but before becoming entitled to retired pay.

On May 31, 1974:

H.R. 12670. An act to amend section 301 of title 37, United States Code, relating to incentive pay, to attract and retain volunteers for aviation crew member duties, and for other purposes.

On June 1, 1974:

H.R. 6541. An act to authorize the Secretary of the Interior to convey certain mineral interests of the United States to the owner or owners of record of certain lands in the State of South Carolina;

H.R. 6542. An act to authorize the Secretary of the Interior to convey certain mineral interests of the United States to the owner or owners of record of certain lands in the State of South Carolina;

H.R. 7087. An act to authorize the Secretary of the Interior to sell reserved mineral interests of the United States in certain land in Missouri to Grace F. Sisler, the record owner of the surface thereof;

H.R. 10284. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida;

H.R. 10942. An act to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction and their environment, concluded at the city of Tokyo, March 4, 1972; and

H.R. 12920. An act to authorize appropriations to carry out the Peace Corps Act, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 206. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COL. JOHN SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, SFC, U.S. Army (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.