By Mr. SEIBERLING:

H.R. 15479. A bill to authorize research, development, and demonstration projects relating to new techniques of protein production, fertilizer production, and processing vegetable protein, and an education program to encourage market acceptance of products produced by such methods; to the Committee on Agriculture.

By Mr. THOMSON of Wisconsin:

H.R. 15480. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. VANDER VEEN:

H.R. 15481. A bill to amend the Internal Revenue Code of 1954 to include certain joint hospital laundry ventures among the cooperative hospital service organizations entitled to tax exemption thereunder; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 15482. A bill to establish the Great Prairie Lakes National Recreation Area in the States of South Dakota, North Dakota, and Nebraska, and for other purposes; to the Committee on Public Works.

By Mr. BLATNIK:

H.R. 15483. A bill to provide for additional Federal financial participation in expenses incurred in providing benefits to Indians, Aleuts, native Hawaiians, and other aboriginal persons, under certain State public assistance programs established pursuant to the Social Security Act; to the Committee on Ways and Means.

By Mr. BYRON:

H.R. 15484. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

H.R. 15485. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 15486. A bill to amend title II of the Social Security Act to provide for voluntary agreements between clergymen and their employers to treat clergymen as employed persons; to the Committee on Ways and Means.

By Mr. CULVER (for himself, Mr. ZABLOCKI, Mr. WOLFF, Mr. YATRON, Mr. DAVIS of Georgia, Mr. HARRINGTON, Mr. RYAN, Mr. BURKE of Florida, Mr. VANDER JAGT, Mr. STEELE, Mr. WHALEN, and Mr. GILMAN):

H.R. 15487. A bill to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. WINN, Mr. CONTE, Ms. ABZUG, Mr. SEIBERLING, Mr. COUGHLIN, Mr. STEELMAN, Mr. MANN, Mr. OBEY, Ms. HOLTZMAN, Mr. DIGGS, and Ms. BURKE of California):

H.R. 15488. A bill to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. GAYDOS:

H.R. 15489. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or medical warfare agents; to the Committee on Armed Services.

By Mr. GUDE (for himself, Mr. OWENS, and Mr. RIEGLE):

H.R. 15490. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HUNGATE:

H.R. 15491. A bill to extend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself and Mr. STEELMAN):

H.R. 15492. A bill to establish administrative and governmental practices and procedures for certain kinds of surveillance activities engaged in by the administrative agencies and departments of the Government when executing their investigative, law enforcement, and other functions, and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. BURKE of California, Mr. HARRINGTON, Ms. HOLTZMAN, and Ms. MINK):

H.R. 15493. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the Secretary of Health, Education, and Welfare to halt the sales and distribution of food, drugs, and cosmetics adulterated or misbranded in a manner which presents an imminent hazard to the public health and to require their recall or destruction, as may be appropriate; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 15494. A bill to amend chapter 1 of title 23 of the United States Code to provide for construction of access highways to rural areas substantially impacted by accelerated mining activities to meet national energy demands; to the Committee on Public Works.

By Mr. MOLLOHAN:

H.R. 15495. A bill to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. RARICK (for himself, Mr. CRANE, Mr. EDWARDS of Alabama, Mr. DENHOLM, Mr. MILFORD, and Mr. MINSHALL of Ohio):

H.R. 15496. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 15497. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. THONE:

H.R. 15498. A bill to amend the Regional Rail Reorganization Act of 1973 in order to expand the planning and rail service continuation subsidy authority under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Illinois:

H.R. 15499. A bill to improve the regulation of Federal election campaign activities; to the Committee on House Administration.

H.R. 15500. A bill to amend the Internal Revenue Code of 1954 to increase the maximum deduction allowable with respect to contributions to candidates for public office, and to exempt certain political organizations from the payment of income tax; to the Committee on Ways and Means.

By Mr. ZWACH:

H.R. 15501. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

[*Omitted from the Record of June 18, 1974*]

By Mr. MAHON:

H.J. Res. 1062. Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

[*Submitted June 19, 1974*]

By Mr. BIAGGI:

H.J. Res. 1066. Joint resolution barring nuclear technology agreements without the expressed consent of Congress; to the Joint Committee on Atomic Energy.

By Mr. BYRON:

H.J. Res. 1067. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. DU PONT:

H.J. Res. 1068. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wisconsin:

H.J. Res. 1069. Joint resolution to create a farmer to consumer price index; to the Committee on Education and Labor.

By Mr. WIGGINS:

H.J. Res. 1070. Joint resolution authorizing the President to proclaim the period of September 15, 1974 through October 15, 1974, as "Johnny Horizon 1976 Clean Up America Month"; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H. Con. Res. 549. Concurrent resolution designating June 6 of each year as "Liberation Day"; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself, Mr. SEBELIUS, Mr. HANRAHAN, and Mr. GROVER):

H. Res. 1186. Resolution expressing the sense of the House regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STAGGERS introduced a bill (H.R. 15502) for the relief of Gopal Pardasani, his wife Kavita, and child Kamlesh, which was referred to the Committee on the Judiciary.

SENATE—*Wednesday, June 19, 1974*

The Senate met at 10 a.m. and was called to order by Hon. FRANK E. MOSS, a Senator from the State of Utah.

PRAYER

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

O Lord by whom the meek are guided in judgment, grant us a goodly measure of humility. Show us that nothing is low save that which is wrong; that greatness is never hurt, but rather enriched by little ministries; that the pride that fears to stoop is more defiled than the humility that takes a towel and washes men's feet. Save us from thinking more highly of ourselves than we ought to think. As we are kept close to Thee, keep us ever close to the warm heart of humanity in all its variety. Give us the mind and spirit of Jesus Christ, who made himself of no reputation, but whose name is now above every name. Amen.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 19, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FRANK E. Moss, a Senator from the State of Utah, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, June 18, 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.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of James D. Hodgson, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of David E. Mark, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSIFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 893, 905, 906, 907, 908, and 911.

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

LANCE CPL. FEDERICO SILVA

The Senate proceeded to consider the bill (H.R. 7682) to confer citizenship posthumously upon Lance Cpl. Federico Silva, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "a", strike out "national" and insert "native"; and at the beginning of line 5, strike out "in the vicinity of Que Son, Republic of Vietnam,".

Mr. GRIFFIN. Mr. President, I wish to be recognized for a moment or two before the vote is taken on this particular bill. Last week I asked that this particular bill be passed over temporarily. At the time, no committee report was available to provide an explanation of the bill.

Since then, I have examined the report which is now available, and I find that the bill has great merit. It will confer citizenship posthumously on a young alien who served in the U.S. Marines and was killed in Vietnam.

The amendments were agreed to.

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

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act to confer United States citizenship posthumously upon Lance Corporal Federico Silva.".

AMENDMENT OF THE DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

The bill (S. 3474) to amend the District of Columbia Unemployment Compensation Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(c) (4) (B) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended (D.C. Code, sec. 46-303(c) (4) (B)), is further amended by striking the following from the first sentence thereof, "but in no event shall the contribution rate for any employer be more than 2.7 per centum.".

AMENDMENT OF ACT RELATING TO MARRIAGE LICENSES IN THE DISTRICT OF COLUMBIA

The bill (S. 3476) to amend section 1291 of the act of March 3, 1901, relating to marriage licenses in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1291 of the Act of March 3, 1901, as amended (D.C. Code, sec. 30-110), is amended by deleting "names, ages, and color" and inserting in lieu thereof "names and ages.".

BILL PASSED OVER

The bill, S. 2581, to amend the Randolph-Sheppard Act for the blind, to provide for a strengthening of the program authorized thereunder, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

THE SEWALL-BELMONT HOUSE NATIONAL HISTORIC SITE

The bill (S. 3188) to establish the Sewall-Belmont House National Historic Site, and for other purposes, was considered, ordered to be engrossed for a third reading, 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 in order to preserve for the benefit and inspiration of the people of the United States as a national historic site, the Sewall-Belmont House within the District of Columbia, the Secretary of the Interior is authorized to enter into a cooperative agreement to assist in the preservation and interpretation of such house.

SEC. 2. The property subject to cooperative agreement pursuant to section 1 of this Act is hereby designated as the Sewall-Belmont National Historic Site.

SEC. 3. The cooperative agreement shall contain, but shall not be limited to, provisions that the Secretary through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such property and interpreting it to the public, that no changes or alterations shall be made in such property except by mutual agreement between the Secretary and the other parties to such agreement. The agreement may contain specific provisions which outline in detail the extent of the participation by the Secretary in the restoration, preservation, and maintenance of the historic site.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

INTERNATIONAL ECONOMIC POLICY ACT AUTHORIZATIONS

The bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, was considered, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Wisconsin (Mr.

PROXMIRE) is now recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: THE FBI AND INTELLIGENCE COMMUNITY

Mr. PROXMIRE. Mr. President, without fanfare or public awareness the U.S. intelligence community and the Federal Bureau of Investigation have provided this country with a vastly improved intelligence and law enforcement system that may now be the best in the world.

I have been a persistent critic of the excessive and unjustifiable secrecy surrounding the intelligence community. But there can be no doubt about the value to the Nation of U.S. intelligence. In large measure this has come about because the intelligence community and the FBI have profited by the technological revolution as no other Government institutions except possibly the Department of Defense.

At this point I should explain what the intelligence community is. It is not just the Central Intelligence Agency. In fact there are nine other Government institutions that compose the membership of the U.S. Intelligence Board. They are the Defense Intelligence Agency, the National Security Agency, the Bureau of Intelligence and Reports of the Department of State, and the intelligence components of the Army, Navy, Air Force, FBI, Atomic Energy Commission, and Department of the Treasury.

That is the intelligence community. The nominal head of this diverse group is the Director of Central Intelligence, currently William Colby, who also is Director of the CIA. In practice, however, the defense components have virtual independence in budgetary and certain operational matters.

The increased capability of the intelligence community has been highlighted recently by Mr. Colby before the Los Angeles World Affairs Council. He said:

> The first and most dramatic change in today's meaning of the word intelligence stems from the technological genius of Americans. We have applied to intelligence the talents of our inventors, of our engineers, and of our scientists. In the short space of eighteen years since the U–2 began its missions, we have revolutionized intelligence. In 1960 this country engaged in a great debate as to whether there was a missile gap between the Soviet Union and ourselves. Today the facts are so well established that such a debate is impossible. Then we had to try to deduce from bits of circumstantial evidence how many missiles the Soviets had; today we see and count them. We wondered then what new missiles the Soviets might be developing: today we follow their tests and determine from them the range, the size and the effectiveness of such missiles.

Mr. Colby went on to show how this technology has enabled us to negotiate international arms control agreements such as the Nuclear Test Ban and the Strategic Arms Limitations Treaty because we had the intelligence to monitor cheating.

With this vast increase in capability, however, has come the threat that such power could be used for immoral or illegal purposes. We have seen how the CIA has engaged in training of police in this country even though it was strictly prohibited by the 1947 National Security Act.

We have seen how the CIA gave Howard Hunt, a former CIA employee, alias identification gear, disguises, and other technical materials for purposes having nothing to do with the CIA mission.

Such involvement in domestic politics or any law enforcement functions will be prohibited if the House of Representatives accepts the Proxmire amendment to the military procurement authorization bill.

This amendment would make certain that CIA activities are directed toward foreign countries and would specifically prohibit law enforcement or internal security activities by the CIA here at home. This is the business of the FBI and local police forces.

To guard against abuse at home and abroad, the American people must insist on the following safeguards:

Court orders for all types of surveillance either by technical means or by traditional methods.

Real congressional oversight instead of the present "do nothing" system. Some of the oversight committees have not been meeting frequently or actively watching these agencies.

Insistence on improved productivity. The FBI in particular appears to have increased its manpower without a resulting increase in cases solved. In fiscal year 1970 the volume of investigative matters received was 882,254 with 6,935 agents. By fiscal year 1975 estimates, the volume has dropped, it has gone down substantially, to 310,000, while the number of agents has sharply increased. In fact, it has increased by about 25 percent. The FBI argues that this apparent declining productivity has been offset by increases in selected complex areas like organized crime convictions, civil rights and counter espionage cases but the fact remains that overall the productivity of the Bureau should be subject to close scrutiny. They can do much better.

The combined intelligence budget should be made public and not hidden in other appropriations.

Duplication between intelligence agencies should be eliminated.

The CIA should be barred from taking actions overseas which result in the disruption of foreign governments as opposed to normal intelligence collection.

And, finally, guarantees must be insured that personal privacy will not be violated by new computer data banks.

Despite these numerous reservations, I have concluded that the intelligence community and the FBI have performed well for many years.

For example, in the past 15 years the role of classical espionage—called spying—has declined as satellites and technical devices have returned hard intelligence about foreign weapon systems and operations. Based on unclassified magazine articles, it appears that U.S. photography can identify ground targets under 1 foot in size from 100 nautical miles in space.

Just think of that, Mr. President. It means that we can take pictures 100 miles in space from satellites and have them show up, when what they are taking pictures of is only inches in size.

Furthermore, certain satellites collect electronic emissions which aid in the identificatiton and pinpointing of targets.

Satellites also provide an accurate early warning indication of missile launches in the U.S.S.R. and Peoples Republic of China. The so-called "big birds" are the latest and most sophisticated in this series and are thought to have almost a real time capability to transmit data to earth.

Even weather satellites are used to predict cloud cover and enhanced the effectiveness of our photographic satellites.

Photography is only one example of the technological revolution. New codes and miniaturized equipment make it safer for traditional spies to communicate without being subject to identification or codebreaking. The National Security Agency has the most advanced computer equipment in the world for the breaking of foreign codes and the safeguarding of our own transmissions. Various listening posts have been established throughout the world for intercepting communications from foreign military and civilian organizations.

One intelligence function I am adamantly opposed to is the deliberate interference in the affairs of a foreign nation. Unfortunately, this has occurred with frequency the past 15 years in Laos, Vietnam, Tibet, Singapore, Thailand, Cuba, Chile, and many other countries. This type of active intrusion, called covert action, is distinct from normal intelligence collection and should be stopped immediately.

Improvements in the foreign intelligence field have been matched by advances in law enforcement procedures by the Federal Bureau of Investigation.

The FBI laboratory has exploited technological developments in the identification of inks, human hair, small quantities of metals, gas, paints, dyes, medicines, and the restoration of obliterated numbers on metals. They have used ultra-violet, infra-red and X-rays for investigative intelligence. An explosives unit reconstructs bomb components for identification and linkages to the scene of the crime.

Neutron activation provides a method of detecting small concentrations of metals and other elements while mass spectrographs identify the type of element involved. This is particularly important in cases of poisoning. A serology unit analyzes physical evidence such as blood while a microscopic unit matches hairs and fibers. Documents can be restored by new techniques.

The most recent and controversial development is the National Crime Information Center which is a centralized communications system containing vast

amounts of data about stolen securities, guns, boats, automobiles, wanted persons and criminal histories. The last category has raised questions about privacy and the types of data in the system.

Nonetheless, the National Crime Information Center will be an extremely valuable source of data for State and local police.

The FBI not only has a domestic law enforcement function but also is charged with a counter intelligence requirement. With the dramatic increase of Soviet and eastern bloc nationals currently residing in the United States, FBI protection against spying is under strain but still very effective, relying in part on the cooperation of our citizens.

According to FBI statistics the total Soviet bloc official personnel in the United States increased by 48 percent from 990 as of July 1970 to 1,463 as of February 1974. Furthermore representatives of the People's Republic of China have increased since November 1971 when that country's mission to the United Nations was established. Many of these officials are known to be related to foreign intelligence organizations.

Mr. President, our country has always faced foreign threats. Now to a considerable degree, by the miracles of modern technology and the hard work of many Americans, those threats can be assessed. This is not to say that we live in a state of perfect information or that for a moment we should let our guard down. But it is a recognition that we can rely with confidence on the institutions that have been established for these specialized functions, as long as that confidence is rooted in strong congressional oversight.

Too often we hear of the failures of our law enforcement agencies and the intelligence community. Sometimes these failures have been real. But more often these organizations have performed their jobs with remarkable skill and expertise. How often do we hear of the crimes successfully solved, the piece of intelligence that changes a diplomatic situation, the data acquired so necessary for national defense? Rarely do we hear about that. We hear about our mistakes, our blunders.

The reason I am making this statement, as I am making the other series of speeches about what is right with the Federal Government, is that we have not had an appreciation of the many, many advances that make this a stronger and more secure country than it has ever been.

It is a national trait that Americans are self-critical. It is one of our strongest assets. But with that tendency to demand the best from all of Government should come an awareness that some agencies of Government are giving their best and deserve our commendation. With such an evenhanded attitude, our country will continue to make progress.

THE NEED FOR MR. RUSH TO APPEAR BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. PROXMIRE. Mr. President, in the remaining few moments that I have, I would like to call attention once again to the fact that although Mr. Kenneth Rush, who is the top economic policymaker of this administration, was invited to appear before the Joint Economic Committee and agreed that he would appear, and that was confirmed, he later wrote me a letter on June 13 and said he would not appear because of executive privilege; that he was a counselor to the President and in that capacity he should not appear.

Now, Mr. President, we have no interest in Mr. Rush's conversations with the President. He is the principal economic policymaker, he is head of the Cost of Living Council, he is head of the foreign economic operations of our Government, he is the superior to the Counselor of Economic Advisers to the Secretary of the Treasury, he is superior to the Director of the Office of Management and Budget, and all of these agencies will have their economic policies coordinated by Mr. Rush. So it is impossible for the Joint Economic Committee to do its job unless Mr. Rush appears before us.

I am delighted to see a number of newspapers have recognized this great mistake Mr. Rush has made in refusing to appear before Congress and have said so in their editorials.

I call attention to an editorial this morning that appeared in the New York Times which argued that Mr. Rush should reconsider and should appear before the Joint Economic Committee; the Boston Globe yesterday morning published an article entitled "Stonewalling the Economy" which stated how foolish it is that the administration refuses to let Mr. Rush appear when, obviously, he is the principal economic policymaker of the administration and that Congress cannot have anything like the kind of knowledge we should have without his appearance; and an article in yesterday's Washington Star entitled "No Rush To Testify" which also supports the position that has been taken by the committee in urging Mr. Rush to reconsider and to appear.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorials to which I have referred.

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

UNACCOUNTABLE POWER

Kenneth Rush, President Nixon's counselor for economic policy, declined an invitation last week to go up to Capitol Hill to testify before the Joint Economic Committee on the President's mid-year economic report.

In a letter to Senator William Proxmire, the committee chairman, Mr. Rush claimed executive privilege and said that his obligation to give the President "candid and uninhibited" advice prohibited him from testifying before Congressional committees.

Such a claim might have had merit in earlier, simpler times or even now, if Mr. Rush's sole function were to advise the President. But, since the first Administration of Franklin D. Roosevelt, function after function has been added to the Presidency and title after title has been bestowed upon the men and women who work directly for the President. Mr. Nixon has added at least two significant innovations. He invented the title of counselor to the President and he has bestowed "Cabinet rank" on at least some who hold that title.

Mr. Rush holds both the title and the rank. By all accounts, he was appointed to his present post in order to mediate disputes over economic policy between Budget Director Roy Ash and Treasury Secretary William Simon. In his own terms, Mr. Rush considers himself "first spokesman" for the Administration's economic policy. Thus, he is a man of considerable power with substantive responsibilities that affect every household and every business in the United States.

Yet, he does not want to be held answerable to Congress. Unless successfully challenged, he will place his views and his operations beyond all accountability. Congress and the American people have a vital interest in the policy views of the Administration's economic spokesman, and they have a legitimate right to know how economic policy is formulated and executed.

The Rush case is simply the latest symptom of a long-term trend with which Congress has yet to deal effectively. The power seepage into the White House presents a threat to representative and accountable government. Congress alone can stem the growth of unaccountable Presidential government.

STONEWALLING THE ECONOMY

In refusing to appear before the Congressional Joint Economic Committee, President Nixon's new chief economic adviser has put the Administration's domestic policy—if one can be said to exist—out of reach of the public.

Kenneth Rush, who once taught law to Mr. Nixon, has part of a leg to stand on in declining to meet in open session with the JEC. He is, to be sure, a member of the President's immediate staff and as such ought to be free of questioning that would intrude on the executive function.

But Mr. Rush has also been named the coordinator of all economic policy for the Administration. In the past this function has fallen to George Shultz and John Connally, both while serving as Secretary of the Treasury and, as such, subject to review by Congress on a variety of issues. Strictly speaking, Mr. Rush's exact title exempts him from that sort of review.

Other members of the White House staff have had regular dealings with Congress. Roy Ash, director of the Office of Management and Budget, appeared before Congressional committees as recently as last week even though he serves at the pleasure of the President and without having to go through Senatorial confirmation—a situation, by the way, that ought to be revised for exactly the same reason Mr. Rush should not attempt to hide behind executive privilege.

There are sometimes reasons why a policy-making adviser to the President can claim the right to avoid questioning in public by a committee like the JEC. Henry Kissinger, before he became Secretary of State, was in such a position. He was conducting delicate negotiations with sometimes hostile governments, negotiations that might have been disturbed by publicity.

It is extremely difficult, however, to assign such privilege to domestic policy, especially domestic economic policy. Clearly this policy is in much less than full command of the situation, given inflation at unprecedented rates and unemployment above 5 percent. No one pretends to have full answers to these perplexing problems, but Mr. Rush has hardly contributed to the pursuit of solutions with his attitude toward the JEC.

Worse, he has taken an adamant position. He has now made executive privilege the issue. If he really believes that to be sufficient grounds for refusing to attend JEC

hearings, he cannot back down from his refusal without seeming to compromise a principle he has in effect described as inviolable.

Surely no one in or out of government thinks domestic economic policy is something that deserves less than extensive examination and argument. It is preposterous for the nation's chief economic coordinator to say he is out of reach of questioning by Congress, even if he is technically correct. The President has made an unwise decision in placing such responsibility in a sanctuaried office and Mr. Rush has acted unwisely in leaning on the letter of the law to avoid possibly hostile questioning about that policy.

There is a shred of hope. This Administration has been nothing if not flexible. It abhorred controls and twice introduced price freezes. It opposed Communism and embraced detente. It advocated balanced budgets and has the largest Federal deficits since World War II.

Surely an Administration so dedicated to its own principles will be able to find a way to get Mr. Rush to sit in open session with the Joint Economic Committee. The sooner, the better.

No Rush To Testify

The White House carried "executive privilege" to a ridiculous extreme when it was invoked the other day by Kenneth Rush, the President's new chief economics adviser, in refusing to testify before the Congressional Joint Economic Committee.

It is very doubtful that Rush would reveal any information that would endanger national security or disclose material that would otherwise be harmful to the national interest, which should be the only real reason for using executive privilege. It isn't likely either that he would spill anything that could discombobulate administration planning to meet the nation's economic problems, since there are few signs the Nixon administration has any effective planning underway for stemming inflation while at the same time preventing a recession and holding down unemployment.

What seems probable is that executive privilege was invoked in this case for no greater purpose than to demonstrate that the White House can do it on something other than Watergate. Executive privilege has been an overworked catchall used by the President throughout Watergate to delay or prevent disclosure of information sought by investigators, on the ground that "confidentiality" of executive branch discussions must be protected.

The joint committee's vice chairman, Democratic Senator Proxmire, was justified in describing Rush's refusal to testify as being based on an "arrogance and immaturity of thought" in the White House. And Senator Javits, a Republican member of the committee, was correct in saying that Congress "cannot fulfill its legislative responsibilities for the economy if it meets this type of economic stonewalling."

Rush told the joint committee that his responsibility to give Mr. Nixon "candid and uninhibited advice" precludes his testimony. If Rush has any "candid and uninhibited advice" that would get the nation out of the economic mess it is in, the American people are interested in hearing it, and certainly one of the congressional committees involved in this field ought to be told it. The reality may be that he has none, and perhaps that has something to do with his silence.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—PRIVILEGE OF THE FLOOR

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. William A. Cox III may remain on the floor during the course of the day. We need him to monitor the tax reform forces on the debt ceiling bill and the Joint Economic Committee.

The ACTING PRESIDENT pro tempore. Without objection, that will be granted.

INTENTION TO PROPOSE LIMITATIONS ON EXPORT OF NUCLEAR KNOW-HOW

Mr. PROXMIRE. Mr. President, I wish to serve notice, later on in the day I intend to submit an amendment to the Export Control Act which will provide limitations on the export of nuclear know-how to any nation and which will do so by giving Congress—not just a committee, but Congress itself—the opportunity to act; and in fact the requirement that it does act before this knowledge is to be disseminated further.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 15124) to amend Public Law 93–233 to extend for an additional 12 months—until July 1, 1975—the eligibility of supplemental security income recipients for food stamps, in which it requested the concurrence of the Senate.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. BROCK) is recognized.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum and ask that the time be taken out of the time allotted to the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The 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.

VACATION OF ORDER RECOGNIZING SENATOR BROCK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time allocated to the distinguished Senator from Tennessee (Mr. BROCK) be vacated.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

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

QUORUM CALL

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The ACTING PRESIDENT pro tempore (Mr. Moss) on today, June 19, 1974, signed the following enrolled bill and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

H.R. 1961. An act for the relief of Mildred Christine Ford; and

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.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

Proposed Amendment to the Budget, 1974, for the Department of the Treasury

A communication from the President of the United States, transmitting a proposed amendment for appropriations transmitted in the budget for the fiscal year 1975, in the amount of $2,560,000, for the Department of the Treasury (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

Plans for Upstream Watershed Protection

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, four work plans for upstream watershed protection (with accompanying documents). Referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNEY, from the Committee on the District of Columbia, without amendment:

S. 3389. A bill to amend the act entitled "An Act to Incorporate the American University", approved February 24, 1893 (Rept. No. 93–942); and

H.R. 8747. An act to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students (Rept. No. 39–943).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. Res. 340. A resolution, International Wheat Agreement Conference (Rept. No. 93-944).

By Mr. HOLLINGS, from the Committee on Appropriations, with amendments:

H.R. 14012. An act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93-945).

By Mr. McGEE, from the Committee on Post Office and Civil Service, without amendment:

H.R. 8660. An act to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances (Rept. No. 93-946).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with an amendment:

H.R. 29. An act to provide for payments by the Postal Service to the Civil Service Retirement Fund for increases in the unfunded liability of the Fund due to increases in benefits for Postal Service employees, and for other purposes (Rept. No. 93-947).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with amendments:

H.R. 9281. An act to amend title 5, United States Code, wth respect to the retirement of certain law enforcement and firefighter personnel, and for other purposes (Rept. No. 93-948).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Thomas O. Enders, of Connecticut, a Foreign Service officer of class 1, to be an Assistant Secretary of State (Exec. Rept. No. 93-30).

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

CHANGE OF REFERENCE

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from the further consideration of the bill S. 3619, and that the bill be referred to the Committee on Government Operations.

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

INTRODUCTION OF BILLS AND JOINT RESOULTIONS

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. PROXMIRE (for himself and Mr. NELSON):

S. 3666. A bill for the relief of Marlin Toy Products, Inc. Referred to the Committee on the Judiciary.

By Mr. TOWER:

S. 3667. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. AIKEN:

S. 3668. A bill for the relief of Sheila J. Phelps. Referred to the Committee on the Judiciary.

By Mr. PASTORE:

S. 3669. A bill to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. BROCK:

S. 3670. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical expenses, and for other purposes. Referred to the Committee on Finance.

By Mr. HELMS:

S. 3671. A bill for the relief of Mr. Shahnwaz Kadir Shaikh and his wife, Mrs. Avis Phyllis Shaikh. Referred to the Committee on the Judiciary.

By Mr. BAKER (for himself, Mr. BROCK, and Mr. JAVITS):

S. 3672. A bill to amend title 17 of the United States Code to remove the expiration date for a limited copyright in sound recordings, to increase the criminal penalties for piracy and counterfeiting of sound recordings, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. ERVIN:

S. 3673. A bill for the relief of John Czarnecki. Referred to the Committee on Foreign Relations.

By Mr. ABOUREZK (for himself, Mr. MANSFIELD, Mr. METCALF, Mr. DOLE, Mr. McGOVERN, Mr. McGEE, and Mr. HUGHES):

S. 3674. A bill to provide for thorough health and sanitation inspection of all livestock products imported into the United States, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. WILLIAM L. SCOTT:

S. 3675. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs. Referred to the Committee on Finance.

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

S. 3676. A bill to amend section 174 of the Internal Revenue Code of 1954 to insure its uniform application to business products. Referred to the Committee on Finance.

By Mr. ROTH:

S. 3677. A bill to authorize the Federal Power Commission to allocate scarce supplies of natural gas. Referred to the Committee on Commerce.

By Mr. HUGH SCOTT:

S.J. Res. 216. A joint resolution to provide for a temporary extension of the authority conferred by the Export Administration Act of 1969, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMINICK:

S.J. Res. 217. A joint resolution to designate the third week of September of each year as "National Medical Assistants' Week". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 3667. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. TOWER. Mr. President, today I am introducing a bill to amend the Walsh-Healey Act—WHA—of 1936 and the Contract Work House Standards Act—CWHSA—of 1962. The purpose of this legislation is to permit companies to switch to a 10-hour, 4-day workweek without having to compensate workers for hours worked in excess of 8 hours in 1 day. As these laws now stand, firms with Government contracts exceeding $10,000 must pay time and one-half for all work over 8 hours in 1 day. This serves as a restriction to firms and their employees who want to go on 4-day schedules. Also, this overtime requirement is in contrast to the Fair Labor Standards Act—FLSA—which does not require that time and one-half be paid when more than 8 hours are worked in any 1 day.

Clearly, the 10-hour, 4-day workweek is a idea whose time has not only come, but come at a good time for America in light of the Nation's recent slowdown in productivity. Paul A. Samuelson, the renowned economist and Nobel Prize winner, has called it "a momentous social invention." In 1970 it was estimated that 60 to 70 American companies were on the 4-day workweek. By 1972 the number grew to between 700 and 1,000 organizations which had made the switch to the shorter week. And by mid-1973 an estimated 1 million workers, or a little over 1 percent of all full-time workers, were on 4- and 3-day schedules. All this occurred at firms not subject to WHA and CWHSA.

The economic advantages to be gained from this innovation can be summed up in two words "greater productivity." Increased productivity results from allowing managers more flexibility in production schedules so that capital equipment may be utilized better. Also, the reduced number of times that production operations have to be started up and closed down adds to the economic efficiency of the production process and reduces the time equipment stands idle. The productivity gains that result from more efficient scheduling are likely to be long term because multiple compressed schedules can be used to adjust the flow of man-hours to coincide with peak workloads.

On the labor side, the worker's morale and his attitude toward his job is enhanced by the introduction of the 4-day week in firms. Higher output per man-hour is largely ascribed to improved morale that results in reduced absenteeism, tardiness, and turnover. Also, many employers who have instituted 4-day weeks report that they find the recruitment of labor much easier. The shortened workweek reduces commuting time to and from the job by 20 percent. This not only cuts down on commuter costs, but also boosts worker morale by eliminating

1 day of bucking traffic or waiting for the bus or train.

In recent years many businessmen and economists have become increasingly concerned about the slowdown in the rate of the Nation's productivity growth. One of the reasons frequently given for this slowdown is the compositional change in employment from high productivity manufacturing industries to low productivity service industries. However, a recent U.S. Bureau of Labor Statistics—BLS—study saw opportunities for increased productivity in the service industries if the 4-day workweek was adopted. These opportunities are particularly important since in the future a larger and larger part of our national product will come from the service sector of the economy. It should be noted that 12 of the 16 companies in this special BLS survey considered their compressed workweek a permanent arrangement.

Service industries which directly serve the public rely more on people than machines in producing their product and can gain much by an innovation which makes more efficient use of labor. The Federal Reserve Bank of Philadelphia Business Review reports how the 10-hour day has improved efficiency in many hospitals:

Since 24-hour staffing is a basic problem, some hospitals have adopted two ten-hour shifts and one five-hour evening shift with employees working only seven out of every fourteen days. Recruitment of both full- and part-time personnel is easier with this schedule.

The Review also reported:

The four-day week is . . . proving useful in those areas where competition is forcing business to remain open longer. This is particularly true among large retail outlets and increasingly the case in banking. The four-day week can help them efficiently arrange their operations.

The Engineering News Record reported that at least 24 architectural or engineering firms "now operate on a modified weekly schedule aimed at cutting absenteeism, increasing job productivity and providing longer weekends." The Record reports that Louis C. Ripa, chairman of Porter & Ripa Associates of Morristown, N.J., as being very pleased with the 4-day week. Mr. Ripa says:

Our rate of production is up, on some projects by ten percent. Sick leave is down, morale is good and we've attracted new employees.

The 4-day week can also help us through our current energy problems. The institution of the 4-day week could result in substantial savings in fuel with respect to commuting, heating and supplying power to buildings. The Maryland State Legislature has already approved an executive order issued by the Governor which allows employers to adopt a 4-day week of 10 hours a day as a way of conserving energy. As one columnist observed:

In terms of conserving energy, there is not much doubt about the impact of a 20 percent reduction in the fuel Americans now expend in getting to work, especially if coupled with Sunday driving restrictions.

Moreover, traffic pressure would be reduced as the "weekend" would mean different days to different families, and most gasoline is wasted by cars stuck in traffic jams at weekend rush.

Mr. President, in light of the Nation's current problems with decreased productivity growth and energy shortages, the 10-hour day, 4-day week should be instituted wherever employees and employers find it mutually beneficial. My bill would allow them to do this. I do not think it should be the policy of the Federal Government to maintain a roadblock in the way of progress.

By Mr. BROCK:

S. 3670. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical expenses, and for other purposes. Referred to the Committee on Finance.

TOWARD A REALISTIC HEALTH CARE PLAN

Mr. BROCK. Mr. President, looking at the plethora of bills introduced in Congress this session and the distinguished list of principal sponsors, there seems little doubt that some sort of national health care bill will be passed in the near future.

If so, we need to establish now certain ground rules and certain objectives to be sought in the final product of our efforts.

First, I would hope that the debate would be conducted within the context of our existing health delivery system. In so many words, it should recognize the enormous strengths we have in the present system, using those strengths to attack areas of inadequacy. Such existing strengths as voluntarism, doctor-patient relationship, individual choice, public-private competition, private insurance efficiencies, and a host of others are assets to be regarded as essential to a sound health delivery system.

Second, I hope that any bill would be: simple enough to understand; cheap enough to afford; efficient enough to avoid new regulations and bureaucracy, and broad and effective enough to satisfy our needs and solve the problem.

I feel that the Medical Expense Tax Credit Act—METCA—which I introduce today, presents a concept that meets these objectives. Within the framework of an already existing universal administrative system, the Internal Revenue Service, and an existing financing method, the tax credit system, we can realistically meet the need of the American family to be protected against unaffordable or "catastrophic" medical costs.

However, to define catastrophic by using a "percentage of income," a realistic percentage of income, we can actually bridge the gap between "catastrophic and comprehensive" care that makes other plans so complex.

I am proposing that by adding only four lines to the present IRS form that we can solve our most difficult health care problem—how to protect American families against medical costs which are catastrophic to them without excessive taxation or regulation.

These four lines are:

Line 1: The eligible medical expenses now defined very definitely by the IRS.

Line 2: The deductible. I plan to use a 15% of IRS adjusted gross income, minus the personal ($750) exemptions.

Line 3: The difference between lines One and Two, if any.

Line 4: A copayment multiplier which would be the tax credit or refund. I intend to use a 15% copayment schedule.

Let me give you an example. Assume a family of four with a $9,000 income having health care expenses of $2,000. Their modified IRS adjusted gross would be $6,000; that is, $9,000—four times $750.

Line 1: Eligible medical expenses	$2,000
Line 2: 15 percent (deductible) of income	900
Line 3: Difference	1,100
Line 4: Tax credit or refund (co-pay multiplied x .85)	935

The obvious question arises, how will this help the aged, nonworking poor and working poor? For the nonworking poor and the aged, we should remember that such payments as aid to dependent children, welfare payments, food stamps, social security payments, disability payments, et cetera, are not subject to income tax and would not be included in the IRS adjusted gross. Therefore, they would be eligible for tax credits or refunds immediately.

What about the working poor? If we take, for example, a family of four with an income of $4,000, their modified IRS adjusted gross would be only $1,000. So after a deductible of only $150, they would be eligible for tax credits and/or refunds to pay their bills.

In short, for the poor, working poor, and aged, this would be a comprehensive plan.

Now what about the vast majority of Americans who fall into the middle-income group—the people who are usually the victims of the worst tax discrimination? The thing most families fear is extended illness, or other major medical costs which might wipe out savings, cause the loss of their home, or eliminate earnings capability. This bill limits such costs to only 15 percent of their income. After that the credit "insurance" will pick up 85 percent of all costs. Thus we have realistic catastrophic protection against health care costs that could substantially alter their way of life—or ruin them.

This then, very briefly begins to explain my plan, one that bridges the "comprehensive-catastrophic" gap, one that is simple, equitable and easily understood, without a new Government program, without a new bureaucracy and without additional regulation and control of the existing health delivery system.

I do not pretend that this is the "perfect" bill, and therefore I submit it as a "concept" that I hope will get a full airing in the spirit of traditional, dialectic debate. I do think, however, that the Medical Expense Tax Credit Act, with just one concept and just four lines on the IRS form, can go further than any

bill I have yet seen to solve our real national insurance problem. I short, I feel that METCA is a major conceptual step "toward a realistic health care plan."

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

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

S. 3670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Medical Expense Tax Credit Act".

(b) The purpose of this Act is to provide a system of protection against the costs of catastrophic illness which is easy to use and simple to administer by providing for a refundable tax credit for excessive medical expenses incurred by individuals, and to provide for a study as to whether existing Federal programs of medical assistance and health care should be changed in any respect.

SEC. 2. TAX CREDIT FOR MEDICAL EXPENSES

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section:

"SEC. 42. MEDICAL EXPENSES

"(a) IN GENERAL.—There is allowed to an individual as a credit against the tax imposed by this chapter an amount equal to 85 percent of the amount by which the medical expenses paid or incurred by him during the taxable year exceed 15 percent of his modified adjusted gross income.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MEDICAL EXPENSES.—The term 'medical expenses' means amounts paid or incurred by the taxpayer for medical care expenses for himself or for a dependent (as defined in section 152).

"(2) MEDICAL CARE EXPENSES.—The term 'medical care expenses' means—

"(A) expenses incurred for—

"(i) the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affection any structure or function of the body; and

"(ii) medicine and drugs' and

"(B) one-half of the amounts paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.

"(3) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income, reduced by the amount of the deductions for personal exemptions provided in section 151, and increased by—

"(A) the deduction allowed by section 2102 (relating to capital gains), and

"(B) the sum of any amounts received during the taxable year which are excluded from gross income under section 103 (relating to interest on certain governmental obligations).

"(4) INSURANCE.—The term 'insurance which constitutes medical care' means insurance (including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care described in paragraph (2)(A). In the case of an insurance contract under which amounts are payable for other than medical care referred to in such paragraph—

"(A) no amount shall be treated as paid for insurance unless the charge for such insurance is either separately stated in the contract, or furnished to the policy holder by the insurance company in a separate statement,

"(B) the amount taken into account as the amount paid for such insurance shall not exceed such charge, and

"(C) no amount shall be treated as paid for such insurance if the amount specified in the contract (or furnished to the policy holder by the insurance company in a separate statement) as the charge for such insurance is unreasonably large in relation to the total charge under the contract.

Subject to the limitations of this paragraph, premiums paid during the taxable year by a taxpayer before he attains the age of 65 for insurance covering medical care for the taxpayer, his spouse, or dependents after the taxpayer attains the age of 65 shall be treated as expenses paid during the taxable year for insurance which constitutes medical care if premiums for such insurance are payable (on a level payment basis) under the contract for a period of 10 years or more or until the year in which the taxpayer attains the age of 65 (but in no case for a period of less than 5 years).".

"(c) Election to Apply Credit to Preceding Year.—

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (a), at the election of the taxpayer, medical expenses paid or incurred in a taxable year may be claimed as a credit against the tax imposed by this chapter for the preceding taxable year.

"(2) LIMITATION.—The amount of the credit claimed under paragraph (1) for the taxable year preceding the taxable year in which the medical expenses were paid or incurred may not exceed the amount of the credit—

"(A) allowable for the preceding taxable year, or

"(B) allowable for the taxable year in which the medical expenses were paid or incurred.

"(d) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) REFUND OF EXCESS CREDIT.—

(1) Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following:", 42 (relating to medical expenses),"; and

(B) striking out "sections 31, 39, and 42."

(2) Section 7201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such section, and

(B) striking out "oil)," and inserting in lieu thereof "oil) or section 42 (relating to medical expenses),".

(c) TAXPAYER MUST FILE RETURN TO CLAIM CREDIT.—Section 6012(a) of such Code (relating to persons required to make returns of income) is amended by—

(1) striking out "and" at the end of paragraph (4),

(2) inserting "and" after the semicolon at the end of paragraph (5) and

(3) inserting after paragraph (5) the following new paragraph:

"(6) Every individual who has attained the age of 18 years and who claims the credit allowed by section 42;".

(d) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Medical Expenses.
"Sec. 43. Overpayment of Tax.".

(e) REPEAL OF DEDUCTION FOR MEDICAL, DENTAL, ETC., EXPENSES.—Section 213 of such Code (relating to medical, dental, etc., expenses) is repealed.

(f) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

SEC. 3. STUDY OF CERTAIN FEDERAL MEDICAL ASSISTANCE PROGRAMS.

The President is authorized and requested to study the adequacy of the use of refundable tax credit under section 42 of the Internal Revenue Code of 1954 (as amended by this Act) in meeting the health care needs of the Nation as an alternative to medicaid, medicare, and all other Federal medical assistance and health care programs, and to report to the Congress on his findings and conclusion not later than 36 months after the date of enactment of this Act. The report made by the President under this section shall include any recommendations he may have as to whether such Federal medical assistance and health care programs should be terminated, reduced, or changed in any respect.

By Mr. BAKER (for himself and Mr. BROCK and Mr. JAVITS):

S. 3672. A bill to amend title 17 of the United States Code to remove the expiration date for a limited copyright in sound recordings, to increase the criminal penalties for piracy and counterfeiting of sound recordings, and for other purposes. Referred to the Committee on the Judiciary.

TAPE AND RECORD PIRACY

Mr. BAKER. Mr. President, today my colleagues, Senator BROCK and Senator JAVITS, and I introduce a bill which would create continuing copyright protection for sound recordings released after January 1, 1975, and which would increase the criminal penalties for record piracy and counterfeiting of sound recordings.

This legislation is essential to stop, once and for all, piracy of sound recordings and tapes. Record piracy is a major, nationwide economic crime. It is estimated that about $200 million pirated sound recordings are sold each year. These pirates pay nothing to the artists, song writers, and musicians who perform the hit records, nor to the record companies who produce the original hit records. Furthermore, record pirates duplicate only the most successful recordings, thus depriving the record industry of essential revenues in this extremely risky business.

In 1971, the Senate passed legislation creating a copyright of sound recordings to stop record and tape piracy. The Senate report on the bill said in part:

. . . the attention of the Committee was directed to the widespread unauthorized reproduction of phonograph records and tapes. While it is difficult to establish the exact volume or dollar value of current piracy activity, it is estimated by reliable trade sources that the annual volume of such piracy [in 1971] is in excess of $100 million. It has been estimated that legitimate prerecorded tape sales have an annual value of approximately $300 million. The pirating of records and tapes is not only depriving legitimate manufacturers of substantial income, but of equal importance, is denying performing artists and musicians of royalties and contributions to pension and welfare funds and

Federal and State governments are losing tax revenues.

The Senate sought to give copyright protection to all sound recordings issued after passage of the bill. However, the House limited the copyright protection to records released prior to December 31, 1974; this version of the protection was enacted in Public Law 92-140. It was anticipated that copyright protection for sound recordings issued after December 31, 1974, would be included in the general copyright revision legislation then pending before the Senate.

However, at this time, it appears doubtful that general copyright revision will be passed by both Houses of Congress this year, notwithstanding the fact that the Senate Subcommittee on Patents, Trademarks, and Copyrights under the determined leadership of the senior Senator from Arkansas, Mr. McCLELLAN, and the full Judiciary Committee reported out S. 1361, general copyright revision, which includes the protections afforded by the legislation we introduce today.

Mr. President, because the copyright protection for sound recordings will expire on December 31, 1974, it is essential that this bill be enacted to protect legitimate business against piracy and counterfeiting of sound recordings. Without our bill, records issued after January 1, 1975, could be fair game for record pirates.

Furthermore, enactment of this legislation is essential to fulfill our international treaty obligations against record piracy which were ratified by the Senate only last year.

An additional feature of this legislation is the provision which makes record piracy and counterfeiting a felony. Such felony penalties are consistent with the provision proposed by the Department of Justice in S. 1400, the Criminal Code Reform Act—

To upgrade the offense of infringing on the copyright in sound recordings from its present status as a misdemeanor to that of a Class E felony. . . ."

In commenting on that legislation, the Department of Justice noted that—

Its proposal reflects the seriousness with which the Department sees the commission of offenses involving the infringement of sound recording copyrights.

The record of the last few years indicates that, despite vigorous enforcement actions by the Department of Justice and some of the States, record piracy cannot be stamped out without Federal felony penalties.

This legislation has the strong support of the Recording Industry Association of America, the Country Music Association, the National Association of Recording Merchandisers, the American Federation of Musicians, and the American Federation of Television and Radio Artists.

In the event enactment of S. 1361 is not possible this year, we urge prompt action on this legislation.

By Mr. ABOUREZK (for himself, Mr. MANSFIELD, Mr. METCALF, Mr. DOLE, Mr. MCGOVERN, Mr. MCGEE, and Mr. HUGHES):

S. 3674. A bill to provide for thorough health and sanitation inspection of all livestock products imported into the United States, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. ABOUREZK. Mr. President, over the past several weeks the subject of meat imports has received as much attention as it has any time since the passage of the act of August 22, 1964 which established a system of meat import quotas. There is one facet of meat imports, however, that have not received nearly enough attention.

That question is the adequacy of the sanitary inspection of imported meats. As imported meats constitute a larger and larger share of domestic production, the American consumer faces a greater risk of encountering unsanitary meat. Domestically, we have nearly 7,000 full time Federal inspectors to keep an eye on the nearly 1,100 plants that process meat animals. They essentially do a good job and we have a reasonable assurance that 100 percent of domestically processed meat is inspected at some stage of the procedure.

In the case of imports, however, the story is much more grim. Again, there are nearly 1,100 foreign plants that are licensed to sell in the United States. Technically, sanitary standards of these plants are supposed to equal domestic standards.

To insure this we rely on the foreign countries to do their own sanitation inspection. To check on them we have a pitifully small, approximately 15, force of veterinarians, known as "foreign review officers." The plants that they must visit are spread all over the world. Much of their time is spent in traveling.

When they do inspect a plant, about all they can do is check out the general character of the plant—the architectural and engineering features, equipment and procedural arrangements, a quick look at the holding pens for the animals, and an even more quick view at the finished products. In short, far less than 1 percent of the processed meat is ever actually inspected by these "foreign review officers."

To back up this cursory foreign inspection, we have another force, this time the equivalent of about 75 full-time inspectors, who spot check the imported meat at the point of entry in this country. This is done on a random sampling basis with a tiny fraction of samples drawn from each shipment. The sampling, again, amounts to less than 1 percent of all meat imported. Further, the standards that the samples must meet allow a certain number of minor, major, and critical defects to get by.

I find it hard to believe that this system creates a situation where foreign plants and imports of foreign meats approach the high quality of sanitation inspection that we have domestically. The random sampling process results in a ridiculously small amount of imports ever inspected and those that are inspected are done under circumstances that are themselves rushed and not conducive to careful work.

I am sure that the U.S. inspectors are trying their best. It is just that we are giving them a huge task and too little tools to do it with. And as imports increase, that task becomes even larger.

I think that the American consumer is entitled to more protection than he is receiving. It is the intent of the bill I am introducing today to make sure that that protection is available.

The actual bill itself is simple. It directs the Secretary of Agriculture to establish a system of thorough examination and inspection of all livestock products imported into the United States. It also directs the Commissioner of Customs to levy a charge on imported animal products to pay the cost of the inspection system that is set up.

This is a bill that should be of concern to all Americans—whether producer or consumer. At a time when we are seeing more and more imports coming into this country, we had better do all that we can to assure adequate inspection of those imports.

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

S. 3676. A bill to amend section 174 of the Internal Revenue Code of 1954 to insure its uniform application to business products. Referred to the Committee on Finance.

Mr. STEVENSON. Mr. President, yesterday, the Senator from New York (Mr. JAVITS) and I submitted amendment No. 1478 to H.R. 14832. That amendment concerns the tax treatment of certain types of research and development expenditures incurred in the publishing industry.

The bill we offer today is identical to amendment No. 1478. The description contained in the floor statement I made upon submission of the amendment yesterday—pages 19571-73 of the RECORD—applies equally to the bill we introduce today.

By Mr. ROTH:

S. 3677. A bill to authorize the Federal Power Commission to allocate scarce supplies of natural gas. Referred to the Committee on Commerce.

Mr. ROTH. Mr. President, today I am introducing for appropriate reference a bill to authorize the Federal Power Commission to allocate natural gas supplies in order to deal with existing and imminent shortages which may have significant adverse impacts on the American economy and society.

Natural gas, which is our cleanest fuel, has become increasingly scarce in the past few years. Recently, the chairman

of the Federal Power Commission—FPC—testified that natural gas shortages would not improve in the immediate future; indeed, he predicted a deepening of the present natural gas shortage.

The FPC has attempted to deal with this problem by raising the price of interstate natural gas and by instituting a curtailment policy. While these measures have helped, they will not resolve many of the problems which will result from future shortages. In short, the FPC has indicated it has done all it can under its existing legislative authority. Additional powers are needed now to avert significant disruptions next winter and summer.

Unless prompt action is taken at the Federal level, shortages of natural gas will severely disrupt productivity and employment in many areas of the country. The impacts could reach or possibly exceed those suffered during the Arab oil embargo. The legislation I am introducing today is aimed at equipping the FPC with the necessary authority to ease the economic impact of shortages and provide for the equitable distribution of scarce supplies.

This measure would authorize the Federal Power Commission, when it determines natural gas to be in such short supply that the public health, safety or welfare is threatened, to promulgate regulations providing for the mandatory allocation of natural gas. The bill sets forth several goals and objectives the mandatory allocation program should work toward; these include: protection of public health, safety, welfare, and the national defense; maintenance of public services and agricultural operations; minimization of economic distortions or interference; and the protection of jobs.

The bill would insure that any mandatory allocation program for natural gas is based on an administratively reasonable base period.

The program could thus avert one of the problems now being encountered by the mandatory allocation program for petroleum. In addition, the bill clearly stipulates that the mandatory allocation program must be structured so as to result in the equitable distribution of natural gas among all regions and States and sectors of the economy. This would spread the impact of natural gas shortages across the Nation and not concentrate it in a few regions or States.

While the bill does not require the FPC to institute an allocation plan, it does include a provision to insure they will closely monitor shortages. One section would require the FPC to submit a detailed report to the Congress every 6 months on why a mandatory allocation program is not necessary.

Finally, the bill recognizes the short-term nature of the present supply crisis by terminating authority for the FPC to institute a mandatory allocation program on July 1, 1978.

Mr. President, when the Arab oil embargo was imposed, the United States found itself ill-prepared to cope with many of the problems that resulted. The impact of the embargo was nearly disastrous for the American people. Fortunately, we now have sufficient time to prepare ourselves for an upcoming natural gas shortage. We can avert another crisis if positive action is taken now.

The chairman of the FPC, Mr. John Nassikas, recently testified that he could see no end to natural gas shortages in the immediate future; indeed, he saw a deepening of the present natural gas shortage. He stated:

> The increased demand for (natural gas) and the lead times required to augment depleted supply levels, indicate that the natural gas shortage will deepen to even more severe crisis proportions in the next 5 years.

The current natural gas shortage has been most clearly demonstrated in curtailments of service by pipeline companies and distributors to their customers. Based on curtailment reports filed with the FPC, interstate pipeline companies anticipate curtailments will be 55 percent greater in the period April, 1974 through March, 1975 than they were in the comparable 1973–74 period. Curtailments will be equivalent to nearly 10 percent of total demand requirements of the reporting companies.

(Exhibit 1 presents a more detailed discussion of curtailment levels.)

It is important to note that these curtailments will manifest themselves in varying degrees in various regions of the country depending upon the supply posture of specific pipeline companies. Anticipated curtailments for individual pipeline companies range from less than 1 percent to over 40 percent of total firm requirements. For instance, United Gas Pipe Line Co. anticipates curtailments of almost 41 percent, while Trunkline Gas Co. and Arkansas Louisiana Gas Co. expect to curtail approximately one-third of their firm requirements. The regions that will experience major gas curtailments during the coming year include Appalachia, the Great Lakes, New England, the Middle Atlantic States, and the Southeast.

The impact these shortages will have is vividly demonstrated by Delaware's problem. The Transcontinental Gas Pipe Line Corp., which services the First State, anticipates that curtailments will vary between 23 and 33 percent over the next year (exhibit 2). This curtailment could have a profound economic impact. Delmarva Power & Light Co., for example, reports it will have to curtail power to industrial customers with total employment of 13,745 people, with an annual payroll in excess of $155 million (exhibit 3). If Delmarva must go through with these cutbacks, Delaware faces a truly crisis situation.

Mr. President, problems similar to those in Delaware will shortly begin to affect individuals and industries throughout the East, Midwest, and the Southeast. The potential economic impact could be profound, and we cannot allow such disruptions to further cripple an already troubled economy.

The solution to this problem must be viewed from two perspectives—the short and long term. Over the long term, we must begin to institute policies which will encourage the discovery and development of greater natural gas reserves. There are several important measures now before various committees of the Congress which will work toward this end, but no specific recommendations have emerged. It is imperative that the responsible congressional committees remove the roadblocks to this legislation and provide the tools that are necessary to increase the supply of natural gas.

Unfortunately, it will take several years for these measures to aid our dwindling natural gas supplies. Therefore, we must develop short-term policies to deal with increased shortages. This will not be easy, however.

The Federal Power Commission has implemented a general policy statement requiring each interstate pipeline company to have a curtailment plan approved. While this is an encouraging and helpful step, it is too little, too late. The curtailment priorities order is a "statement of policy," not a rule. The priorities are not enforceable on anyone; they were issued to provide guidance.

The Federal Power Commission simply does not have adequate legislative authority to deal with shortages. It cannot, for example, require one pipeline with excess gas to sell to another pipeline with a shortage. It cannot require physical interconnection of pipelines in order to facilitate improved supplies. And, it cannot allocate scarce supplies of natural gas among customers so that the impact of shortages is lessened.

Mr. President, it is perfectly clear that additional legislative authority is needed now to enable the Federal Power Commission to deal with present and imminent natural gas shortages. It is my belief that the only practical option available is to authorize the FPC to allocate natural gas supplies so that shortages do not unfairly affect one region of the country or one sector of the economy. It is, unfortunately, the only step we have left to avert a potentially disastrous situation.

I am fully cognizant that the institution of a mandatory allocation program is a drastic measure. However, when compared with the impact of massive shortages, allocation authority is the only logical alternative we have.

Mr. President, the introduction of this bill is not an end, it is only a beginning. Natural gas shortages, which have been building, will reach drastic levels next year. It is essential that we not only enact legislation to provide short-term solutions, but we should also pass legislation to improve the long-term supply picture. I welcome the challenge this problem presents and I look forward to working with my distinguished colleagues on the problem.

Mr. President, in order to make the text of my bill available to Senators and other interested parties, I ask unanimous consent that the full text, and other exhibits referred to be printed in the RECORD at this point.

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

S. 3677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act shall be known as the "Emergency Natural Gas Allocation Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby determines that—

(1) shortages of natural gas have developed because domestic supplies are not sufficient to meet present and anticipated national needs;

(2) shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of agricultural production, and curtailment of vital public services;

(3) shortages have jeopardized the normal flow of commerce and constitute a supply crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Federal Government; and

(4) shortages have created an unreasonable burden on certain areas of the country and on certain sectors of the economy, and legislation is needed to provide an equitable solution for these shortages.

(b) The purpose of this Act is to authorize the Federal Power Commission to allocate natural gas to deal with existing and imminent shortages and dislocations in the national distribution system which jeopardize the public health, safety or welfare. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of shortages or dislocations on the American people and the domestic economy.

ALLOCATION AUTHORITY

SEC. 3. (a) Whenever the Federal Power Commission (hereinafter referred to as the "Commission") determines that supplies of natural gas are in such short supply that they pose a threat to the public health, safety or welfare, the Commission is authorized to promulgate regulations providing for the mandatory allocation of natural gas in amounts specified in (or determined in a manner prescribed by) such regulations.

(b)(1) The regulations authorized under subsection (a), to the maximum extent possible, shall provide for—

(A) protection of public health, safety and welfare, and the national defense;

(B) maintenance of all public services;

(C) maintenance of agricultural operations;

(D) minimization of economic distortion, protection of jobs, and elimination of inflexibility and unnecessary interference with economic market mechanisms.

(2) To the maximum extent practicable and consistent with the objectives of paragraph (1), the mandatory allocation program established under subsection (a) shall be (A) based on a reasonable base period, and (B) structured so as to result in the equitable distribution of natural gas among all regions, States, and areas of the United States and sectors of the economy so as to minimize the impact of natural gas shortages.

(3) The Commission may, by order, require such adjustments in the mandatory allocation program established under subsection (a) as may be reasonably necessary to accomplish the objectives of paragraph (1) or to prevent any person from taking any action which would be inconsistent with such objectives.

(4) The authority to promulgate the regulations under subsection (a), and to enforce such regulations and any such order, expires at midnight July 1, 1978, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to such time of expiration.

EFFECTIVE DATE OF ALLOCATION PLANS

SEC. 4. The mandatory allocation regulations authorized under section 3(a) shall take effect after thirty calendar days following promulgation by the Commission.

APPLICATION

SEC. 5. The provisions of this Act shall apply to all natural gas produced or transported in the United States over which the Commission has jurisdiction under the provisions of the Natural Gas Act.

REPORT

SEC. 6. If the Commission determines that it is not necessary to promulgate a mandatory allocation program under section 3(a), the Commission shall submit a detailed report to the Congress not later than six months after the date of enactment of this Act, and at the end of each six-month interval thereafter ending prior to the expiration of authority in section 3(b)(4) with respect to the reasons a mandatory allocation program is not needed.

EXHIBIT 1

FPC RELEASES STAFF REPORT ON INTERSTATE NATURAL GAS PIPELINE CURTAILMENTS

The Federal Power Commission today released a staff report which indicates that natural gas supply deficiencies for the major interstate natural gas pipeline companies for the April 1974 through March 1975 period will be nearly 55 percent higher than they were a year earlier.

The report, by the FPC's Bureau of Natural Gas, based on responses to the Commission's Form 16, shows that actual or projected curtailments were reported by 17 out of 42 major interstate pipeline companies. Net curtailments totaled 1,191,132,000,000 cubic feet for the year April 1973 through March 1974. Net supply deficiencies totaling 1,845,770,000,000 cubic feet are projected for the year April 1974 through March 1975.

Thus supply deficiencies for the year ending in March of 1975 are expected to exceed the preceding year's curtailments by 654,638,000,000 cubic feet.

The complete text of the staff report accompanies this news release.

REQUIREMENTS AND CURTAILMENTS OF MAJOR INTERSTATE PIPELINE COMPANIES BASED ON FORM 16 REPORTS

Memorandum to: The Commission (for information).

JUNE 7, 1974.

From: Bureau of Natural Gas.

Subject: FPC Form No. 16 Report of Gas Supply and Requirements, April 30, 1974 Filing, docket No. R-472.

On August 24, 1973, the Commission issued Order No. 489 in Docket No. R-472 establishing Form No. 16, Report of Gas Supply and Requirements. The report is to be filed twice each year on April 30, and September 30 by pipeline companies making sales of natural gas for resale in interstate commerce. The April 30 filings will present supply and requirements data on a monthly basis for the past year, April through March, and projected data for the following one year period, April through March. The September 30 filings will present actual data for the past year, September through August, and projected data for the following year, September through August.

This report summarizes the data in the second Form 16 filings, which were due on April 30, 1974, filed by 41 major pipelines (Class A and B) and one small pipeline company, Western Gas Interstate Company (Class C).[1]

To date 42 pipeline companies have filed Form 16 reports as compared to 37 pipeline companies who filed in September 30, 1973.

Based on the filings made by the 42 pipelines, this report provides requirements and curtailment data for the period April 1973 through March 1974, and projected requirements and supply deficiency data for the period April 1974 through March 1975. It is noted that requirements less curtailments constitute the available supply.

CURTAILMENT OF FIRM REQUIREMENTS

Schedule I, attached, shows the actual firm requirements and percent of such requirements curtailed for the year April 1973 through March 1974 for each of the 42 companies listed in the schedule. For comparison, their projected firm requirements, projected supply deficiency, and percent deficiency for the following year (April 1974–March 1975) are also shown. After elimination of the curtailments of reporting pipelines to other reporting pipelines, a net actual total curtailment of 1,191,132,000 Mcf of firm requirements is shown for the year April 1973 through March 1974. For the following year, net supply deficiencies totalling 1,845,770,000 Mcf were projected. Thus, the anticipated supply deficiencies for April 1974 through March 1975 exceed the curtailments for the preceding year by 654,638,000 Mcf or 54.96%. Curtailments, actual and projected, were reported by 17 of the 42 companies. The largest actual curtailment (506,682,000 Mcf or 32.36% of its firm requirements) was reported by United Gas Pipe Line Company. This company expects still larger curtailment (40.95%) during the next year.

Schedule II shows the requirements and curtailment information for the heating seasons, November 1973 through March 1974, and projections for November 1974 through March 1975. Anticipated net supply deficiencies for November 1974 through March 1975 total 768,012,000 Mcf. Actual net curtailments for the preceding heating season 1973–1974 were 424,520,000 Mcf. The projected increase in net curtailments from 1973–1974 to 1974–1975 is 343,492,000 Mcf or 80.91%. Here, also, the largest curtailments and anticipated supply deficiencies were reported by United Gas Pipe Line Company.

Schedule III shows peak day firm requirements and curtailments and projected supply deficiencies. As with the annual and heating season data, it shows anticipated deficiencies increasing during the November 1974–March 1975 seasons from those encountered during the preceding heating season. It also shows United Gas Pipe Line Company having the largest actual peak day curtailment for 1973–1974 (1,284,000 Mcf, about 25% of its firm requirement) and projected peak day deficiency for 1974–1975 (1,988,000 Mcf, about 36% of its firm requirement).

CURTAILMENT OF INTERRUPTIBLE SALES

Schedule IV shows data on interruptible sales as reported by twenty pipelines. Fourteen companies reported that interruptible curtailments [2] were made for the period April 1973–March 1974 and are anticipated for April 1974–March 1975. The twenty pipelines had total curtailments of 37.36% of their interruptible load for the year ended March 1974 and anticipated increases to 47.85% for the following year. For the heating seasons, the curtailment of interruptible sales

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[1] In addition, 24 companies were exempted from filing Form 16 by Commission Orders issued November 7, 1973, February 20, 1974, and April 15, 1974.

[2] Form 16 requires reporting of curtailment of interruptible sales "based on reduction in normal deliveries to the attacked interruptible load of the reporting piplines."

was 46.02% for November 1973 through March 1974 and 59.74% anticipated for the following season, November 1974 through March 1975.

Schedule V shows the comparison of projected and actual curtailments for firm requirements, supply deficiency and percent deficiency for the heating season and peak day—heating season of November 1973 through March 1974. The projected net supply deficiency for the heating season was 583,882,000 Mcf, but the actual net supply deficiency was 424,520,000 Mcf or 6.85% of firm requirements.

AREAS AFFECTED BY CURTAILMENTS

Schedules VI and VII show the areas serviced by the reporting pipelines and provide an indication of the regions affected by the curtailments.

LEON H. FRIEDLANDER,
Head, Data Management Section.

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND FIRM CURTAILMENTS FOR YEAR 1973 THROUGH MARCH 1974 WITH PROJECTIONS FOR YEAR 1974 THROUGH MARCH 1975

	Actual total for year April 1973–March 1974			Projected total for year April 1974–March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Deficiency (Mcf)	Percent deficient
Alabama-Tennessee Natural Gas Co	26,540,000	0	0	31,678,000	0	0
Algonquin Gas Transmission Co	153,746,000	9,882,000	6.42	166,956,000	12,454,000	7.45
Arkansas Louisiana Gas Co	556,958,000	164,200,000	29.48	547,725,000	175,092,000	31.96
Cities Service Cas Co	557,176,000	38,610,000	6.92	583,192,000	95,203,000	16.32
Colorado Interstate Gas Co	389,174,000	0	0	370,738,000	0	0
Columbia Gas Transmission Corp.[1]	1,357,586,000			1,465,366,000	84,253,000	5.74
Consolidated Gas Supply Corp.[2]	700,691,000	0	0	776,782,000	7,965,000	1.02
East Tennessee Natural Gas Co	98,826,000	0	0	109,106,000	0	0
Eastern Shore Natural Gas Co	11,153,000	42,000	.37	10,848,000	0	0
El Paso Natural Gas Co.[3]	1,801,829,000	113,109,000	6.27	1,461,897,000	248,268,000	16.98
Florida Gas Transmission Co	28,090,000	0	0	39,288,000	0	0
Great Lakes Gas Transmission Co	424,844,000	0	0	419,066,000	0	0
Kansas-Nebraska Natural Gas Co	82,828,000	0	0	81,153,000	0	0
Kentucky-West Virginia Gas Co	23,238,000	0	0	25,292,000	0	0
Lawrenceburg Gas Transmission Corp	5,322,000	0	0	5,419,000	0	0
Louisiana-Nevada Transit Co	4,846,000	107,000	2.20	4,873,000	705,000	14.46
McCulloch Interstate Gas Corp	17,740,000	0	0	14,319,000	0	0
Michigan Wisconsin Pipe Line Co	922,267,000	0	0	939,514,000	0	0
Mid Louisiana Gas Co	32,042,000	0	0	33,752,000	0	0
Midwestern Gas Transmission Co	349,004,000	0	0	351,056,000	0	0
Mississippi River Transmission Corp	203,916,000	2,601,000	1.27	222,582,000	0	0
Montana-Dakota Utilities Co	35,669,000	0	0	38,242,000	0	0
Natural Gas Pipeline Co. of America	1,193,911,000	221,823,000	18.57	1,200,971,000	208,792,000	17.38
North Penn Gas Co	28,084,000	0	0	29,818,000	0	0
Northern Natural Gas Co	884,834,000	9,446,000	1.06	834,795,000	6,375,000	.76
Northwest Pipe Line Corp.[3]	84,468,000	10,807,000	12.79	428,922,000	37,758,000	8.80
Pacific Gas Transmission Co	423,279,000	0	0	415,845,000	0	0
Panhandle Eastern Pipeline Co	827,568,000	37,514,000	4.53	817,162,000	70,791,000	8.66
South Georgia Natural Gas Co	10,694,000	0	0	10,908,000	0	0
Southern Natural Gas Co	597,284,000	53,000	.01	631,733,000	0	0
Tennessee Gas Pipeline Co., a division of Tenneco, Inc	1,353,094,000	0	0	1,383,990,000	0	0
Tennessee Natural Gas Lines, Inc	34,725,000	0	0	24,817,000	0	0
Texas Eastern Transmission Corp	1,069,704,000	133,212,000	12.45	1,098,682,000	204,022,000	18.56
Texas Gas Pipe Line Corp	4,747,000	0	0	2,432,000	0	0
Texas Gas Transmission Corp	742,677,000	0	0	737,118,000	34,123,000	4.62
Transcontinental Gas Pipe Line Corp	1,085,833,000	160,557,000	14.78	1,013,725,000	246,497,000	22.33
Transwestern Pipeline Co	358,355,000	5,116,000	1.42	366,290,000	63,653,000	1.73
Trunkline Gas Co	587,077,000	157,019,000	26.74	592,855,000	204,344,000	34.46
United Gas Pipe Line Co	1,565,442,000	506,682,000	32.16	1,608,438,000	658,738,000	40.95
United Natural Gas Co	97,259,000	0	0	101,971,000	0	0
West Texas Gathering Co	96,666,000	0	0	90,114,000	0	0
Western Gas Interstate Co	7,613,000	0	0	8,421,000	0	0
Total	18,836,799,000	1,570,780,000	8.34	19,187,851,000	2,359,033,000	12.29
Less pipeline to pipeline curtailments		379,446,000			513,263,000	
Net curtailments		1,191,132,000			1,845,770,000	

[1] Columbia Gas Transmission Corp. states that during the period November 1973 through March 1974, imposed a 2 percent curtailment on all CD, WS, and G customers; however, due to warmer than normal weather, energy conservation, etc., actual curtailment cannot be ascertained.
[2] Consolidated Gas Supply Corp. data is on an "as measured" basis.
[3] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974 through Mar. 31, 1975.

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR HEATING SEASON NOVEMBER 1973–MARCH 1974 WITH PROJECTIONS FOR HEATING SEASON NOVEMBER 1974–MARCH 1975

Pipeline	Actual, heating season, November 1973–March 1974			Projected heating season, November 1974–March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Deficiency (Mcf)	Percent deficient
Alabama-Tennessee Natural Gas Co	13,508,000	0	0	16,551,000	0	0
Algonquin Gas Transmission Co	90,657,000	9,882,000	10.90	96,539,000	6,873,000	7.11
Arkansas Louisiana Gas Co	249,259,000	75,257,000	30.19	254,647,000	84,428,000	33.15
Cities Service Gas Co	279,695,000	30,108,000	10.76	296,408,000	66,715,000	22.50
Colorado Interstate Gas Co	193,484,000	0	0	191,864,000	0	0
Columbia Gas Transmission Corp.[1]	766,769,000			855,435,000	84,253,000	9.84
Consolidated Gas Supply Corp.[2]	379,281,000	0	0	432,364,000	0	0
East Tennessee Natural Gas Co	45,055,000	0	0	49,222,000	0	0
Eastern Shore Natural Gas Co	4,990,000	42,000	.84	5,059,000	0	0
El Paso Natural Gas Co.[3]	735,139,000	63,098,000	8.58	612,308,000	133,638,000	21.82
Florida Gas Transmission Co	14,245,000	0	0	23,546,000	0	0
Great Lakes Gas Transmission	175,823,000	0	0	173,530,000	0	0
Kansas-Nebraska Natural Gas Co	39,521,000	0	0	38,922,000	0	0
Kentucky-West Virginia Gas Co	9,700,000	0	0	10,156,000	0	0
Lawrenceburg Gas Transmission Corp	2,289,000	0	0	2,194,000	0	0
Louisiana-Nevada Transit Co	2,150,000	30,000	1.39	2,253,000	610,000	27.07
McCulloch Interstate Gas Corp	6,214,000	0	0	5,499,000	0	0
Michigan Wisconsin Pipe Line Co	488,965,000	0	0	505,467,000	0	0
Mid Louisiana Gas Co	16,046,000	0	0	16,722,000	0	0
Midwestern Gas Transmission Co	150,841,000	0	0	150,841,000	0	0
Mississippi River Transmission Corp	117,968,000	2,466,000	2.09	104,729,000	0	0
Montana-Dakota Utilities Co	24,096,000	0	0	26,112,000	0	0

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR HEATING SEASON NOVEMBER 1973–MARCH 1974 WITH PROJECTIONS FOR HEATING SEASON NOVEMBER 1974–MARCH 1975

Pipeline	Actual, heating season, November 1973–March 1974			Projected heating season, November 1974–March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Deficiency (Mcf)	Percent deficient
Natural Gas Pipeline Co. of America	501,807,000	0	0	505,479,000	0	0
North Penn Gas Co	16,223,000	0	0	17,298,000	0	0
Northern Natural Gas Co	406,306,000	8,240,000	2.02	390,296,000	3,689,000	0.94
Northwest Pipe Line Corp.[3]				219,976,000	31,855,000	14.48
Packfic Gas Transmission Co	181,344,000	0	0	176,791,000	0	0
Panhandle Eastern Pipeline Co	388,135,000	33,447,000	8.61	389,390,000	46,219,000	11.86
South Georgia Natural Gas Co	5,670,000	0	0	5,783,000	0	0
Southern Natural Gas Co	277,676,000	0	0	293,177,000	0	0
Tennessee Gas Pipeline Co., a division of Tenneco, Inc	601,854,000	0	0	616,965,000	0	0
Tennessee Natural Gas Lines, Inc	13,277,000	0	0	15,005,000	0	0
Texas Eastern Transmission Corp	480,222,000	53,579,000	11.15	593,975,000	75,984,000	15.38
Texas Gas Pipe Line Corp	1,933,000	0	0	877,000	0	0
Texas Gas Transmission Corp	338,747,000	0	0	353,912,000	14,179,000	4.00
Transcontinental Gas Pipeline Corp	498,823,000	66,463,000	13.32	501,131,000	102,386,000	20.43
Transwestern Pipeline Co	150,704,000	4,237,000	2.81	151,416,000	33,817,000	2.23
Trunkline Gas Co	247,247,000	74,790,000	30.24	246,818,000	85,512,000	34.64
United Gas Pipe Line Co	671,626,000	206,895,000	30.80	706,174,000	283,687,000	40.17
United Natural Gas Co	607,373,000	0	0	625,030,000	0	0
West Texas Gathering Co	40,722,000	0	0	38,360,000	0	0
Western Gas Interstate Co	2,833,000	0	0	3,111,000	0	0
Total	9,166,217,000	628,534,000	6.85	9,621,332,000	1,053,845,000	10.95
Less pipeline to pipeline curtailments		204,014,000			285,833,000	
Net curtailments		424,520,000			768,012,000	

[1] Columbia Gas Transmission Corp., states that during the period November 1973 through March 1974, imposed a 2-percent curtailment on all CD, WS, and G customers; however, due to warmer than normal weather, energy conservation, etc., actual curtailment cannot be ascertained.
[2] Consolidated Gas Supply Corp., data is on an "as measured" basis.
[3] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974, through Mar. 31, 1975.

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR PEAK DAY NOVEMBER 1973–MARCH 1974 HEATING SEASON WITH PROJECTIONS FOR NOVEMBER 1974–MARCH 1975 HEATING SEASON

Pipeline	Actual peak day heating season—November 1973–March 1974			Project peak day heating season—November 1974–March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Volume deficiency (Mcf)	Percent deficient
Alabama-Tennessee Natural Gas Co	120,000	0	0	129,000	0	0
Algonquin Gas Transmission Co	850,000	75,000	8.82	859,000	54,000	6.28
Arkansas Louisiana Gas Co	2,193,000	816,000	37.20	2,260,000	757,000	33.49
Cities Service Gas Co	2,779,000	855,000	30.54	3,128,000	817,000	26.11
Colorado Interstate Gas Co	1,625,000	0	0	1,711,000	0	0
Columbia Gas Transmission Corp [1]	7,097,000			7,473,000	0	0
Consolidated Gas Supply Cprp. [2]	3,820,000	0	0	4,786,000	0	0
East Tennessee Natural Gas Co	348,000	0	0	348,000	0	0
Eastern Shore Natural Gas Co	[3]			[3]		
El Paso Natural Gas Co [4]	4,296,000	738,000	17.17	4,083,000	895,000	21.92
Florida Gas Transmission Co	229,000	0	0	390,000	0	0
Great Lakes Gas Transmission Co	1,227,000	0	0	1,149,000	0	0
Kansas-Nebraska Natural Gas Co	419,000	0	0	427,000	0	0
Kentucky-West Virginia Gas Co	77,000	0	0	77,000	0	0
Lawrenceburg Gas Transmission Corp	16,000	0	0	15,000	0	0
Louisiana-Nevada Co	[3]			20,000	6,000	30.00
McCulloch Interstate Gas Corp	62,000	0	0	46,000	0	0
Michigan Wisconsin Pipe Line Co	4,066,000	0	0	4,303,000	0	0
Mid Louisiana Gas Co	157,000	0	0	190,000	0	0
Midwestern Gas Transmission Co	1,034,000	0	0	1,025,000	0	0
Mississippi River Transmission Corp	861,000	0	0	967,000	0	0
Montana-Dakota Utilities Co	255,000	0	0	260,000	0	0
Natural Gas Pipeline Co of America	3,353,000	0	0	3,367,000	0	0
North Penn Gas Co	157,000	0	0	211,000	0	0
Northern Natural Gas Co	3,036,000	0	0	2,931,000	0	0
Northwest Pipe Line Corp [4]	[3]			1,525,000	247,000	16.19
Pacific Gas Transmission Co	1,350,000	0	0	1,256,000	0	0
Panhandle Eastern Pipeline Co	2,856,000	232,000	8.12	2,924,000	327,000	11.18
South Georgia Natural Gas Co	67,000	0	0	68,000	0	0
Southern Natural Gas Co	2,073,000	0	0	2,226,000	0	0
Tennessee Gas Pipeline Co., a division of Tenneco, Inc	4,210,000	0	0	4,315,000	0	0
Tennessee Natural Gas Lines, Inc	[3]			[3]		
Texas Eastern Transmission Corp	3,579,000	0	0	3,929,000	540,000	13.74
Texas Gas Pipe Line Corp	15,000	0	0	7,000	0	0
Texas Gas Transmission Corp	2,471,000	0	0	2,609,000	0	0
Transcontinental Gas Pipe Line Corp	3,816,000	263,000	6.18	4,472,000	0	0
Transwestern Pipeline Co	1,018,000	5,000	.049	1,006,000	144,000	14.31
Trunkline Gas Co	1,675,000	0	0	1,675,000	0	0
United Gas Pipe Line Co	5,060,000	1,284,000	25.37	5,594,000	1,988,000	35.53
United Natural Gas Co	532,000	0	0	602,000	0	0
West Texas Gathering Co	300,000	0	0	300,000	0	0
Western Gas Interstate Co	[3]			[3]		
Totals	671,64,000	4,268,000	6.35	72,663,000	5,775,000	7.94
Less pipeline to pipeline curtailments		442,000			1,020,000	
Net curtailments		3,826,000			4,755,000	

[1] Columbia Gas Transmission Corp. states that during the period November 1973 through March 1974, imposed a 2 percent curtailment on all CD, WS, and G customers; however, due to warmer then normal weather, energy conservation, etc., actual curtailment cannot be ascertained.
[2] Consolidated Gas Supply Corp. data is on an "as measured" basis.
[3] Not available.
[4] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974 through Mar. 31, 1975.

COMPARISON OF ACTUAL INTERRUPTIBLE SALES AND CURTAILMENTS FOR YEAR APRIL 1973–MARCH 1974 WITH PROJECTED REQUIREMENTS AND DEFICIENCIES FOR YEAR APRIL 1974–MARCH 1975

	Actual year April 1973–March 1974			Projected year April 1974–March 1975		
	Interruptible requirement (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Interruptible requirement (Mcf)	Volume deficiency	Percent deficient
Alabama-Tennessee Natural Gas Co	15,349,000	3,467,000	22.59	16,069,000	4,903,000	30.51
Algonquin Gas Transmission Co	10,652,000	10,652,000	100.00	12,366,000	12,366,000	100.00
Arkansas Louisiana Gas Co	6,525,000	6,525,000	100.00	19,533,000	19,533,000	100.00
Colorado Interstate Gas Co	26,994,000	0	0	37,910,000	10,447,000	27.55
East Tennessee Natural Gas Co	23,683,000	0	0	26,154,000	0	0
Eastern Shore Natural Gas Co	1,792,000	1,241,000	69.25	2,284,000	2,006,000	87.83
El Paso Natural Gas Co.[1]	44,301,000	33,861,000	76.43	0	0	0
Florida Gas Transmission Co	129,031,000	28,908,000	22.40	142,741,000	66,649,000	46.69
Kansas-Nebraska Natural Gas Co	33,034,000	0	0	29,657,000	0	0
Louisiana-Nevada Transit Co	1,989,000	17,000	0.85	5,585,000	2,174,000	38.93
Mississippi River Transmission Corp	35,292,000	29,304,000	83.03	35,285,000	35,285,000	100.00
Montana-Dakota Utilities Co	20,970,000	256,000	1.22	21,742,000	330,000	1.52
Northern Natural Gas Co	3,777,000	0	0	16,247,000	0	0
Northwest Pipeline Corp.[1]	4,155,000	4,155,000	100.00	11,902,000	9,484,000	79.68
Panhandle Eastern Pipeline Co	73,725,000	12,057,000	16.35	72,129,000	20,959,000	29.06
South Georgia Natural Gas Co	16,499,000	8,357,000	50.65	16,285,000	8,357,000	51.32
Southern Natural Gas Co	168,041,000	97,023,000	57.74	135,325,000	97,729,000	72.22
Tennessee Natural Gas Lines, Inc	15,479,000	1,909,000	12.33	15,949,000	4,415,000	27.68
Texas Gas Transmission Corp	4,020,000	0	0	4,080,000	3,107,000	76.15
Transwestern Pipeline Co	1,038,000	0	0	1,029,000	0	0
Total	636,346,000	237,732,000	37.36	622,272,000	297,744,000	47.85
Less pipeline to pipeline curtailments		29,420,000			46,380,000	
Net curtailments		208,312,000			251,364,000	

[1] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974 through Mar. 31, 1975.

COMPARISON OF ACTUAL INTERRUPTIBLE SALES AND CURTAILMENTS FOR NOVEMBER 1973–MARCH 1974 HEATING SEASON WITH PROJECTED REQUIREMENTS AND DEFICIENCIES FOR NOVEMBER 1974–MARCH 1975 HEATING SEASON

	Actual, heating season November 1973–March 1974			Projected, heating season November 1974–March 1975		
	Interruptible requirement (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Interruptible requirement (Mcf)	Volume curtailed (Mcf)	Percnt deficient
Alabama-Tennessee Natural Gas Co	6,352,000	2,643,000	41.61	6,453,000	4,136,000	64.09
Algonquin Gas Transmission Co	0	0	0	0	0	0
Arkansas-Louisiana Gas Co	3,985,000	3,985,000	100.00	9,966,000	9,966,000	100.00
Colorado Interstate Gas Co	3,753,000	0	0	13,591,000	10,447,000	76.87
East Tennessee Natural Gas Co	8,882,000	0	0	9,764,000	0	0
Eastern Shore Natural Gas Co	578,000	485,000	83.91	822,000	822,000	100.00
El Paso Natural Gas Co.[1]	32,459,000	32,192,000	99.18	0	0	0
Florida Gas Transmission Co	56,004,000	18,766,000	33.51	60,070,000	37,578,000	62.56
Kansas-Nebraska Natural Gas Co	14,329,000	0	0	11,237,000	0	0
Louisiana-Nevada Transit Co	584,000	3,000	.51	2,856,000	1,428,000	50.00
Mississippi River Transmission Corp	12,366,000	10,658,000	86.19	12,382,000	12,382,000	100.00
Montana-Dakota Utilities Co	11,179,000	256,000	2.29	11,193,000	330,000	2.95
Northern Natural Gas Co	3,499,000	0	0	1,449,000	0	0
Northwest Pipeline Corp.[1]	4,155,000	4,155,000	100.00	2,800,000	2,800,000	100.00
Panhandle Eastern Pipeline Co	29,017,000	10,025,000	34.55	28,755,000	14,181,000	49.32
South Georgia Natural Gas Co	11,282,000	5,080,000	45.03	11,169,000	5,080,000	45.48
Southern Natural Gas Co	47,293,000	26,980,000	57.05	41,259,000	35,388,000	85.77
Tennessee Natural Gas Lines, Inc	6,790,000	1,713,000	25.23	6,901,000	2,550,000	36.95
Texas Gas Transmission Corp	1,187,000	0	0	1,223,000	1,223,000	100.00
Transwestern Pipeline Co	399,000	0	0	399,000	0	0
Total	254,093,000	116,941,000	46.02	232,289,000	138,311,000	59.54
Less pipeline to pipeline curtailments		64,523,000			104,790,000	
Net curtailments		52,418,000			33,521,000	

[1] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974, through Mar. 31, 1975.

A COMPARISON OF PROJECTED AND ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR THE 1973-74 HEATING SEASON AND PEAK-DAY

	Firm requirements (M ft³)	Volume curtailed (M ft³)	Percent curtailed	Firm requirements (M ft³)	Volume curtailed (M ft³)	Percent curtailed
	Comparison of projected and actual firm requirements and curtailments for the heating season					
	Heating season: November 1973–March 1974, projected			Heating season: November 1973–March 1974, actual		
Total	9,079,137,000	752,928,000	8.29	9,166,217,000	628,534,000	6.85
Less: Pipeline to pipeline curtailments		169,046,000			204,014,000	
Net curtailments		583,882,000			424,520,000	
	Comparison of projected and actual peak-day firm requirements and curtailments					
	Peak day: November 1973–March 1974, projected			Peak day: November 1973–March 1974, actual		
Total	71,246,000	5,125,000	7.19	67,164,000	4,268,000	6.35
Less: Pipeline to pipeline curtailments		884,000			442,000	
Net curtailments		4,241,000			3,826,000	

SCHEDULE VI

PIPELINE COMPANIES SERVICING FUTURE REQUIREMENT REGIONS

	1	2	3	4	5	6	7	8	9	10
Alabama-Tennessee Natural Gas Co			X				X			
Algonquin Gas Transmission Co		X	X							
Arkansas Louisiana Gas Co						X	X			
Cities Service Gas Co					X	X	X			
Colorado Interstate Gas Co., a division of Colorado Interstate Corp.						X	X	X		
Columbia Gas Transmission Cop		X								
Consolidated Gas Supply Corp		X					X			
Eastern Shore Natural Gas Co		X								
East Tennessee Natural Gas Co		X	X							
El Paso Natural Gas Co						X	X	X	X	X
Florida Gas Transmission Co			X				X			
Great Lakes Gas Transmission Co				X	X					
Kansas-Nebraska Natural Gas Co					X	X	X	X		
Kentucky-West Virginia Gas Co		X								
Lawrenceburg Gas Transmission Co		X		X						
Louisiana-Nevada Transit Co							X			
McCulloch Interstate Gas Corp								X		
Michigan-Wisconsin Pipe Line Co		X	X	X	X	X	X			
Mid-Louisiana Gas Co							X			
Midwestern Gas Transmission Co				X	X	X				
Mississippi River Transmission Corp				X		X	X			

	1	2	3	4	5	6	7	8	9	10
Montana-Dakota Utilities Co					X			X		
Natural Gas Pipeline Co. of America					X	X	X		X	
North Penn Gas Co				X						
Northern Natural Gas Co					X	X	X	X	X	X
Pacific Gas Transmission Co									X	X
Northwest Pipe Line Corp								X		X
Panhandle Eastern Pipe Line Co				X		X		X	X	
South Georgia Natural Gas Co							X			
Southern Natural Gas Co							X		X	
Tennessee Gas Pipeline Co				X	X	X			X	
Tennessee Natural Gas Lines, Inc							X			
Texas Eastern Transmission Corp				X	X	X		X	X	
Texas Gas Pipe Line Corp									X	
Texas Gas Transmission Corp				X	X	X			X	
Transcontinental Gas Pipe Line Corp				X	X				X	
Transwestern Pipeline Co								X	X	X
Trunkline Gas Co				X	X	X			X	
United Gas Pipe Line Co					X				X	
United Natural Gas Co				X						
West Texas Gathering Co									X	
Western Gas Interstate Co								X	X	X

Note: Some companies may have minor service in some areas not designated in this schedule. Future requirements regions are those defined by the Future Requirements Committee of the gas industry as shown on schedule VI.

REGIONS BY FRC

Region 1: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Region 2: Delaware, Kentucky, Maryland, New Jersey, New York, Virginia, West Virginia, Ohio, Pennsylvania.

Region 3: Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee.

Region 4: Illinois, Indiana, Michigan, Wisconsin.

Region 5: Iowa, Minnesota, Nebraska, North Dakota, South Dakota.

Region 6: Kansas, Missouri, Oklahoma.

Region 7: Arkansas, Louisiana, Mississippi, Texas.

Region 8: Colorado, Montana, Utah, Wyoming.

Region 9: Arizona, California, Nevada, New Mexico.

Region 10: Idaho, Oregon, Washington.

EXHIBIT II

TRANSCONTINENTAL GAS PIPE LINE CORP.,
Houston, Tex., June 6, 1974.

To all CD, ACQ, G, OG and Firm Industrial Customers of Transco:

We are forwarding herewith Transco's current projection comparing gas available with system firm requirements and the resulting deficiency. The attached schedules reflect actual data for March and April, 1974 and estimated data for the months of May, 1974 through May, 1975.

Since our last letter the following significant changes have occurred:

(1) Estimated purchases from Odeco Block 224 previously shown in "Other Long Term Sources" are included in "Regular Sources" beginning May, 1974.

(2) It is our understanding from the operator that the remedial work in Block 76, Offshore Texas, referred to in our last letter will be done this summer. It is estimated that this work will require the entire production from this block to be shut-in for a period of approximately 60 days. To lessen the impact of the above mentioned outage we have revised our projected injections into our system storage. To provide for this significant contingency, "Operational Losses" have been increased by 45,000 Mcf per day in July and September and 90,000 Mcf per day in August.

Confirming previous advice by dispatch personnel of Transco, the announced curtailment percentage commencing June 1, 1974 will be 26%.

Yours very truly,

C. H. MULLENDORE, JR.,
Vice President.

TRANSCONTINENTAL GAS PIPE LINE CORPORATION—ESTIMATED SYSTEMWIDE CURTAILMENT (MMCF/D) AND TRANSCO SYSTEM STORAGE INVENTORY (BCF) (AT 14.7 P.S.I.A.)

Line No.	Particulars	Actual, 1974		Estimated 1974								Estimated 1975				
		Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Supplies:															
1	Regular sources	2,518	2,465	2,511	2,593	2,596	2,574	2,543	2,517	2,494	2,470	2,439	2,414	2,388	2,370	2,333
2	Other long-term sources (schedule A)	87	98							17	16	16	16	15	15	15
3	Authorized emergency sources (schedule B)	25	26	19	25	19	16	10	9	9	9	9	8	8	8	8

Line No.	Particulars	Actual, 1974 Mar.	Actual, 1974 Apr.	Estimated 1974 May	1974 June	1974 July	1974 Aug.	1974 Sept.	1974 Oct.	1974 Nov.	1974 Dec.	1975 Jan.	1975 Feb.	1975 Mar.	1975 Apr.	1975 May
4	Unspecified purchases				5	10	10	10	10	10	10	13	13	13	13	23
5	Subtotal	2,630	2,589	2,530	2,623	2,625	2,600	2,563	2,536	2,530	2,505	2,477	2,451	2,424	2,406	2,379
6	Operational losses				(57)	(87)	(114)	(79)	(32)	(23)	(43)	(84)	(84)	(18)	(18)	(18)
7	Company use and shrinkage	(174)	(198)	(182)	(184)	(182)	(179)	(178)	(180)	(182)	(181)	(181)	(178)	(175)	(173)	(169)
8	Exchange gas (delivered to others) or received by Transco	22	6	25	(15)											
9	Transco system storage, (injection) or withdrawal	76	(33)	(65)	(59)	(87)	(21)	(27)	(49)	(54)	17	162	185	32	7	(45)
10	Available for market	2,554	2,364	2,308	2,308	2,269	2,286	2,279	2,275	2,271	2,298	2,374	2,374	2,263	2,222	2,147
11	Firm requirements	[1] 2,971	[1] 2,980	2,992	3,036	3,029	3,042	3,036	3,012	2,982	2,994	3,021	3,024	3,007	3,026	3,061
12	Estimated net exemptions (returns)	(2)														
13	Deficiency (MMCFD)	415	616	684	728	760	756	757	737	711	696	647	650	744	804	914
14	Estimated system-wide curtailment percentage			25	26	27	27	27	26	25	25	23	23	27	29	33
15	Transco system storage inventory (end of month in BCF)	.2	1.1	2.8	5.4	8.1	8.8	9.6	11.1	12.7	12.2	7.2	2.0	1.0	.8	2.2

[1] Deliveries plus curtailments.

EXHIBIT 3

U.S. SENATE,
Washington, D.C., June 10, 1974.

MR. FRANK C. ALLEN,
Chief, Bureau of Natural Gas, Federal Power Commission, Washington, D.C.

DEAR MR. ALLEN: This letter confirms the meeting scheduled in my office, room 4327, Dirksen Senate Office Building, on Thursday, June 13.

We would like to discuss the following topics during the meeting:

A. The general situation concerning the supply of natural gas for Delaware and the East Coast.

(1) Evidence that there is a real shortage.

(2) Availability in the next year and anticipated problems.

(3) Pros and cons on deregulation, depletion allowance, and allocations by the Federal Power Commission to pipelines.

B. Suggestions on legislation that would improve the supply of natural gas (there are now 20 Senate and 73 House bills pending on natural gas).

In addition, we would appreciate your appraisal of the problems of Delmarva Power and Light Company described in the attached paper. You will note that Transcontinental Gas Pipeline Corporation (Transco) has projected curtailments which could have a serious impact on employment in the State of Delaware. Any information concerning Transco is desired which would help in understanding the projected curtailments and the company's ability to serve the needs of Delmarva. For example, magnitude of supply to Transco, subsidiaries who might be engaged in intrastate sales of natural gas, new customers within past year, etc.

Your willingness to meet with me and my staff to assist us in formulating a legislative plan on natural gas and determining a course of action to avoid any shortage of natural gas on the East Coast is greatly appreciated. If you have any questions about our meeting, please contact Mr. Loren Murray, 225-0213.

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

DELMARVA POWER & LIGHT CO.

GAS SUPPLY

Sources of Gas: Transcontinental Gas Pipe Line Corporation (TRANSCO)

Daily firm allotment, 54,000,000 cubic feet

Pipeline storage—all types, 2,401,767,000 cubic feet.

Local LNG storage, 225,000,000 cubic feet

Propane air supplementary gas, 78,000,000 cubic feet

The above storage and propane air supplements are used during the winter period, November through March.

1968. Supply shortage first evident. Unable to obtain 15,000,000 cubic feet per day for proposed industrial customer. Transco unable to supply; likewise, Texas Eastern and Columbia.

Transco able to furnish only 2,000,000 cubic feet of firm gas and 3,000,000 cubic feet of storage gas in lieu of 5,000,000 cubic feet of firm gas requested.

1969. 7,00,000 cubic feet of firm gas requested. Transco able to furnish only 4,000,000 cubic feet of firm gas, 3,000,000 cubic feet of storage.

1970. Gas apportioned by Transco. Delmarva's share 1,300,000 cubic feet of firm gas, 3,300,000 cubic feet of storage gas.

1971. Transco apportioned to Delmarva 3,220,000 cubic feet of storage gas.

No additional firm gas or storage service has been available since 1971.

GAS SALES RESTRICTIONS

June 1970, Sales to new industrial and commercial customers banned as well as prohibiting present customers from increasing loads.

Dec. 1971, New residential sales banned. No new sales have been made or honored since that date. Advertising and sale of gas appliances has been discontinued. Additional advertising requesting public conservation of gas has been used effectively.

SUPPLY BETTERMENT EFFORTS

Two closest suppliers, Texas Eastern and Columbia, refused to render service in 1968.

1969. Meetings with Atlantic Seaboard Distribution Companies in New York for liquefied natural gas imports from Venezuela resulted in failure.

Meetings and communications with Distrigas of Boston for LNG imports off and on since 1969. No Distrigas imports to Delaware River Valley to this date.

Supported Transco's drilling fund which was abandoned because of FPC Staff position.

Completed in 1972 liquefied natural gas plant on our property.

Since 1971, many meetings with South Jersey Gas Company for purchase of gas from a substitute natural gas plant. Negotiations remain active. Feed stock for plant is the holdup.

Have had many meetings and discussions with sister utilities and potential suppliers for SNG; all to no avail.

Presently pursuing joint effort exploration and drilling in southwest with South Jersey Gas, Chesapeake Utilities and Piedmont Natural.

TRANSCO CURTAILMENTS

Curtailments of 5 to 7% began in the fall of 1971.

1972. Average curtailment, 8.2%.

1973. Average curtailment, 13%.

1974. To date, 18.5%.

June 1974. 26%.

May 1, 1974. Transco, in a meeting with its customers, projected curtailments of 28% for November, 1974, through March, 1975, and 34% for April, 1975, through October, 1975. These projections greatly increased over prior projections with a maximum of 25% with which we could continue to supply firm loads.

With the above projected curtailments, Delmarva faces partial or total curtailment of the following industrial customers. Number of employees and payroll are also indicated.

	No. of employees	Payroll
Phoenix Steel	1,500	$17,000,000
duPont—Edgemoor	850	10,000,000
General Motors	4,470	55,000,000
Diamond Shamrock	325	4,000,000
Chrysler	5,300	65,000,000
Forbes	225	2,300,000
Electric Hose	825	?
Motor Wheel	250	2,650,000
Totals	13,745	155,950,000

As the supply situation worsens, further curtailment of small industrials, commercials and even residential customers could be affected. The proposed curtailment policy of Delmarva Power, to be submitted to the Delaware Public Service Commission on Wednesday, June 19, 1974, is attached herewith.

DELMARVA POWER & LIGHT CO.

CURTAILMENT PLAN

If the gas supply of the Company is curtailed by its supplier to the extent that the Company cannot meet its customers' demands, then the Company will curtail serv-

ice to its customers, to the extent permitted by operating feasibility in the following order:

1. Wholesale Interruptible customers will be curtailed completely.
2. Wholesale Seasonal Off-Peak customers will be curtailed completely.
3. Industrial customers (over 100 MCF/day) will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.
4. Industrial customers (over 100 MCF/day) will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.
5. Other industrial and/or large commercial (over 10 MCF/day) customers will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.
6. Commercial customers, other than those listed in 7 and 8, will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.
7. Apartments, hotels, motels, dormitories and residences, shall be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.
8. Hospitals, nursing homes, institutions for the aged and infirm and institutions essential to the public welfare, shall be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

Curtailment will normally be on a monthly basis, with the monthly allocation to each customer being determined by the usage of that customer during each month of the twelve month period ending April 30, 1973. In the event of complete curtailment, the Company shall endeavor to provide the gas required for the protection of physical plant.

A customer not reducing to the requested volume in any month will be curtailed a double volume the following month. Failure to comply in the second month will result in service being discontinued.

When it becomes necessary to institute curtailment of firm customers, the Company will make public appeals to all customers, via the news media, for voluntary reductions in gas consumption.

By Mr. DOMINICK:

S.J. Res. 217. A joint resolution to designate the third week of September of each year as "National Medical Assistants' Week." Referred to the Committee on the Judiciary.

Mr. DOMINICK. Mr. President, I introduce for appropriate reference a joint resolution expressing the sense of Congress that the President should designate the third week of September each year as "National Medical Assistants' Week." A similar resolution, H.J. Res. 939, has been introduced in the House by Congressman JACK T. BRINKLEY of Georgia.

I believe it is only appropriate that Congress recognize the role played by medical assistants in the health care system in this country as we turn more and more attention to all parts of the delivery of health care. The receptionists, secretaries, bookkeepers, technicians, nurses, and other types of assistants employed in the offices of licensed physicians and accredited hospitals throughout the country play a vital role in handling important administrative and clinical duties for practicing physicians.

This year the American Association of Medical Assistants, representing over 15,000 medical assistants throughout the United States, will be holding its national convention in Denver, Colo., in September and I would hope that this resolution will be enacted prior to that time. This organization was founded in 1956, and represents members in 47 States and 450 local groups. Among its programs it sponsors a certification process whereby an examination is administered to medical assistants with passage entitling the individual to a certificate as a "certified medical assistant." In addition, the AAMA assists and provides information to institutions of higher learning desirous of initiating courses for medical assistants, and in working with the American Medical Association Council on Medical Education, has formulated a standardized 1- and 2-year curriculum in medical assistance. I became even more familiar with the fine services provided by this association as a participant during its 17th annual convention in Washington last October.

Mr. President, I would ask unanimous consent that at the end of my remarks two endorsements by the American Medical Association's House of Delegates be reproduced as well as a letter from my own State medical society supporting the companion resolution in the House. I hope my colleagues will share my conviction that medical assistants, important participants in the health care system in this country, deserve the honor of a nationally designated week.

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

RESOLUTION ADOPTED BY THE AMA HOUSE OF DELEGATES, NOVEMBER 30–DECEMBER 1969

NO. 37—SUPPORT OF AMERICAN ASSOCIATION OF MEDICAL ASSISTANTS

Resolved, That the House of Delegates of the American Medical Association urge constituent and county medical societies to establish placement bureaus for medical assistants as a service to such personnel; and be it further,

Resolved, That the American Medical Association reaffirm its support of the American Association of Medical Assistants and its purposes of advancing the education and upgrading the services of its members; and be it further

Resolved, That the House of Delegates encourage the individual members of the American Medical Association to urge their employees to become AAMA members by offering whatever incentives appear to be appropriate.

RESOLUTION ADOPTED BY THE AMA HOUSE OF DELEGATES NOVEMBER 26–29, 1967

NO. 50 PHYSICIAN ENCOURAGEMENT OF AMERICAN ASSOCIATION OF MEDICAL ASSISTANTS AND ITS EDUCATIONAL PROGRAMS

Preamble

The American Association of Medical Assistants has achieved a membership of more than 12,000 in less than ten years. Even with that impressive growth, the potential membership of AAMA doubtless is twenty times that number. Physicians should stimulate membership and participation in this fine national organization which endeavors to make even more effective allies of those who work for them in their offices and in hospital in the interest of patient care. Physicians can profit by reviewing the AAMA's objectives and programs which are set forth in pamphlets which are available from its headquarters at 510 North Dearborn Street, Chicago. Therefore be it

Resolved, That the AMA House of Delegates urges every physician to become fully acquainted with the objectives and programs of the American Association of Medical Assistants, and to encourage his own assistants to seek membership in the national organization and its local and state affiliates, and to participate in their educational and certification programs.

COLORADO MEDICAL SOCIETY,
Denver, Colo., May 30, 1974.

Hon. PETER H. DOMINICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOMINICK: The Colorado Medical Society Board of Trustees, at its regular meeting on May 18, 1974, considered H.J. Res. 939 which would designate the third week in September, of each year, as "National Medical Assistants Week". This group of individuals, so loyal to the medical profession, assists greatly in providing adequate medical care for the citizens of this country. We urge your support toward its passage.

Respectfully yours,

KENNETH A. KAHN, M.D.,
President.

ADDITIONAL COSPONSORS OF BILLS

S. 667

At the request of Mr. RANDOLPH, the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mr. TUNNEY) were added as cosponsors to S. 667, the Radiation Control for Health and Safety Act of 1973, to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation.

S. 2022

At the request of Mr. TUNNEY, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2022, a bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes.

S. 2422

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 2422, a bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape.

S. 2657

At the request of Senator Moss, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 2657, to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes.

S. 2848

At the request of Mr. JAVITS, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 2848, the "Alcohol and Drug Abuse Education Act of 1974."

S. 2983

At the request of Mr. JAVITS, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 2983, the "Urban Hospital Emergency Assistance Act of 1974."

S. 3383

At the request of Mr. MCGOVERN, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 3383, a bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans.

S. 3443

At the request of Mr. MONDALE, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 3443, the Petroleum Moratorium Act of 1974.

S. 3480

At the request of Mr. TUNNEY, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 3480, a bill to authorize a national summer youth sports program.

S. 3548

At the request of Mr. SYMINGTON, the Senator from Nevada (Mr. BIBLE), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors to S. 3548, the Harry S. Truman Memorial Scholarship Act.

S. 3556

At the request of Mr. PERCY, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 3556, the Highway Energy Conservation and Safety Act of 1974.

S. 3585

At the request of Mr KENNEDY, the Senator from South Dakota (Mr. MCGOVERN) and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors to S. 3585, the Health Professions Educational Assistance Act of 1974.

S. 3586

At the request of Mr. KENNEDY, the Senator from South Dakota (Mr. ABOUREZK) and the Senator from South Dakota (Mr. MCGOVERN were added as cosponsors to S. 3586, the Nurse Training Act of 1974.

S. 3660

At the request of Mr. STEVENSON, the Senator from Indiana (Mr. BAYH), and the Senator from Missouri (Mr. SYMINGTON) were added as cosponsors of S. 3660, a bill amend the Export-Import Bank Act of 1945.

SENATE RESOLUTION 344—SUBMISSION OF A RESOLUTION TO REFER S. 3666 TO COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. PROXMIRE (for himself and Mr. NELSON) submitted the following resolution:

S. RES. 344

Resolved, That S. 3666 entitled "A bill for the relief of Marlin Toy Products, Inc.", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

SENATE CONCURRENT RESOLUTION 91—SUBMISSION OF A CONCURRENT RESOLUTION RELATIVE TO A BUST OR STATUE OF MARTIN LUTHER KING

(Referred to the Committee on Rules and Administration.)

Mr. MONDALE (for himself, Mr. HUMPHREY, Mr. BAYH, Mr. BENTSEN, Mr. BIBLE, Mr. BIDEN, Mr. BROOKE, Mr. BURDICK, Mr. CASE, Mr. CLARK, Mr. COOK, Mr. CRANSTON, Mr. DOMINICK, Mr. EAGLETON, Mr. HART, Mr. HARTKE, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUGHES, Mr. JAVITS, Mr. JOHNSTON, Mr. KENNEDY, Mr. MATHIAS, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METZENBAUM, Mr. MONTOYA, Mr. MOSS, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. STEVENSON, Mr. SYMINGTON, Mr. TAFT, Mr. TUNNEY, Mr. WILLIAMS, and Mr. NELSON) submitted a concurrent resolution (S. Con. Res. 91) relative to a bust or statue of Martin Luther King, which reads as follows:

S. CON. RES. 91

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized and directed to procure a bronze bust or statue of Martin Luther King, Junior, and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed $2,500, shall be paid out of the contingent fund of the Senate on vouchers approved by the chairman of the joint committee.

Mr. MONDALE. Mr. President, I am introducing today, with 34 cosponsors from both parties and all sections of this country, a concurrent resolution which would authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr. to be placed in the U.S. Capitol. A similar resolution, introduced by Congressman JONATHAN B. BINGHAM, of New York, is pending in the House of Representatives where it has more than 140 cosponsors.

Dr. King, the son and grandson of Baptist ministers, was born in Atlanta, Ga., on January 15, 1929. Until his tragic death in Memphis, Tenn., on April 4, 1968, Dr. King lived a life of vision, dedication, leadership, and peace. The remarkable accomplishments of this man are too numerous to mention in detail here. Suffice it to say that the effects of his deeds are still being felt throughout this Nation. Dr. King was uncompromisingly dedicated to justice, to equality, to faith, and to peace.

For his important work, Dr. Martin Luther King, Jr. received many honors, including being awarded the Nobel Prize, being chosen as Time magazine's Man of the Year, and receiving numerous honorary degrees. Not the least of the results of Dr. King's efforts are the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Civil Rights Act of 1968. Although these laws stand as fitting memorials to Dr. King, I propose that Congress honor this great leader in yet another way.

Although Dr. King's portrait hangs today in millions of American homes, no such portrayal memorializes him in the halls of the U.S. Capitol, a building in which his deeds have been felt and the seat of government of a nation which he has profoundly affected. Indeed, not a single black American has been honored by having a portrait or statue placed in the Capitol Building.

The resolution which I am introducing today would authorize and direct the Joint Committee on the Library to procure a bronze bust or statue of Dr. Martin Luther King, Jr., and to place such sculpture in a suitable location in the Capitol.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. PERCY, the Senator from Florida (Mr. CHILES) was added as a cosponsor of Senate Concurernt Resolution 66, to urge the release from prison of Simas Kudirka, the Lithuanian seaman.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1479

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

Mr. MOSS (for himself and Mr. CRANSTON) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1480

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

Mr. BARTLETT submitted amendments, intended to be proposed by him, to the amendment No. 1362 intended to be proposed by Mr. Kennedy (for himself and others) to House bill 14832, supra.

AMENDMENTS NOS. 1481 THROUGH 1485

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

Mr. HELMS submitted five amendments, intended to be proposed by him, to House bill 14832, supra.

AMENDMENT NO. 1488

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

Mr. ROTH. Mr. President, I am today submitting an amendment to the public debt limit bill which lowers the debt limit increase by $5 billion and cuts Federal spending by over $6 billion.

Specifically, my amendment would reduce from $495 billion to $490 billion the limit on the public debt and would cut expenditures and net lending during fiscal year 1975 from $305.4 billion to $299 billion.

The $490 billion figure for the public debt limit is $5 billion less than the figure approved by the House of Representatives and the Senate Finance Committee, and $15 billion less than requested by the administration. The administration's request for a $505 billion limit was large enough to allow for approximately $6 billion in contingencies and about $4 billion to meet peak debt needs. Since these peak debt needs will not occur until May 1975, and since this legislation expires on March 31, 1975, there is no need for this added request. Likewise, in this time of soaring inflation, an additional leeway of $6 billion for contingencies is also unnecessary.

I applaud the House and my fellow colleagues on the Finance Committee for trimming this extraordinary administration request. But I believe that the gravity of this country's inflation problem demands that we cut this request by an additional $5 billion.

The fiscal 1975 budget calls for a $20 billion Federal funds deficit, the deficit used to arrive at the debt limit needs.

The present national debt is close to $475 bililon, and the added $20 billion deficit will bring the debt close to $495 billion. A debt limit of $495 billion would allow both the administration and the Congress to continue borrowing at a level to finance an inflationary $20 billion deficit.

Several Members of Congress have warned that a $495 billion debt limit is very restrictive, but I do believe that a debt limit that allows a $20 bill on deficit is too restrictive. A vote for the $495 billion debt limit is an endorsement of a $20 billion deficit.

The public debt rises whenever the Government spends more money than it collects and the Treasury is forced to borrow money to cover the deficits. The Treasury has been forced to borrow so much money in the past years that we are now paying over $30 billion a year in interest charges alone.

The only way to reduce the debt is to collect more money than is spent. We cannot hope to reduce it this year, but we can prevent the debt from increasing by $20 billion.

If the Congress is serious about reducing the Federal deficits, it should reduce the debt limit by at least $5 billion.

A $5 billion reduction in the public debt limit increase will also require a cut in Federal spending. For this reason, I have included in my amendment a limit on Federal spending in fiscal 1975 of $299 billion.

This $299 billion is $6.4 billion less than the Administration's revised budget request. I believe that a cut in spending of $6.4 billion is both realistic and necessary. Although the administrtion has claimed that any reduction in spending is not possible, my legislation would require only a 2-percent reduction in total outlays. And the 2-percent cut would reduce the Federal deficit enough to give us a head start on balancing the budget next year.

If the Federal Government cannot sacrifice 2 percent of its total spending, how can we ask business, labor, and consumers to make sacrifices for the sake of controlling inflation?

A cut in Federal spending of $6.4 billion would reduce the Federal funds deficit to $13.5. A cut in the debt limit to $490 billion would allow for a $15 billion deficit, thus giving the Treasury a $1.5 billion leeway.

Mr. President, I firmly believe that one of the fundamental causes of inflation is the alarming and astonishing growth in Federal spending. Fifteen years ago, in 1960, the Government was spending $92 billion. In fiscal 1975, which starts next week, the Government is planning on spending $305.4 billion.

Certainly, we in the Congress cannot in good conscience ask business to hold down prices, ask labor to continue its very commendable wage restraint, and, in general, call for sacrifices on the part of every citizen if the Federal Government is not willing to show restraint in its spending practices.

Last week, 74 Senators voted to hold spending down to $295 billion, a cut in spending of over $10 billion. I commend this action, but I hope this will not be our token vote for reduced Federal spending. I cannot help wondering if the vote was so large because of the strong probability that the spending ceiling will be dropped in the conference committee meeting with the House.

A cut in Federal spending would slow inflationary pressures and allow the Congress to provide true tax relief for the American people. The Federal Government is spending the taxpayers' money, and so long as the Congress votes to continue spending the taxpayers' money, there will be no tax relief.

AMENDMENT NO. 1490

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

Mr. HASKELL. Mr. President, I am today submitting a modified version of amendment No. 1435 whch Senator CHILES and I introduced several weeks ago. That amendment provides for significant tax relief for some 55 million American taxpayers—nearly 90 percent of the total. It does so by replacing the present $750 personal exemption income deduction with a mandatory $200 personal tax credit.

The amendment I am offering today includes, in addition to the $200 personal credit provision, the so-called work bonus social security tax relief proposal offered by the distinguished Senator from Massachusetts (Mr. KENNEDY), and the distinguished Senator from Minnesota (Mr. MONDALE), and others, and first formulated by the distinguished chairman of the Finance Committee (Mr. LONG). I am including the work bonus so as to minimize the difference among those of us who favor tax relief and tax reform. The work-bonus provision will cost around $700 million. Thus, the total cost of my proposal will be $5.152 billion. This is to be offset, of course, by companion amendments designed to raise revenues of like magnitude. Without such revenue-raising tax reform, I shall not offer a tax cut and, indeed, would vote against any other such proposal.

Now, the remaining difference between my proposal and that of Senators MONDALE and KENNEDY is that I would not allow taxpayers the option of taking either the present $750 or an increased $8.25 deduction. Moreover, my credit is at a level of $200 rather than $190.

My reasoning has been stated many times, Mr. President. I do not believe that we should provide one kind of personal exemption—a $190 credit—for 90 percent of the taxpaying public and another, far more valuable deduction for the wealthiest 6 million taxpayers.

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

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

AMENDMENT NO. 1490

Insert the following:

SEC. 3. AMENDMENT OF THE INTERNAL REVENUE CODE.

Except as otherwise expressly provided, whenever in section 4 or 5 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Reveune Code of 1954.

SEC. 4. CREDIT AGAINST TAX, IN LIEU OF DEDUCTION, FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new section:

"SEC. 42. PERSONAL EXEMPTIONS.

"There shall be allowed, as a credit against the tax imposed by section 1 or 3, the amount determined under section 151 for personal exemptions. Such credit shall not exceed the tax imposed by section 1 or 3 for the taxable year."

(b) CONFORMING AMENDMENT.—So much of section 151 of such Code (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"SEC. 151. CREDIT FOR PERSONAL EXEMPTIONS.

"(a) AMOUNT OF CREDIT.—The amount of the credit allowed by section 42 for the taxable year for personal exemptions shall be $200 for each exemption allowed to the taxpayer under this section for the taxable year.".

(c) CONFORMING AMENDMENT.—Section 151 is further amended by striking out "of $750" wherever it appears therein.

(d) TECHNICAL AMENDMENTS.—

(1) Sections 2(a)(1)(B), 2(b)(1), 143(b)(1), 214(b)(1)(A), 874(b), and 931(e) are each amended by striking out the word "deduction" wherever it appears and inserting in lieu thereof the word "credit".

(2) Section 37(a) (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(3) Section 41(b)(2) (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(4) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and".

(5) Section 50A (a)(3) (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to personal exemptions)."

(6) Section 63(b) (relating to definition of taxable income) is amended by striking out all that follows after the words "adjusted gross income" and inserting in lieu thereof "minus such standard deduction".

(7) Section 72(n)(3) (relating to special computation of taxable income) is amended by striking out subparagraph (A).

(8) Section 170(b)(1)(C) (relating to unlimited charitable deduction) is amended by striking out clause (ii).

(9) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) ESTATES AND TRUSTS.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b).".

(10) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 151 or a deduction under section 642(b)".

(11) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personal exemptions).".

(12) Section 7103(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(13) Section 873 (b)(3) (relating to nonresident aliens) is amended to read as follows:

"(3) CREDIT FOR PERSONAL EXEMPTION.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 151.".

(14) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(15) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(16) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(17) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(e)(1) The Secretary of the Treasury within 90 days after the date of enactment of this Act shall prescribe new tables for the withholding of tax under section 3402 of the Internal Revenue Code of 1954 to reflect the amendments made by this section. The tables shall apply to usages paid after December 31, 1974.

(2) Section 3402 of such code is amended by striking out "exemption" and "exemptions" each place they appear, and inserting in lieu thereof "credit" and "credits", respectively. The amendment made by this section applies to taxable years beginning after December 31, 1974.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1973.

SEC. 5. TAX CREDIT FOR LOW-INCOME WORKERS WITH FAMILIES

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (as amended by section 4 of this Act) is amended by inserting the following new section:

"SEC. 43. TAX CREDIT FOR LOW-INCOME WORKERS WITH FAMILIES.

"(a) IN GENERAL.—

"(1) ALLOWANCE OF CREDIT.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6013 for the taxable year, the amount of the credit allowance by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) APPLICABLE PERCENTAGE.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1974 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

"(2) REDUCTION FOR ADDITIONAL INCOME.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71 (b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74 (b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) APPLICATION WITH SECTION 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

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

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151(e)(1)(B) (relating to additional exemption for dependents).

"(2) SOCIAL SECURITY TAXES.—The term 'social security taxes' means the aggregate amount of taxes imposed by sections 3101 (relating to rate of tax on employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by an individual and his spouse with respect to employment (as defined in section 3121(b)), or which would be imposed with respect to such wages by such sections if the definition of the term 'employment' (as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section.".

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemptions.
"Sec. 43. Tax credit for low-income workers with families.
"Sec. 44. Overpayments of tax.".

(c) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", 43 (relating to tax credit for low-income workers with families),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(d) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "or 43" after "SECTION 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to tax credit for low-income workers with families),".

(e)(1) Subchapter B of chapter 65 of such Code (relating to rules of special application) is amended by adding at the end thereof the following new section:

"SEC. 6428. ADVANCE REFUND OF SECTION 43 CREDIT.

"(a) IN GENERAL.—A taxpayer may receive an advance refund of the credit allowable to him under section 43 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employer, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) LIMITATIONS.—

"(1) AMOUNT OF REFUND.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 43 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) INELIGIBLE FOR CREDIT.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 43 for that year.

"(3) MINIMUM PAYMENT.—No payment may be made under this section in an amount less than $30.

"(c) COLLECTION OF EXCESS PAYMENTS.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may withhold, from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

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

"Sec. 6428. Advance refund of section 43 credit.".

(f) Section 6011(d) of such Code (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) RETURNS OF TAXPAYERS RECEIVING ADVANCE REFUND OF SECTION 43 CREDIT.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 43 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(g)(1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 43 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 53 credit), or his spouse, as may be necessary for the proper administration of section 43 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 43 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish to the Secretary such information upon request.

(h) Section 402(a)(7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 43 of the Internal Revenue Code of 1954)".

(i) Except as otherwise expressly provided, the amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973. No advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before October 1, 1974.

AMENDMENT NO. 1491

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

Mr. MONDALE submitted an amendment intended to be proposed by him to H.R. 14832, supra.

AMENDMENT NO. 1492

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

Mr. CHURCH submitted an amendment, intended to be proposed by him, to H.R. 14832, supra.

AMENDMENT NO. 1493

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

Mr. STEVENSON submitted an amendment, intended to be proposed by him, to H.R. 14832, supra.

AMENDMENT NO. 1494

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

AUTHORIZE A DEDUCTION FROM GROSS INCOME FOR AMOUNTS FORFEITED AS PENALTIES FOR PREMATURE WITHDRAWAL OF FUNDS FROM SAVINGS ACCOUNTS OR DEPOSITS OF BANKS AND SAVINGS AND LOAN ASSOCIATIONS

Mr. CHURCH. Mr. President, I introduce an amendment to H.R. 14832 to allow penalties incurred because of premature withdrawal of funds from time savings accounts or deposits to be deducted from gross income in calculating adjusted gross income.

Last November the Internal Revenue Service issued Revenue Ruling 73–511, which requires banks, savings and loan associations, and other financial institutions to report for purposes of information returns—Forms 1099 INT and 1096—the gross interest paid to each account holder during the year on time savings accounts or deposits.

In computing gross interest, amounts forfeited as penalties because of premature withdrawal of funds cannot be netted against the certificate holder's interest income. As a result, the depositors or accountholders must pay taxes on the full amount of interest paid or credited, although they were required to return part of it to the financial institution as a penalty.

If a saver itemizes his deductions he may subtract the amount of the penalty from his gross income as a loss incurred in a transaction entered into for profit under section 165(a) of the Internal Revenue Code.

But this provision provides no relief whatsoever for the vast majority of taxpayers who take the standard deduction or the low-income allowance in lieu of itemizing their deductions.

In fact, more than three out of every five taxpayers do not itemize their deductions. According to the latest complete data available, nearly 78 million returns were filed for taxable year 1972. Of this total more than 50 million claimed the standard deduction or low-income allowance.

To my way of thinking, Revenue Ruling 73–511 is unfair to taxpayers who do not itemize their deductions.

As chairman of the Senate Committee on Aging, I am especially concerned because many of these individuals are elderly retirees who can ill afford to pay tax on interest income which they have never received.

For these reasons, I am proposing that the Internal Revenue Code be amended to authorize a deduction from gross income for any amount or amounts forfeited as penalties for premature withdrawal of funds from time savings accounts or deposits located at banks and savings and loan associations.

Under this provision all savers will be taxed equally on sums forfeited as premature withdrawal penalties, whether they itemize their deductions or not.

Mr. President, I urge early approval of this measure.

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

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

AMDT. NO. 1494

At the end of the bill, insert the following new section:

"SEC. . (a) Section 62 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(10) Penalties forfeited because of premature withdrawal of funds from time savings accounts or deposits—The deductions allowed by Section 165 for losses incurred in any transaction entered into for profit, though not connected with a trade or business to the extent that such losses include amounts forfeited to a bank, mutual savings bank, savings and loan association, building and loan association, cooperative bank or homestead association as a penalty for premature withdrawal of funds from a time savings account, certificate of deposit or similar class of deposit."

(b) The amendment made by this section

applies to taxable years beginning after December 31, 1972.

Amend the Title so as to read: "An Act to provide for a temporary increase in the public debt limit, and for other purposes."

AMENDMENT NO. 1495

(Ordered to be printed.)

Mr. MANSFIELD (for himself, Mr. HUMPHREY, Mr. BAYH, Mr. CANNON, Mr. CLARK, Mr. HART, Mr. KENNEDY, Mr. MONDALE, Mr. MUSKIE, and Mr. NELSON) proposed an amendment to House bill 14832, supra.

AMENDMENT NO. 1496

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

Mr. BUCKLEY submitted an amendment, intended to be proposed by him, to House bill 14832, supra.

AMENDMENT NO. 1497

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

Mr. BUCKLEY (for himself, Mr. DOMINICK, and Mr. PERCY) submitted an amendment, intended to be proposed by them, jointly, to House bill 14832, supra.

AMENDMENTS NOS. 1498 AND 1499

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

Mr. BELLMON. Mr. President, today I am introducing two amendments to H.R. 14832 that will eliminate excessive Federal spending by providing a balanced Federal budget for fiscal years 1975 and 1976. In my judgment, it makes little sense for the Senate to engage in extensive debate on tax amendments that will reduce the receipts of the Federal Government when faced with an anticipated budget deficit for fiscal year 1975 of $11.4 billion.

My first amendment will accomplish two basic objectives. First, it will establish a spending ceiling for fiscal year 1975 of $294 billion, the level of anticipated receipts for this fiscal year.

Second, Federal expenditures, with the exception of several uncontrollable budgetary items, would be reduced proportionately in the event the ceiling is exceeded. Since we are well into the appropriations process for fiscal year 1975, this amendment will provide the mechanism to insure that Federal spending is held at $294 billion.

Mr. President, the Senate is very familiar with the terms of this amendment. It has been approved in identical form by the Senate on numerous occasions. This proposal passed the Senate as the Bellmon-Taft-Ervin amendment to the devaluation bill, S. 929, on April 4, 1974. On May 10, 1973, the Senate considered this exact mechanism to control Federal spending for fiscal year 1974 as title II of S. 373, Senator ERVIN's impoundment control measure. On that date, title II of S. 373 was approved by an overwhelming majority of the Senate on a roll call vote of 86 to 4.

What was an excellent means to control Federal spending for fiscal year 1974 is an even more appropriate vehicle to control excessive Federal spending this year when the inflationary rate is at an all time high.

Arriving at the figure of $294 billion was a relatively simple matter. On May 30, 1974, budget outlays for fiscal year 1975 were estimated to be slightly in excess of $305 billion while receipts are anticipated to be slightly more than $294 billion. If these budget estimates become reality, it will mean a budget deficit for fiscal year 1975 of $11.4 billion. By establishing a spending ceiling of $294 billion, Congress would go on record for only the fourth time in 20 years for a balanced Federal budget.

In the event appropriations made for fiscal year 1975 result in the spending ceiling being exceeded, the President would be authorized to proportionately reduce spending in all functional categories with the exception of the following uncontrollable budget items: interest on national debt, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, judicial salaries. By excluding these uncontrollable items, according to my calculations, it will be necessary to proportionately reduce spending in all other Federal programs by approximately 5.8 percent in order to eliminate the $11.4 billion deficit.

Let me reiterate that this proportionate reduction provision has been the subject of extensive committee and Senate debate during the past 2 years and has passed the Senate by overwhelming majorities on at least two previous occasions.

My second amendment would simply require that Federal expenditures for fiscal year 1976 not exceed revenues. By enacting this amendment, the Senate will go on record for a balanced Federal budget for fiscal year 1976.

We need only examine the record on Federal spending to determine the urgent need for enactment of these two amendments. Federal spending and the corresponding huge Federal deficits have increased at an alarming rate. Runaway inflation has followed as night follows day. It is my conviction that the average citizen is completely unaware of how serious the Government's financial plight really is. The Federal budget has not been balanced since 1960. The financial condition of this country has deteriorated to the point that the interest on the national debt will soon reach $30 billion a year. This $30 billion breaks down to a cost to the taxpayers of the United States of $54,000 a minute or almost $1,000 every time the clock ticks.

In my judgment, it is excessive Federal spending which has been the prime cause for the back-breaking inflationary spiral this country is presently experiencing. The problem is illustrated well by an article which recently appeared in the U.S. News & World Report on June 17, 1974. This article illustrates the shrinking value of our dollar. Placing the 1969 dollar, which is just 5½ years ago, at a value of 100 percent, that dollar today is worth only 75 cents. At the current rate of inflation, by 1979 it will be worth 57 cents. If the present inflationary rate is not curbed by reducing excessive Federal spending, the average home now costing $37,500 will cost $51,700 in 1979. The price of food will go from $54.47 per family per week now to $80.50 in 1979. The local bus fare will go from 38 cents now to 53 cents in 1979. The price of gasoline will go from 58 cents a gallon now to 88 cents in 1979.

Obviously, our Nation faces a fiscal crisis which affects every American. For example, over 10 percent of the average American family's taxes go each year just to pay the interest on the national debt. Our Federal fiscal policy has had a devastating impact on those persons with fixed incomes, acquired savings, and insurance. It does not take an expert in economics to realize that excessive Federal spending has accelerated the cost of living for all Americans.

It is imperative that the 93d Congress act, and act decisively this session to rectify the dangerous situation created by continual Federal spending far in excess of income.

Mr. President, today this Nation faces a period of great economic uncertainty and unrest. American citizens are indeed faced with a rapid increase in the cost of living due to a 12-percent annual rate of inflation. Interest rates are at record highs. Investors are hesitant to make long-term commitments because of the future uncertainties. Industrialists are slow to improve their plants because of high costs of money. American families are finding it difficult to purchase homes because of tight money.

Mr. President, the Senate has an opportunity, by enacting these amendments, to remedy this situation and go on record for a balanced Federal budget for the next 2 fiscal years. I urge favorable approval of these proposals.

Mr. President, I ask that the text of these two amendments be printed in full in the RECORD at this point.

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

AMENDMENT NO. 1498

On the first page, strike out line 3 through line 7 and insert in lieu thereof the following:

TITLE I—PUBLIC DEBT LIMIT

SECTION 1. During the period beginning on the date of the enactment of this Act and ending on March 31, 1975, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $95,000,000.

On page 2, after line 5, insert the following:

TITLE III—CEILING ON FISCAL YEAR 75 EXPENDITURES

SEC. 201. (a) Except as provided in subsection (b) of this section, expenditures and net lending during the fiscal year ending June 30, 1975, under the budget of the United States Government, shall not exceed $294,000,000,000.

(b) If the estimates of revenues which will be received in the Treasury during the fiscal year ending June 30, 1975, as made from time to time, are increased as a result of legislation enacted after the date of the enactment of this Act reforming the Federal tax laws, the limitation specified in subsection (a) of this section shall be reviewed by Congress for the purpose of determining whether the additional revenues made available should be applied to essential public services for which adequate funding would not otherwise be provided.

SEC. 202. (a) Notwithstanding the provisions of any other law, the President shall, in accordance with this section, reserve from

expenditure and net lending, from appropriations, or other obligational authority otherwise made available, such amounts as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 201.

(b) In carrying out the provisions of subsection (a) of this section, the President shall reserve amounts proportionately from new obligational authority and other obligational authority available for each functional category, and to the extent practicable, subfunctional category (as set out in table 4 of the United States Budget in Brief for fiscal year 1975), except that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries.

(c) In no event shall the authority conferred by this section be used to impound funds, appropriated or otherwise made available by Congress, for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

SEC. 203. In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to this title, and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution, the amount available for expenditure (after the application of this title) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

AMENDMENT NO. 1499

At the end of the bill, add the following new section:

SEC. . Notwithstanding any other provision of this or any other Act, expenditures (budget outlays) of the government of the United States during fiscal year 1976 shall not exceed its revenues.

AMENDMENT NO. 1500

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

Mr. BELLMON. Mr. President, today I am introducing an amendment to H.R. 14832, the debt ceiling bill, which will restore the ultimate decisionmaking power of the Federal bureaucracy over the affairs of this country to the Congress where it rightly belongs.

This amendment is easily understood. It simply states that when a governmental agency promulgates regulations in order to implement Federal legislation, the committee of origin, whether in the Senate or House, has 60 days to disapprove the proposed regulations.

The need for legislation of this nature is quite clear. Its enactment would accomplish several obvious worthwhile objectives. Let me explain. The Senate is certainly not unaware of the frustration shared by literally millions of Americans who believe that the Federal Government is entirely unresponsive to their needs and problems. Legislation is badly needed which would restore the system of checks and balances over the Federal bureaucracy and reasserts Congress' role in the decisionmaking regulatory process.

The problems we now face in controlling the agencies and bureaus have evolved over time. Certainly the Founding Fathers did not anticipate them. When the first regulatory agency, the ICC, was formed in the late 1800's there was no way to predict the eventual expansion of regulatory agencies. As the problems of the Nation have increased, the laws have become more complex. Congress has shared its responsibility by giving agencies and departments the power to issue regulations, licenses, and permits if the agency deems it to be "in the public interest."

For example, the management of national forests and national parks is left to Federal agencies which in turn promulgate regulations governing the use of those properties but seldom allow the public voice to be heard against any plan of the agency. Implementation of regulations concerning the Occupational Safety and Health Act is left to those administrators in Washington who for the most part have never worked in private enterprise and do not understand the practicalities and expenses involved in many of the regulations which they require. These regulations apply equally to the giants of industry as well as the smallest, least sophisticated business in the country.

The examples go on and on and cover a wide range of subjects, from food stamps and school lunch programs to the spraying of forests and grasslands, to the elimination of certain species of trees and shrubs, to the location of highways, to the location of missile bases, disposal of sewage and industrial wastes, building of dams, description of safety standards on oil wells, professional review standards for doctors, user fees for publicly owned recreation areas and environmental regulations imposed on independent oil drillers.

All sections of society, corporations, as well as the workingman and the poor, are affected by these broad generalized grants of authority to administrative agencies. Different segments of society are in a position to defend themselves against arbitrary agency action to varying degrees depending on their own resources and legal abilities. The voices of the majority of the people are never heard, as provision for official protest is complicated. The administrative agencies largely dictate their own desires. Anyone who has attempted to oppose a Federal agency in its promulgation of regulations will understand the feeling of futility which is held by the people across this land.

Many agencies, most notably those which have been granted the authority to disburse money for various Federal programs to individuals, organizations, and to the States, have almost the absolute power to turn on and off the flow of money. If a university or hospital does not comply with an agency's regulations, the funding, which is their lifeline, may be cut off. The promulgation of regulations which are extremely complex and confusing to even the well educated are the source of agency power. These rules and regulations are the conduit through which the agency imposes its views upon the general public, and the practical opportunities for protest are limited. Arguably, the opportunities for protest are present because of the Administrative Procedure Act. However, if only a handful of small businessmen or small farmers are affected by a regulation, it is difficult for them to hire a Washington lawyer to represent them before the agencies. It is a David against Goliath situation. However, the prognosis for the final outcome is not as hopeful as in the latter situation.

The effect of this legislation would be to provide a check on those agencies and the check would be imposed by the Congress from which the agency's power is derived. The values at stake are of constitutional impact and importance. Why, with few checks and balances, should the public stand by while some Federal agency makes decisions which affect their very livelihood? Why should the Congress allow the laws to be emasculated by the agencies and bureaus in Washington?

The agencies have promulgated regulations so extensive and so complex that the public has been denied the effective representation which they sent to Congress. That representation has been misplaced and displaced throughout the Federal agencies. The effect has been to reduce the respect which the American people have for the Government. Government is unresponsive to their needs, and a sense of futility overwhelms them. As Winston Churchill remarked:

> If you have 10,000 regulations, you destroy all respect for the law.

The purpose of this amendment is to restore this lost respect for the law, and to restore that respect by returning the command of this Government to the Congress and the American people. I ask unanimous consent that my amendment be printed in full in the RECORD at the conclusion of my remarks.

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

AMENDMENT NO. 1500

At the appropriate place in the bill, add a new section as follows:

SEC. . That section 301 of title 5, United States Code, is hereby amended to read as follows:

"(a) The head of an executive department or military department may prescribe regulations for the government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers, and property. This section does not authorize withholding information from the public or limiting the availability of records to the public.

"(b) That upon the promulgation of proposed rules and regulations implementing public laws, the committee of origin, whether in the Senate or in the House of Representatives, shall give approval or disapproval of said rules and regulations within sixty days from the date of submission of said rules and regulations.

"(c) In the event the said committee fails to disapprove the proposed rules and regulations within sixty days, such abstention shall be deemed to be approval of said rules and regulations."

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 1486

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

Mr. HATHAWAY submitted an amendment, intended to be proposed by him, to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT OF COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970—AMENDMENT

AMENDMENT NO. 1487

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

REPEAL OF "NO-KNOCK" LAWS

Mr. ERVIN. Mr. President, in 1970 Congress enacted two provisions into law which I felt at the time could become a giant step in conversion of our free society into a police state. Those two provisions gave Federal narcotics officers and District of Columbia police extraordinary powers, powers we have not even given to agents of the Federal Bureau of Investigation, the power to enter the homes of American citizens like thieves in the night without notice and without warning. These two "no-knock" statutes are codified at section 879 of title 18 of the United States Code and in sections 23–521 through 23–591 of the District of Columbia Code. I ask unanimous consent that those statutory provisions be entered in the RECORD at the conclusion of my remarks as exhibits Nos. 1 and 2 respectively.

I am introducing today, along with the junior Senator from Wisconsin (Mr. NELSON), an amendment to S. 3355 which would repeal both the Federal and the District of Columbia "no-knock" statutes. S. 3355 is pending on the Senate Calendar and I anticipate that our amendment will be brought up some time this week. I ask unanimous consent that our amendment be printed and that it also be inserted in the RECORD immediately following my remarks as exhibit No. 3.

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

Mr. ERVIN. When I joined a number of my colleagues in opposing these statutory provisions, we contended that "no-knock" authority would not be used very often by police, that when it was used, the likelihood of danger either to police or the occupants of the home searched was great, and most important that the provisions themselves were unconstitutional. Although I plan to discuss each of these points in greater detail when our amendment is brought up later this week, I would like to summarize them briefly at this time.

"NO-KNOCK" IS DANGEROUS AND RARELY USED

The danger inherent in granting Federal narcotics officers and District of Columbia police this extraordinary power was highlighted last year in the infamous "no-knock" narcotics raids into two homes in Collinsville, Ill. In separate incidents involving the same Justice Department agents, "no-knock" raids were conducted into two different homes in Collinsville.

The agents entered the two houses without warrants, kicked in the doors without warning, shouting obscenities, and threatening the inhabitants with drawn weapons. The terrified inhabitants were only temporarily relieved when the agents left after discovering that they had entered the wrong houses. Unfortunately, this is not the only example of no-knock authority. In a statement I delivered on May 10 of last year, I summarized a number of other incidents which have been brought to my attention and in an article appearing in the New York Times in June of last year a number of other incidents are chronicled. I ask unanimous consent that my speech and materials which I inserted in the RECORD on May 10 of last year and the Times article be inserted in the RECORD immediately following my remarks as exhibits Nos. 4 and 5 respectively.

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

Mr. ERVIN. Responsible law enforcement officials have been concerned about the use of no-knock authority. They recognize the danger to police inherent in entering a home like common burglars. For example, D.C. Police Chief Jerry Wilson stated in an interview in the Washington Post on June 8 that he would not oppose repeal of the D.C. provision. According to the article, " 'I won't object,' Wilson said yesterday. 'It won't affect us one way or another.' He said that D.C. police have not used no-knock warrants since October 1971." The article continues, "Geoffry Alprin, chief lawyer for the D.C. police department has said the use of no-knock can increase the possibility of injuries both to police and occupants of homes. '. . . There might be a shootout; that is not what we want,' he said." I ask unanimous consent that the remainder of the Post article be reprinted in the RECORD at the conclusion of my remarks as exhibit No. 6.

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

Mr. ERVIN. I have had difficulty ascertaining the usefulness of the Federal no-knock provision. I attempted to get information from the Justice Department on how often no-knock warrants have been used since 1970 but I have only received a rough estimate. In response to a letter to me on May 24 of last year, Myles Ambrose, Director of the Office of Drug Abuse Law Enforcement—ODALE—stated that about 100 no-knock warrants had been issued and executed in the previous year.

However, when ODALE was replaced by the Drug Enforcement Administration—DEA—last year, a new set of guidelines were issued in response to Collinsville raids. According to an October 18, 1973, letter to me from John Bartels, then Acting Director of DEA, only one warrant had been issued and executed in the prior 3 months. This suggests to me that under the new, more restrictive guidelines, "no-knock" is only used 3 or 4 times a year in Federal drug cases. Obviously, a repeal of this most dangerous provision is not going to bring our Federal narcotics control effort to a standstill.

"NO-KNOCK" IS UNCONSTITUTIONAL

The basic rule that a law enforcement officer must announce his authority and purpose prior to forced entry into a private home is at least 300 years old in Anglo-American jurisprudence. It can be traced back to a case in 1603 known as Semayne's case. In that case the court said:

> The Sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the King's process, if otherwise he cannot enter. But before he breaks it, he ought to signify the cause of his coming, and to make request to open the doors.

That basic rule is part of the Federal Criminal Code as section 3109 of title 18 and reads as follows:

> The officer may break open any outer or inner door or window of a house, or any part of a house, or anything therein, to execute a search warrant, if, after notice of his authority and purpose, he is refused admittance or when necessary to liberate himself or a person aiding him in the execution of the warrant.

There have been generally accepted exceptions to the requirement of announcement of authority and purpose. These commonly accepted exceptions were set out with precision in Justice Brennan's opinion in the case of *Ker* v. *California*, 374 U.S. 23 (1962):

> . . . (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted.

The Ker case represents the only time that the Supreme Court has ever addressed the question of "no-knock" in constitutional terms. Although the Ker decision is confusing—the decision was 5–4 with three different opinions—it appears that at least eight justices on the Supreme Court subscribed to the view that the fourth amendment implicitly prohibits unannounced entry in the execution of a search or arrest. The confusion in Ker is not over whether announcement is constitutionally required but over the exceptions to the basic rule. The controversy over the two "no-knock" statutes is first whether they adequately codify the exceptions to the rule and second whether they go beyond even the broadest interpretation of Ker by permitting a judge to issue a warrant permitting "no-knock" entry.

Both of these basic constitutional arguments are set out in detail in the debates at the time of enactment of the two "no-knock" provisions in 1970. Senator HART and I set out these arguments in our dissenting views to the Senate Judiciary Committee's favorable report on the Federal drug "no-knock" provision and they are also reflected in the debate on the District of Columbia provision which occurred on July 17, 1970. I ask unanimous consent that the dis-

senting views and the debate on the District of Columbia crime bill be inserted in the RECORD at the conclusion of my remarks as exhibits Nos. 7 and 8 respectively.

In brief summary, opponents of "no-knock" contend that the exceptions to the announcement rule are broader than that permitted at common law and are unconstitutional because they go beyond Justice Brennan's summary in the Ker case. We also contend that the "no-knock" statutes are unconstitutional because they permit a judge to authorize "no-knock" entry at the time he issues the original search warrant. It is our position that all of the special circumstances set out by Justice Brennan are circumstances which must exist immediately before the forced entry, that is, at the door to the dwelling. It is impossible, and indeed unconstitutional, for a judge to predict that those circumstances will exist miles away and hours later when the warrant is actually executed.

ADEQUATE "NO-KNOCK" AUTHORITY WILL BE PRESERVED

Prior to the enactment of the two "no-knock" statutes in 1970, Federal narcotics agents and the District of Columbia police were subject to section 3109 of title 18 of the United States Code. The fact that the District of Columbia police were covered by the Federal statute was established in the Supreme Court case of *Miller* v. *United States* (1958) 357 U.S. 301. The Supreme Court also officially recognized in dicta the Ker exceptions to the proscription contained in section 3109 in the case of *Sabbath* v. *United States* (1967) 391 U.S. 585, 591.

Therefore, as a result of this amendment, the District of Columbia police and Federal narcotics agents will be treated exactly as the agents of the Federal Bureau of Investigation and all other Federal law enforcement officers. They will be subject to section 3109 and the exceptions which have been engrafted upon that provision by the court. Indeed Chief Wilson's statement and the infrequent use of the Federal provision suggest that there is no compelling reasons to treat the District of Columbia and Federal narcotics officers any differently. Furthermore, the reported abuses of "no-knock" authority underscore the need to eliminate these extraordinary provisions.

EXHIBIT 1

STATUTES

Comprehensive Drug Abuse Prevention and Control Act, 84 Stat. 1236, 1274 (1970), § 509 (b)

Any officer authorized to execute a search warrant relating to offenses involving controlled substances the penalty for which is imprisonment for more than one year may, without notice of his authority and purpose, break open an outer or inner door or window of a building, or any part of the building, or anything therein, if the judge or United States magistrate issuing the warrant (1) is satisfied that there is probable cause to believe that (A) the property sought may and, if such notice is given, will be easily and quickly destroyed or disposed of, or (B) the giving of such notice will immediately endanger the life or safety of the executing officer or another person, and (2) has included in the warrant a direction that the officer executing such warrant, shall, as soon as practicable after entering the premises, identify himself and give the reasons and authority for his entrance upon the premises.

EXHIBIT 2

District of Columbia Court Reform and Criminal Procedure Act, 84 Stat. 473, 614–15, 627–28, 630–31 (1970)

D.C. Code § 23–521

. . . (f) A search warrant shall contain—

. . . . (6) where the judicial officer has found cause therefor, including one of the grounds set forth in subparagraph (A), (B), or (D) of section 23–591(c)(2), an authorization that the executing officer may break and enter the dwelling house or other building or vehicles to be searched without giving notice of his identity and purpose;

D.C. Code § 23–522

. . . (c) The application [for a search warrant] may also contain—

. . . (2) a request that the search warrant authorize the executing officer to break and enter dwelling houses or other buildings or vehicles to be searched without giving notice of his identity and purpose, upon probable cause to believe that one of the conditions set forth in subparagraph (A), (B), or (D) of section 23–591(c)(2) is likely to exist at the time and place at which such warrant is to be executed.

D.C. Code § 23–561

. . . (b)(1) . . . . If the complaint establishes probable cause to believe that one of the conditions set out in subparagraphs (A) through (D) of section 23–591(c)(2) is likely to exist at the time and place at which such [arrest] warrant is to be executed, the warrant may contain an authorization that it be executed as provided in section 23–591.

D.C. Code § 23–591

(a) Any officer authorized by law to make arrests, or to execute search warrants, or any person aiding such an officer, may break and enter any premises, any outer or inner door or window of a dwelling house or other building, or any part thereof, any vehicle or anything within such dwelling house, building, or vehicle, or otherwise enter to execute search or arrest warrants, to make an arrest where authorized by law without a warrant, or where necessary to liberate himself or a person aiding him in the execution of such warrant or in making such arrest.

(b) Breaking and entry shall not be made until after such officer or person makes an announcement of his identity and purpose and the officer reasonably believes that admittance to the dwelling house or other building or vehicle is being denied or unreasonably delayed.

(c) An announcement of identity and purpose shall not be required prior to such breaking and entry—

(1) if the warrant expressly authorizes breaking and entry without such a prior announcement, or

(2) if the circumstances known to such officer or person at the time of breaking and entry, but, in the case of the execution of a warrant, unknown to the applicant when applying for such warrant, give him probable cause to believe that—

(A) such notice is likely to result in the evidence subject to seizure being easily and quickly destroyed or disposed of,

(B) such notice is likely to endanger the life or safety of the officer or another person,

(C) such notice is likely to enable the party to be arrested to escape, or

(D) such notice would be a useless gesture.

(d) Whoever, after notice is given under subsection (b) or after entry where such notice is unnecessary under subsection (c), destroys, conceals, disposes of, or attempts to destroy, conceal, or dispose of, or otherwise prevents or attempts to prevent the seizure of, evidence subject to seizure shall be fined not more than $5,000 or imprisoned for not more than 5 years, or both.

(e) As used in this section and in subchapters II and IV, the terms "break and enter" and "breaking and entering" include any use of physical force or violence or other unauthorized entry but do not include entry obtained by trick or stratagem.

EXHIBIT 3

AMENDMENT NO. 1487

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

SEC. 2. Subsection (b) of section 509 of the Controlled Substances Act (21 U.S.C. 879) is hereby repealed.

SEC. 3. (a) Section 23–522(c)(2) of the District of Columbia Code is hereby repealed.

(b) Section 23–521 (f)(6) of the District of Columbia Code is hereby repealed.

(c) Section 23–524(a) is amended to read as follows:

"(a) An officer executing a warrant directing a search of a dwelling house or other building or a vehicle shall execute such warrant in accordance with section 3109, title 18, United States Code."

(d) The last sentence of section 23–561 (b)(1) of the District of Columbia Code is hereby repealed.

(e) Section 23–591 of the District of Columbia Code is hereby repealed.

EXHIBIT 4

[From the Congressional Record, May 10, 1973]

NO-KNOCK SEARCHES AND GOVERNMENTAL LAWLESSNESS

Mr. ERVIN. Mr. President, 3 years ago Congress enacted a provision which I predicted would be a "giant step in conversion of our free society into a police state." That provision, section 879 of title 21 of the United States Code, permitted Federal narcotics agents to enter the private homes of American citizens like thieves in the night without notice and without warning.

I joined a number of my colleagues in strenuously objecting to this most dangerous no-knock search provision—Controlled Substances Act of 1970. We were outraged by this blatant invasion of the fourth amendment prohibition on unreasonable searches. We predicted that such a provision would lead to intolerable abuses when law enforcement officers faced with the frustrating task of enforcing our narcotics laws are tempted to avoid the requirements of traditional search procedures and resort to this new authority.

When the Senate considered this bill we spent hours debating warrant provisions of the no-knock section. How, we asked, could a police officer, while miles away from a house, predict and swear in an affidavit that his life will be endangered or that narcotics will be destroyed when he reaches the home?

We were assured that law enforcement officers and Federal judges, unlike ordinary mortals, are capable of predicting the future. We were told that this sort of authority was absolutely essential and that the whole narcotics enforcement strategy depended on making this exception to fourth amendment rules, centuries old. This attitude was expressed by Mr. Myles Ambrose of the Department of Justice most recently when he attempted to justify no-knock searches by Federal narcotics agents. According to Mr. Ambrose—

"Drug people are the very vermin of humanity . . . occasionally we must adopt their dress and tactics."

In other words, in order to capture criminals, the law enforcement agencies must act criminally—a little lawbreaking does wonders for law and order.

Four recent cases convince me that some law enforcement agents have, indeed acted like common criminals. Innocent homeown-

ers have been terrorized and all Americans are the victims. The newspaper articles which follow describe incidents involving no-knock raids against the Pine family in Winthrop, Mass., on January 10, 1973, the Majette family in Portsmouth, Mass., on January 26, 1973, the Giglotto family and the Askew family in two separate incidents in Collinsville, Ill., on April 29, 1973.

Unfortunately, these four cases are not the only examples of abuses by law enforcement agents of fourth amendment rights. In December of 1970, I brought to the attention of the Senate similar cases of no-knock searches of innocent homeowners in Arizona and Virginia. In June of 1971 there was the infamous Kenyon Ballew case in Maryland. Mr. Ballew was shot in the head when he attempted to resist a no-knock search.

Although the Majette and Pine incidents and the 1970 and 1971 cases involve State police, all of these illustrate the dangers of no-knock raids. In every one of the recent cases law enforcement agents kicked in the door of a private home and entered with weapons drawn in search of illegal narcotics. In all four they had entered the wrong home and terrorized the occupants. In almost every case the occupants thought the law enforcement agents were criminals. In at least one case the occupants likened the raids to Nazi Gestapo tactics, but they all qualify in that regard.

By far the most outrageous of the four incidents involved Federal agents in the Giglotto and Askew raids in Collinsville, Ill., about a week ago. According to the Washington Post, agents of the Office of Drug Abuse Law Enforcement—ODALE—of the Department of Justice entered two houses without warrants, kicked in the doors without warning, shouting obscenities, and threatened the inhabitants with drawn weapons. The Giglottos and Askews were terrified and only temporarily relieved when the agents left after discovering they had entered the wrong house.

No-knock searches are bad enough, especially where the search takes place on the wrong house. But a no-knock search without a warrant is totally unjustifiable and, indeed, is clearly illegal under the Federal no-knock statute. If the facts in the Post story are correct and these two no-knock searches were conducted without warrants, this means that certain agents of the Department of Justice see themselves as above the law.

The New York Times, commenting editorially about the Collinsville incidents and certain disclosures in the Watergate case, suggests that such governmental contempt for the law is subverting the whole American system of justice. Unfortunately, the unbridled desire for law and order is resulting in the greatest crime of all—abuse of justice and law by those sworn to uphold it. No crisis of street crime warrants subverting the Constitution.

I am reminded of the words of Justice Brandeis in his classic dissent in the wiretapping case of *Olmstead* v. *United States* (1928), 277 U.S. 438, 485:

". . . If the Government becomes a lawbreaker it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the Government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution. Against that pernicious doctrine this court should resolutely set its face."

Every Senator in this Chamber and especially every law enforcement officer should ponder Justice Brandeis' teaching. I fervently believe that if we do not react quickly and without mercy against this government lawlessness that our republican form of government is in mortal danger. Furthermore, my mail suggests that citizens are outraged by the Collinsville raids and will support responsible congressional action against such governmental lawlessness.

I would like to draw the Senate's attention to a number of letters I have received from concerned citizens about these events which appear at the conclusion of my remarks.

One letter written by an attorney from Raleigh, N.C., summarized citizen outrage on these no-knock searches. In describing his feeling concerning the Collinsville events he said the following:

"The words 'appalling' and 'shocking' immediately came to mind but are too trite to express my true feelings. What I truly feel is repulsion and horror at what is described, especially when I realize that this atrocity was perpetrated in *my* name, by Federal agents supposedly representing *my* government, and in the name of justice. . . .

"I want my children to know that ours is still a government which respects the rights of individuals and that people who conduct themselves in the manner described in this article do not 'get away with it.' For the sake of every American, I hope that you will not only investigate this matter but—if the facts are as reported—will see that all those responsible are required to answer for their misconduct."

I have written to Mr. Myles Ambrose, of the Department of Justice, who directs the Office of Drug Abuse Law Enforcement, for an explanation of the Collinsville incidents. I pray that he has a satisfactory answer for, if he does not, I plan to introduce legislation repealing or modifying the Justice Department's authority to conduct no-knock searches and hope Members of the Senate will join me in that endeavor.

Mr. President, I ask unanimous consent that the newspaper articles described above, the letters from concerned citizens, and a letter I have written to Mr. Myles Ambrose of the Department of Justice concerning the Collinsville raids be printed in the RECORD.

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

[From the New Orleans (La.) Times-Picayune, Jan. 14, 1973]

THE PINE INCIDENT—FIFTEEN ARMED MEN SMASH DOORS

WINTHROP, MASS.—At 10 a.m. Wednesday, Bill Pine recalled, he was upstairs asleep. His wife, Phyllis, was in the bathroom getting dressed and their 13-year-old daughter, home sick from school, was downstairs watching television.

Mrs. Pine looked out the window of their single-family house and saw a man running down the driveway headed for the front door.

Melody went to open it, but never got a chance, her mother said Saturday. The glass and wood shattered in the front door and back door. And suddenly 15 men in street clothes were standing in the living room with drawn guns.

The men turned out to be police who had mistaken the Pines' home for another address where they later found an alleged drug factory.

NO COMMENT

The state police, who led the raid, have declined comment on the incident involving the Pines but have promised a statement Monday. Local and federal agents also have declined comment, but the Pines recall their 15 minutes at gunpoint with fear and anger.

"Oh, my God, they've come to kill us," Mrs. Pine remembered saying as she spoke of the incident Saturday. Mother and daughter were pushed onto a couch and five men raced toward the staircase.

Pine, 38, who works nights in a print shop, was awakened by his daughter's screams. He gave this account:

"I sat up in bed and there was a gun at my head, and I heard someone say, 'Don't move.'

THOUGHT OF KILLINGS

"I saw the man's eyes and the gun, and all I could think of was the mass killings by the Manson gang in California.

"I jumped up anyway and was pushed into the other bed room and pinned against the window with my back to the intruders. Now I was fully awake and knew there were five to eight guns pointed at my back.

"Someone asked me what my name was, and I replied 'Bill.' Three times I asked them who they were and what was going on.

"The confrontation lasted about 15 minutes, then I sensed things began to relax. I turned around and there was surprise on their faces. They went into full retreat. I heard someone downstairs say 'State Police.' My fear turned to rage."

ASKS EXPLANATION

Pine trailed the police downstairs and followed them outside in his undershorts, demanding an explanation.

By that time police had found the house they were after—the one next door on the quiet residential street, lined with one-family homes and apartment buildings.

Pine said that one Boston policeman came back and commented, "Look, I'm sorry we made a mistake."

Pine also said he was told by one officer that "two of the undercover men were rookies and a little gung-ho. They started before they should have."

ARRESTS MADE

When police officially announced the raid, they said it capped a 2½-month investigation. They said they arrested Jean Cataldo of Winthrop; James DiStefano, 29, of Malden, and Thomas Bradford, 30, of Wells, Maine, on a variety of drug charges, seized $50,000 worth of heroin and broke up a heroin processing plant that was doing $1 million a year business.

Conducting the raid were federal narcotics agents, state police and officers from six local police departments.

Mrs. Pine, 38, said she wanted to talk about the incident to expose actions that reminded her of police state dealings where "might makes right."

She said, "It's unbelievable how they can investigate a case for 2½ months and then knock down the wrong door."

Pine said his landlord had repaired the doors, smashed out in below freezing temperatures, and had sent the bill to the police.

[From the Greensboro (N.C.) Daily News, Jan. 14, 1973]

AGENTS MOVED IN FOR DRUG BUST—AT WRONG HOUSE

WINTHROP, MASS.—At 10 a.m. Wednesday, Bill Pine recalled, he was upstairs asleep. His wife, Phyllis, was in the bathroom getting dressed and their 13-year-old daughter, home sick from school, was downstairs watching television.

Mrs. Pine looked out the window of their single-family house and saw a man running down the driveway headed for the front door.

Melody went to open it but never got a chance, her mother said Saturday. The glass and wood shattered in the front door and back door. And suddenly 15 men in street clothes were standing in the living room with drawn guns.

The men turned out to be police who had mistaken the Pines' home for another address where they later found an alleged drug factory.

DECLINED COMMENT

The state police, who led the raid, have declined comment on the incident involving Pine but have promised a statement Monday. Local and federal agents also have declined

comment, but the Pines recall their 15 minutes at gun-point with fear and anger.

"Oh, my God, they've come to kill us," Mrs. Pine remembered saying as she spoke of the incident Saturday. Mother and daughter were pushed onto a couch and five men raced toward the staircase.

Pine, 38, who works nights in a print shop, was awakened by his daughter's screams. He gave the account:

"I sat up in bed and there was a gun at my head, and I heard someone say, 'Don't move.'

"I saw the man's eyes and the gun, and all I could think of was the mass killings by the Manson gang in California.

FULLY AWAKE

"I jumped up anyway and was pushed into the other bedroom and pinned against the window with my back to the intruders. Now I was fully awake and knew there were five to eight guns pointed at my back.

"Someone asked me what my name was, and I replied, 'Bill.' Three times I asked them who they were and what was going on.

"The confrontation lasted about 15 minutes, then I sensed things began to relax. I turned around and there was surprise on their faces. They went into full retreat. I heard someone downstairs say 'State Police.' My fear turned to rage."

Pine trailed the police downstairs and followed them outside in his undershorts, demanding an explanation.

By that time police had found the house they were after—the one next door on the quiet residential street, lined with one-family homes and apartment buildings.

APOLOGIZED

Pine said that one Boston policeman came back and commented, "Look, I'm sorry we made a mistake."

Pine also said he was told by one officer that "two of the undercover men were rookies and a little gung-ho. They started before they should have."

[From the Charleston (S.C.) News and Courier, Jan. 14, 1973]

POLICE RAID TERRORIZES FAMILY

WINTHROP, MASS.—The Pine family—38-year-old William, his wife and their 13-year-old daughter, Melody—are still shaken by the memory of the moment when 15 armed men burst into their home without explanation and held them at gunpoint for a terror filled quarter of an hour."

It was, as it turned out, a drug raid by plainclothes state and local police from several towns. The problem was that after a 2½-month investigation, they raided the wrong house.

The house they wanted was across the driveway from the Pines' residence.

Not until they had left his home, Pine said, did the men identify themselves as police or say what they wanted.

It happened at 10 a.m. Tuesday. Pine, who had worked all night, was asleep upstairs and Mrs. Pine had just finished dressing when Melody looked out of the window and saw a man running toward the front door.

As she went to open it, the wooden door was smashed in. Simultaneously, the rear door also burst open in a spray of splinters and broken glass.

Mrs. Pine was confronted by 15 men with drawn guns in her living room.

She and her daughter, who was home sick from school, were roughly pushed onto a couch and held at gunpoint while several men rushed upstairs.

"Oh, my God, they've come to kill us!" she thought.

Melody had the same fear. She screamed, "You are going to kill us!" and jarred Pine out of his slumbers.

"I sat up in bed," he said Saturday. "There was a gun at my head and I heard someone say 'Don't move.' "

Five or six men, all armed stood in his bedroom.

"Quite honestly, I thought my family and me was going to be killed," Pine said. "I kept thinking about Charles Manson and Sharon Tate and all those other things."

Although warned not to move, Pine said he jumped up anyway "and was pushed into the other bedroom and pinned against the window with my back to the intruders." He said he knew "there were five to eight guns pointed at my back."

After about 10 minutes, Pine said he sensed a change in the atmosphere.

"I turned around and there was surprise on their faces. They went into full retreat."

Pine, dressed only in his underwear, ran outside after them demanding an explanation.

"When I ran after them they told me they made a mistake, and that they were police," Pine said. "My fear began to turn to rage."

He called Winthrop police headquarters and spoke to Chief David Rice who, he said, was "very sympathetic."

"He tried to calm me down and said if I wanted to sign a formal complaint, I should come and see him," Pine said. "We haven't decided that yet."

He said he is worried about possible retaliation.

"We were thinking about possible repercussions," Pine said. "If a gang of so-called police can come in and just break down doors, there's no telling what they might do if you get their wrath up, and quite honestly we were very apprehensive about saying anything."

Winthrop police referred queries about the incident to the state police who led the raid. A state police spokesman said everyone connected with the raid was off for the weekend and, that he knew nothing about the matter.

Pine is philosophical about the question of compensation for the broken doors and the mental anguish his family went through.

"If there is any compensation I can get out of this, any satisfaction . . . it would be at least to deter any other incidents like this happening, from people being victims of circumstances," he said.

"If we can at least help in any small way, that would be reward enough for us. My wife and daughter are very shook up about it."

Mrs. Pine, who is under a doctor's care, said she wanted to tell about the incident because it resembled a police state action.

"It's unbelievable how they can investigate a case for two and a half months," she said, "and then knock down the wrong door."

[From the New York Times, Jan. 15, 1973]

WRONG-HOUSE RAID TERRIFIES FAMILY

WINTHROP, MASS., January 14.—Fifteen burly policemen, carrying rifles and handguns, broke down two doors and poured into the home of the William Pine family last Tuesday.

It was 10 A.M., and Mrs. Pine was caring for her 13-year-old daughter, Melody, who was home from school recovering from a mild illness; Mr. Pine, a 38-year-old night worker, was upstairs sleeping.

The men wore no uniforms, did not offer any identification and did not speak, Mrs. Pine said today in an interview, except for a few brusque orders followed by a rough shove to the living room couch.

Bewildered, Mrs. Pine and her daughter screamed over and over: "Please don't kill us, please don't kill us."

"Just don't move," came the only reply.

THE WRONG HOUSE

State and Federal agents and the narcotics squads of several communities had been surveying the house next to the Pine residence for the last two and a half months, where they believed a lucrative heroin factory was in operation. When the time came, they raided the wrong house. They realized the mistake in time to make the proper arrests, however, and to confiscate thousands of dollars worth of illegal drugs.

Police officials have declined comment, except to say there would be a thorough investigation.

"I thought they were all maniacs that had come to kill us," Mrs. Pine said. "I could only think of Poland or the Olympics, that they came to get us because we are Jewish."

"They never told us who they were or that they were police officers even after they left," she said. "I didn't know police operated like that in America. I'm ashamed that this could happen here."

During World War II, German storm troopers in Poland routed her grandmother and grandfather from their beds and annihilated the family, Mrs. Pine said. She said she first heard the story as a little girl and it filled her with terror.

Mr. Pine, who had been sleeping almost three hours, said he was awakened by the screams of his family. Suddenly, he said, he saw several guns trained on him and felt a gun barrel pressed against his temple.

"Don't move!" one of the men shouted. "Get up slowly and keep your hands over your head."

OUTDOORS IN UNDERSHORTS

Mr. Pine rose and the men—most dressed neatly and conservatively—pushed him out of the master bedroom and into the next room. They asked him his name. Then they suddenly rushed out of the room. Mr. Pine followed them downstairs and out the door wearing only his undershorts in the morning cold, asking over and over who they were and what they wanted.

Then one of the officers turned toward Mr. Pine and said, "State Police."

Mr. Pine said one of the officers later came back to apologize. "He said that two overanxious rookies had moved too soon and made the mistake," Mr. Pine related. "That's a little ridiculous."

Mr. Pine said he was uncertain what legal action, if any, the family would take.

The police apparently did have a warrant, but for 30 Underhill Avenue, a green house. The Pine family lives at 32 Underhill, also a green house—now with two new doors.

[From the New York Times, Jan. 16, 1973]

UNREASONABLE SEARCH

At 10 o'clock of a weekday morning fifteen men, armed to the teeth, break into the home of the William Pine family in Winthrop, Mass., by smashing the doors. Mrs. Pine and her teen-age daughter, in uncomprehending terror, plead for mercy. Her husband, who holds a night job, awakens in his upstairs bedroom to stare into the muzzle of a gun. Through Mrs. Pine's panicked mind flashes the almost forgotten story, told to her as a little girl, of how Nazi stormtroopers had routed her grandparents out of bed in their native Poland and murdered them thirty years ago.

The armed intruders, however, were not fascist thugs; neither were they desperate bandits. They were merely Massachusetts state police officers in civilian dress on a narcotics raid—at the wrong address.

The incident should be a danger flag to police commanders throughout the country. In how many other states or communities would it be possible for law-enforcement officers, in mufti, to perpetrate a similar outrage, without identifying badges or any effort to let the occupants know that the break-in was actually an authorized search? The fact that such police procedures can happen at all—even leaving out the inevitability of monstrous error of the type that occurred in the Pine household—raises serious questions about those occasional reports of shootouts between raiding policemen and civilians.

Had Mr. Pine owned a gun, could he have been blamed for opening fire in the face of unknown armed invaders?

"I didn't know police operated like that in America," said Mrs. Pine. "I'm ashamed that this could happen here." Police chiefs everywhere should include the episode in their order of the day—as an example of an abuse of police power that must not happen again.

[From the New York Times, Jan. 30, 1973]

VICTIMS OF MISTAKEN RAID SUE POLICE FOR $1 MILLION

BOSTON, January 29.—An attorney for a Winthrop woman and her daughter filed a $1-million suit Monday in Federal District Court in connection with a mistaken police narcotics raid on their home.

Mrs. Phyllis Pine and her daughter, Melody, 13 years old, also asked for $10,000 damages each from 10 defendants, including the state public safety commissioner; the Boston police commissioner; the police chiefs of Winthrop, Chelsea, Revere, Malden and Lynn; three state troopers, and "other officers unknown."

The suit contended that about 10 state and local policemen broke down the front and rear doors of the Pine home Jan. 10, searched the house without a warrant, pointed guns at Mrs. Piné and her daughter, struck them on the arms and pushed them onto a couch.

Police officials have said that the raid was a mistake and that members of the Pine family were not assaulted.

[From the Ledger-Star, Jan. 26, 1973]

THE MAJETTE INCIDENT

NARCOTICS SQUAD BREAKS IN DOOR OF WRONG APARTMENT; APOLOGIZES

(By Jack Armistead)

PORTSMOUTH.—"I was half asleep. It scared me so bad that I'm still nervous."

Mrs. Anna Majette, 50, of the 1400 block of Barbour Drive, was explaining the way she felt after Portsmouth Police Narcotics Squad detectives broke her door down about 3:20 a.m. today by mistake.

"You are all wrong." Mrs. Majette told police.

Police were indeed wrong and have apologized to Mrs. Majette for the inconvenience, according to Police Chief Calvert L. Warren.

Mrs. Majette lives in apartment "J" in the Ida Barbour Apartments on Barbour Drive. Detectives were supposed to go to apartment "A", a police spokesman said.

Mrs. Majette said she heard loud knocking on her front door and then breaking glass.

She said they opened her bedroom door and by this time a policeman was already at the top of the stairs with a gun drawn.

"The policeman said they had heard a lot of reports about this house and I said, "This house?' "

Mrs. Majette said she asked the detectives if they had a search warrant and they did.

"But the search warrant said apartment 'A', 1420 Barbour Drive and this apartment is 'J,' " she told police.

Mrs. Majette said the detective apologized.

"I said it's too late to be sorry now," Mrs. Majette said.

While they were in her apartment, Mrs. Majette said she was asked if she knew the occupants of the other apartment.

"No I don't know them," she answered.

"I was so shook up. It's a good thing I didn't have a gun," Mrs. Majette said, adding that she hasn't been able to sleep since police left.

"I can't sleep because my door is broken and I can't lock it," she said.

After police left her apartment, Mrs. Majette said a detective came back by there again.

"He said 'I just wanted to let you know we got the people,' " Mrs. Majette said.

Mrs. Majette said she told the detective. "Mister, I don't care."

She lives with her 18-year-old son.

In the meantime, police did visit the other apartment.

They arrested the occupant there and charged him with possession of heroin.

Police identified the accused as William Thomas (Tow Bag) Bailey, 38.

Bailey appeared in Municipal Court today on the charge and his case was continued until Feb. 16. His bond was set at $2,000.

According to a spokesman, raids at the wrong addresses do occur every once in awhile but not frequently.

"I was on a raid one time and we got the wrong house. We broke in, went upstairs to a bedroom, and found a half deaf and blind couple that didn't even know we entered the house," the spokesman said.

THE ASKEW AND GIGLOTTO INCIDENTS

[From the Washington Post, Apr. 30, 1973]

THE NIGHT OF TERROR: "WE MADE A MISTAKE"

(By Dennis Montgomery)

COLLINSVILLE, Ill., April 29.—Herbert Giglotto, 29, and his wife, Louise, 28, had gone to bed at about 8 p.m.

"At about 9:30 we hear this crash. We hear this screaming. I take about three steps out of my bed and I see these hippies with guns," Giglotto recalled today. "I told my wife, 'My God, we're dead."

Across town at another home Donald Askew, 40, had just sat down to dinner with his wife, Virginia, 37, and their 16-year-old son, Michael. He looked out the window, he remembered, and saw several armed men in the yard.

Seconds later, he said, the men were at the door, trying to kick it in. Askew called to his wife to phone the police. She fainted. Askew told his son to run for his life.

The armed men who forced their way into the Askew and Giglotto homes last Monday were conducting narcotics raids. They came on the raids with no warning and apparently no warrant. They left when the raids turned out to be a mistake.

Myles J. Ambrose, director of the federal Drug Abuse Enforcement Program and a special assistant attorney general, said today it is his "understanding" that the men were agents from the program's St. Louis office.

Paul Cigilana, Collinsville police chief, confirmed that the raids were conducted by a "strike force" of federal narcotics agents from the St. Louis office.

Cigilano said he believed that policemen from some municipal police forces in the area who participated but he added, "I don't think there were too many of them."

Cigilano said no policemen from his department were involved. A spokesman from the Madison County sheriff's office said, "As far as I know there was no cooperation from the department."

Federal narcotics officials from the St. Louis office could not be reached Sunday, but had declined comment earlier. Askew said the men gave him the telephone number of the office to verify their identities.

Two days after the raids, Ambrose issued a statement: "I have directed an inspection team to thoroughly investigate this matter. If any federal agents have acted improperly, appropriate action will be taken. Under no circumstances will I permit my agents to violate anyone's constitutional rights."

Contacted of his Chevy Chase, Md. home, Ambrose said today. "The investigation is being conducted. When I have all the facts I will take appropriate action."

Ambrose, asked whether the investigation is top priority, said, "You bet your sweet life it is."

Before the raiders left without apologies, Giglotto said he and his wife had been threatened, bound, insulted and their apartment left in shambles.

"I've never had anything to do with narcotics," Giglotto, a boilermaker, said. "I hate it. I've never had anything to do with drugs and my wife never has."

The men did not identify themselves, he said, and showed no warrant. "They knocked me down across the bed and handcuffed me and my wife. They had our hands behind our backs. I was in my underwear and she was in her negligee."

"Just shut your mouth or I'll kill you," Giglotto quoted one agent as saying after he was asked to identity himself. The man reportedly told Mrs. Giglotto he would kill her husband if she did not tell him where the drugs they sought were hidden.

With 15 raiders in the room and more downstairs, Giglotto said his wife was pleading for his life. Giglotto asked, "Please look at my identification before you kill me."

None did, he said. He added the only identification, the Giglottos were shown was a gold badge flashed by one of the intruders. Only Mrs. Giglotto caught a glimpse of it.

As they lay trussed across the bed, Giglotto said, another raider walked up the stairs and announced, "Oh, I think we made a mistake."

They had torn the house apart and found nothing. The front room was a shambles, littered wtih books, overturned furniture and a smashed television set. Released from his handcuffs, Giglotto tried to put on his pants, he said, but a raider ripped them out of his hands.

"They were as rude leaving as they were coming," Giglotto said. He said he followed them downstairs, demanding an explanation, shouting: "My God, you just kicked in my door, threatened to kill me and my wife, can you tell me what's happening?"

Giglotto said one of the armed men turned and replied, "Shut your mouth, boy."

Askew said the raid on his home began as they were beginning a late dinner after he had stayed overtime at the service station he runs in East St. Louis.

Askew thought his son had been in a fight with some other teen-agers and the men he saw in the yard were coming to kill him.

As he held the front door, Askew said Sunday, two men knocked down the back door and leveled two riot guns at him. A man at the front door flashed a gold badge and Askew let them in.

Five men, all dressed as hippies, searched the house, looking for a suspect, Askew said.

Mrs. Askew, lying on the couch, revived. She saw the men with the guns and fainted again. When she revived again, one of the raiders told her, "Take it easy, lady. We're really federal officers."

Askew said the men were polite. "Outside of kicking the door and scaring the —— out of us, they were all right."

Satisfied the man they sought was not in the Askew home, one of the intruders said, "We just got a wrong tip." The men refused, however, to let Mrs. Askew call the police, and showed no other identification.

The Askews have filed a $100,000 damage suit in U.S. District Court at Springfield. The Giglottos are to meet with their lawyer Monday morning to determine what course to take.

[From the New York Times, Apr. 30, 1973]

LAW AND ORDER

"There are those who say that law and order are just code words for repression and bigotry. "This is dangerous nonsense," President Nixon declared last month as he unveiled harsh new anticrime proposals, "Law and order are code words for goodness and decency in America."

As if the unfolding Watergate scandals were not enough, two fresh disclosures over the weekend further serve to underscore the extent to which goodness and decency have

been despoiled in this country through the perversion of justice that poses as law and order today in Washington.

In the small southern Illinois town of Collinsville, it was revealed, two families were terrified one night last week by unkempt men shouting obscenities who kicked down doors, overturned furniture and threatened them with guns. The men were Federal narcotics agents, acting apparently without warrants. After discovering they had entered the wrong houses, the agents withdrew without apologies. These were not isolated incidents. A Massachusetts family suffered similar indignities at the hands of errant narcotics agents last January.

The Administration's haphazard approach to law and order which leads to such outrageous abuses of the rights of ordinary citizens does not extend to all who may be suspected of criminal activity. Government sources in Los Angeles reported that top-ranking officials of the Justice Department have turned down a request by the Federal Bureau of Investigation to continue authorized electronic surveillance that they say had begun to penetrate connections between the Mafia and the teamsters' union, whose president, Frank E. Fitzsimmons, is the Nixon Administration's staunchest ally in all of labor.

To ride roughshod over the constitutional rights of citizens in the reckless pursuit of one class of criminal when failing to use every available legitimate means to detect possible crime among those who enjoy favor in high places subverts the American system of justice. There can be no order when those entrusted with law enforcement themselves show contempt for the law. Law and order under such conditions become code words for repression and hypocrisy.

RALEIGH, N.C.

Senator SAM ERVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: Since having read an article in Sunday's *News and Observer,* a copy of which is enclosed, I have been considering how to express myself. The words "appalling" and "shocking" immediately came to mind but are too trite to express my true feelings. What I truly feel is repulsion and sorrow at what is described especially when I realize that this atrocity was perpetrated in *my* name, by federal agents supposedly representing *my* government, and in the name of justice.

It is shocking enough to consider conduct such as that described when it is attributed to criminals who might themselves be acting under the influence of drugs. It is unforgivable when done by narcotics officers under the guise of governmental authority. I have had my children read this article, in the hope that they may not become guilty of the complacency which I believe is shared by many—the misplaced belief that things like the Gestapo and NKVD "cannot happen here." Their reaction seemed to be that nothing would be done with those responsible and that they would probably "get away with it." I hope and pray for this country that my children are wrong. The men described in the article apparently acted without a search warrant—and whether with warrant or not their reported conduct was reprehensible and entirely unbecoming federal agents—and they should be required to answer for their conduct.

I want my children to know that ours is still a government which respects the rights of individuals and that people who conduct themselves in the manner described in this article do not "get away with it." For the sake of every American, I hope that you will not only investigate this matter but—if the facts are as reported—will see that all those responsible are required to answer for their misconduct.

MOREHEAD, CITY, N.C.

Senator SAM J. ERVIN, Jr.
Room 337, Old Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR ERVIN. Your reputation as a defender of due process leads me to believe you are as disturbed as anyone over the continuing disregard of citizens' rights by the Federal Bureau of Narcotics and Dangerous Drugs—the latest case being the treatment of the Giglottos in Collinsville, Illinois (Agnews, also).

I am 58, a graduate engineer and management consultant, and I believe I am a reasonable, thinking, mature person. I try to keep perspective, and would like to have your opinion of the dangers to people's rights if attitudes and behavior on the part of Federal personnel shown in the Watergate case, the Giglotto case, and others you probably are more aware of than I, are not rooted out quickly and thoroughly.

I am thinking of offering to participate in a class-action suit on behalf of all citizens who feel endangered by such Federal activities. Is this feasible? Or advisable?

NEW YORK, N.Y.

Senator SAM ERVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: Among the mounting scandals in the Nixon administration it is difficult to single out one for particular censure. But the incredible, lawless Gestapo tactics reported in yesterday's *Times* on the part of narcotics raiders is downright terrifying. There have been other similar raids in the past, and many more by *local* officials. Also, one may assume that these reported cases were considered exceptional because the "wrong" houses were broken into at gunpoint without warrants; how many more cases have there been of similar "proper" raids which resulted in arrests and/or silenced or discredited complainants? More basically, whether or not a home being raided is the "right" one, such activities are illegal without warrants and even with warrants assault, terrorism, and vandalism are not allowed!

Anyone involved in these raids should be fired on the spot, and anyone who authorized, suggested or knew about them should be fired also. Everyone involved should face criminal prosecution.

I write to you because these activities seem to me intimately related to the attitude of Nixon and his Watergate friends—the arrogation of dictatorial powers to an executive capable of mounting terrorist raids on citizens, burglarizing Daniel Ellsberg's medical files, and subverting the recent national election!

GREENSBORO, N.C.,
May 1, 1973.

DEAR SENATOR ERVIN: I know you are very busy but I also know you always make time to pay attention to the things which affect the liberty of we Americans. You are our great defender of our liberties, and I respect you for it.

I'm sure you have read the article I'm enclosing but just wanted you to know I am very much concerned about this and what can be done to prevent it happening again and again.

My very best wishes to you in your every endeavor.

SMITHFIELD, N.C.

Hon. SAM ERVIN,
U.S. Senate,
Washington, D.C.

SIR: As must surely be the case with many thousands of Americans today, I am becoming more and more suspicious of some of the elected officials and those directly under their power who are controlling the directions in which his country moves. I have served as a minister of education in the United Methodist Church for six years, dealing primarily with youth and young adults. For about five or six years now it seems that young people are being dealt with only out of necessity and never out of genuine concern. Almost daily it becomes more dangerous for Americans who don't share the same beliefs of our chief executive.

I just returned from Washington Monday after spending five days at the National Explorer President's Congress at the Sheraton-Park Hotel. We had the opportunity to speak with several reporters and congressmen and that didn't help much to ease my feelings. Then upon reading Sunday's News & Observer, Raleigh, I found the enclosed article. Since then I have not been able to find any follow-up news concerning this event. It bothers me deeply that such things go on in America; and I question how much more, and worse, goes on that never makes the newspapers.

Why I'm writing you about this is not absolutely clear to me, except maybe that you are one politician that I feel can be trusted and will be worthy of whatever faith is put in you and your decisions. What is now going on concerning this incident? Will the American people forget this happened and lose their outrage as they did with Kent State, with college students who participated in "peace marches" two years ago, and as they seem to be doing with Watergate? If you can supply me with any information to help answer some of my questions or ease some of my doubts it will be greatly appreciated.

Enclosed find clipping from The Smithfield Herald, May 1, 1973, covering your presence at Davidson College. The youth and young adults of North Carolina believe in Sam Ervin. We trust you, have faith in you, and are proud that you are our senator.

SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: In today's paper I find many things that disturb me greatly. For some reason our country's government has turned to lawless means to produce a beneficial end. I am referring to certain tactics used by law enforcement agencies. Two families in Collinsville, Illinois, were threatened and beaten by federal drug agents. These were innocent people—the agents made a mistake. They crashed into these families' houses without warrants, but more distressing they were brutal to these people.

I am the first one to admit that the drug problem is a menace to America; however, only communist societies justify their ends by harsh and unjustified means. History has shown that countries with these policies are alienated from their citizens.

I am not a law breaker of any kind and most Americans are the same way. Has the day come when these Americans will have to barricade their homes and arm themselves in fear of their government?

WINSTON-SALEM, N.C.

Hon. SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR ERVIN: Attached is a copy of a news article appearing in the Winston-Salem Journal and Sentinel for Sunday, April 29, 1973.

If this story is true and correctly reported, it represents an alarming situation. Even one's home is no longer safe.

When did our Government assume it could invade the privacy of the home without

proper warrants? When did our Government assume it could treat people the way the people in the article were treated?

What are you as a representative of the people going to do about this kind of business? What steps are you going to take?

Watergate by comparison with this invasion of privacy of the home is an old maid's tea party. We are getting pretty sick and tired of you politicians making such a big issue of Watergate. Let's protect the people in their homes first, then clean up Watergate.

———— ————.

NEW BERN, N.C.

DEAR SENATOR: I'm very concerned over the incidents described in the attached articles. If my memory is correct, we had similar mistakes made months ago.

Is there any way to provide some stiff penalties for such mistakes? It seems to me that law enforcement officers should really have to do their "homework" or have absolute facts before they go busting into someone's home or suffer severe consequences for not being absolutely sure on who they're busting in on.

———— ————,

APRIL 30, 1973.

Senator SAM J. ERVIN, Jr.
Senate Office Building,
Washington, D.C.

DEAR SIR: The incidents in the enclosed clipping show a striking parallel to the "Bellew incident" which occurred at Silver Spring, Maryland in 1971.

The three incidents should illustrate that the "No Knock" law is a bad piece of legislation.

None of the top officials or their immediate aides are sensitive to the voting public. This seems to me to be a dangerous abuse of authority.

What can you as a member of the United States Senate do about this situation.

———— ————.

WINSTON-SALEM, N.C.

Senator SAM ERVIN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ERVIN: Please allow me to take a few minutes from your busy schedule so that you may read the enclosed article that appeared on P. 1. *Sunday Journal and Sentinel,* Winston-Salem, N.C., 29 April 1973. Realizing you to be the leading authority of *our* Constitution and a person who dearly loves the principles that our country symbolizes, I am certain that you will be as shocked as I.

Before you get the impression that I am a "radical" bent on destroying the police image allow me to tell you something about myself. I am a disabled veteran of the Viet Nam war who is completing his first year of Law School at Wake Forest University. Although I have never fully understood why I left part of my physical body in the mud of Viet Nam, I have tried to insulate myself from stark reality by fantasizing that the effort was to support principles that founded our Nation almost two hundred years ago. What has happened to these principles in our Nation?! Daily, I am appalled at the increasing "Gestapo" tactics and hunger for power shown by the current Administration. President Nixon seems to stereotype anyone who dissents from his policy as a "radical" bent on destroying the country. If the principles exemplified by the current Administration are indicative of this County's future. I suppose I am a "radical". I am a radical who wishes to see that individual freedom and security are protected by the Constitution. I only hope that we can survive long enough to re-establish these forgotten principles.

Changing the subject somewhat; Senator Ervin, I am extremely pleased with the work that you are doing for the people of this Nation. I can honestly say that you make me proud to be a North Carolinian. Let us hope that more representatives will show the courage and leadership that you have while in office.

———— ————.

BIG SPRING, TEX.

DEAR SENATOR ERVIN: As a permanent resident of North Carolina (I am stationed in Texas in the USAF), I would like to voice my feelings to you, my Senator, concerning the "drug" raids on private citizens (innocent) in Collinsville, Ill., carried on illegally by federal agents from the Office of Drug Abuse Law Enforcement. These raids are an outrage and those responsible should be punished. This certainly is not a good example of law and order, is it? Please do what you can.

P.S.—My wife and I think you are an outstanding congressman.

Thank you,

———— ————.

DEAR SENATOR ERVIN: Yesterday morning before going to church, I started to read the Greensboro paper and while reading the main headline article I was aghast at what it contained. This kind of thing done by our own government is wrong and to me a very serious matter.

I have always been a strong Law and Order man, and I did approve of the No-Knock provision in enforcement of Narcotics Laws, but this is a clear abuse and in a callous manner, of such laws.

Does it take something like this to show how our federal agents operate with suspects? I am not one for coddling criminals at any time, but even they have some rights to be treated decently when being apprehended. I would not approve of this kind of treatment even if they had been at the right houses.

How could the Narcotics Agents have been so stupid to have hit two wrong houses in the same town? I would like to know if they had a Warrant for each house. The attached article does not say.

This is the kind of thing I wish something would be done to correct this kind of treatment of people. I know the Watergate thing is serious, but in my opinion it is political, whereas this kind of treatment of people, especially innocent people, is something much more dangerous to our way of life than Watergate.

This is not the first instance I have read about, but this is the first I am writing to the Congress about. I believe the ATF Agents have had similar instances in the past in enforcing firearms laws. Such action is not right either. Like the man in the article said this is Gestapo tactics, or SS Stormtrooper action. Such should not be allowed to continue and I do hope you will do something about it. May I hear from you on this?

I have always supported you in the past and will do so next year. Almost all the time I agree with your views, but I know you are fair and interested in individual rights. This is such a case.

———— ————.

PEEKSKILL, N.Y.

DEAR SENATOR ERVIN: I wish to call your attention to the brutal and unconstitutional tactics employed by the Office of Drug Abuse Law Enforcement. According to an article in the New York Times of April 29, agents of that office recently terrorized two families in Collinsville, Illinois, after breaking into their homes without warrants.

The frightening thing is not that it happened to two innocent families, but that it happened at all. It is alarming that agents of the Federal government even contemplate the use of such measures against its own citizens. There is no legal or moral justification whatever for Gestapo tactics in the United States of America. Even the effort to rid ourselves of the scourge of hard drugs does not justify and is not well served by this horrible abuse of authority.

To say that violent raids conducted without warrants are unconstitutional is to understate the case by several orders of magnitude. These particular raids, and the training programs for the agents who participated in them, ought to be subject to immediate Congressional investigation. It is clearly in order to introduce corrective legislation to prevent and punish such abuses in the future.

———— ————.

GREENSBORO, N.C.

Hon. SAM ERWIN,
U.S. Senate, Washington, D.C.

DEAR SIR: I have today read about federal narcotics agents breaking and entering without warrant and seemingly by mistake into two families' private residences in Collinsville, Illinois, terrifying these families, threatening to kill them, assaulting and abusing them without cause or provocation.

I am shocked; I am appalled! If this could happen there, it could happen in Greensboro to me or to you. Of course drug abuse, especially at the distribution level, is a severe problem and menace to us all and must be uncovered and prosecuted as best it can be. However, if disregard for innocent citizens such as in this case is more common than by accident, other means must be used; federal and state agents may not abridge our rights to safety and privacy within the home.

Please look into this situation to see if it is becoming a common practice. I feel that the supervisors of these federal agents should be checked on and reprimanded as necessary and if it be that this entrance without warrant and forcibly accomplished has become federal policy that those in charge be brought to public account.

I look forward also to your continued efforts investigating the Watergate Scandal. It appears that the end justifies the means in certain parts of the Executive Branch and it is imperative that such actions be brought to the surface for the public view.

Thank you for your efforts.

———— ————.

BRYN MAWR, PA.

Senator SAM ERVIN,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR ERVIN: I wish to applaud your conduct of the Watergate investigation. While this subject certainly deserves complete investigation, I believe an even larger danger lies in the recent actions of Federal Narcotics agents in Collinsville, Ill.

You are probably aware that these agents broke into two homes without wararnts or authority. Gestapo tactics such as this deserve a thorough Congressional investigation. I earnestly hope that you will pursue this matter.

———— ————.

COMMITTEE ON THE JUDICIARY,
Washington, D.C., May 7, 1973.

Mr. MYLES J. AMBROSE,
Special Assistant Attorney General, Drug Abuse Law Enforcement Office, Department of Justice, Washington, D.C.

DEAR MR. AMBROSE: I have just read of a recent incident involving the search by agents of the Office of Drug Abuse Law Enforcement (DALE) of the homes of Mr. and Mrs. Herbert Giglotto and Mr. and Mrs. Donald Askew of Collinsville, Illinois. My knowledge of the situation is limited to the infor-

mation reported in the *Washington Post* on April 30th.

I am particularly concerned about the manner in which the search was conducted. Acocrding to the *Post* story the agents of DALE entered the two houses without warrants, kicked in the doors without warning, shouting obscenities and threatened the inhabitants with guns. The Giglottos and Askews were terrified and only temporarily relieved when the agents left after discovering they had entered the wrong house.

Please answer the following specific questions concerning these incidents:

(1) To what extent is the account in the *Post* article accurate?

(2) Along with a specific description of any inaccuracies in the *Post* story, please also provide me with the factual background which led the DALE agents to resort to a warrantless, no-knock search?

(3) I assume that this search was conducted pursuant to section 879 of Title 21 of the United States Code. If not, please provide me with the correct statutory authority.

(4) Please provide me with the DALE rules, regulations, orders, directives or policy statements governing the conduct of its agents while engaging in search and seizure with or without wararnts. Please also provide me with any information on disciplinary action taken by DALE against the agents involved in these incidents.

(5) How many no-knock warrants have been requested by DALE and the Bureau of Narcotics and Dangerous Drugs since the passage of section 879? How many such warrants have been granted? How many were executed? If you do not have precise figures please provide estimates of the total numbers and estimates of the frequency with which requests for such warrants are granted.

(6) How many warrantless, no-knock searches have been conducted since the passage of section 879? If no precise figures exist please provide estimates.

(7) Of the total number of no-knock searches both with and without warrants, how many have resulted in complaints by citizens such as the Askews and Giglottos? Please provide a list of such complaints as well as a brief description of the factual circumstances surrounding each complaint.

Your prompt personal attention to this matter will be much appreciated. With all kind wishes,

Sincerely yours,

SAM J. ERVIN, Jr.,
Chairman.

EXHIBIT 5

[From the New York Times, June 25, 1973]

VIOLENT DRUG RAIDS AGAINST INNOCENT FOUND WIDESPREAD

(By Andrew H. Malcolm)

WASHINGTON, JUNE 24.—Innocent Americans around the country have been subjected to dozens of mistaken, violent and often illegal police raids by local, state and Federal narcotics agents in search of illicit drugs and their dealers.

An eight-week investigation by The New York Times—consisting of interviews with victims of the raids, policemen and narcotics agents—has shown that, contrary to published reports and some Government assertions, the recent illegal drug raids on two Collinsville, Ill., families were not isolated incidents.

In fact, during the last three years, mistaken raids have been made by narcotics agents on all government levels, often acting on uncorroborated tips from informers.

Such incidents have resulted in at least four deaths, including one policeman slain when a terror-stricken innocent woman shot through her bedroom door as it burst open. In California one innocent father was shot through the head as he sat in a living room cradling his infant son.

Details of each raid, vary, but generally they involve heavily armed policemen, arriving at night, often unshaven and in slovenly "undercover" attire, bashing down the doors to a private home or apartment and holding the innocent residents at gunpoint while they ransack the house.

A raid victim in Long Island has settled a damage suit with the Federal Government for $160,000. Similar suits are pending.

Sometimes the agents have warrants and identify themselves. Sometimes they do not.

Frequently, the raiding party is rude, abusive and, as in Collinsville, shouts obscenities at its terrified victims.

In Los Angeles a veteran police officer says mistaken raids occur once or twice a month. In Miami complaints of police harassment on drug searches are so frequent that the Legal Services of Greater Miami can no longer handle the caseload.

Taken individually, the raids have been little noticed nationally, apparently because they were believed to be isolated aberrations or unfortunate but understandable errors as hard-pressed police forces sought to combat drug addiction, which President Nixon has called "Public Enemy No. 1."

In addition, the raids occurred in widely scattered areas. Often they involved lower-class families with little access to the media or to advice on possible legal recourse.

Some believe many families kept quiet for fear of reprisals by the agents or perhaps because in their hatred for drugs they condoned the tactics but not the locals.

"NO-KNOCK" LAWS

But taken together the mistaken raids paint a picture of strong-arm police tactics, shoddy or nonexistent pre-raid police investigation and the pressures and brutalizing impact on the police of constant contact with what they call "society's scum," the drug pusher.

The incidents also underline what some view as an inherent danger in "no-knock" narcotics raids, which were authorized for Federal agents by Congress in 1970. Some states have similar statutes.

Under these laws the police may obtain a special no-knock search warrant authorizing them to break into homes unannounced if there is probable cause to believe that the property sought can be quickly destroyed or disposed of or if giving notice of police presence could endanger an officer or other person.

To some observers such mistaken raids are just that—mistakes caused by an understandable mounting police frustration with the growing drug problem. They say that members of the more vocal middle class are now being subjected to rigorous police techniques that some allege some officers have long used in black communities.

To others, however, the mistaken raids signal the emergence of a dangerous climate of repression.

The drug raids on the homes of Herbert Giglotto and Donald Askew in Collinsville, Ill., occurred the night of April 23. Mr. Giglotto was asleep with his wife in their apartment when more than 15 poorly dressed men broke down two doors, handcuffed the Giglottos, held them at gunpoint, emptied drawers and closets, shattered pottery, threw a television set on the floor and shouted obscenities.

A half-hour later a similar event occurred across town at the Askews' modest home.

"CAVEAT VENDOR"

In both cases the men were agents of the Office for Drug Abuse Law Enforcement, an umbrella agency established in January, 1972, by President Nixon. Its motto is "Caveat Vendor."

In both cases the men were at the wrong address.

In both cases they had no search or arrest warrants.

In both cases they had no authority from their superiors for the raids. In both cases they did not identify themselves until well into the raid.

The agents, one of whom had been involved previously in incidents involving questionable force, have been suspended with pay but continue to perform limited duties while a grand jury investigates and the families sue.

Three days before the Collinsville raids, at 10:45 p.m. Mrs. Laura Smith heard a tapping on a window of her home on Chicago's tough South Side. Seconds later a sledgehammer came through the back door, she said. It was followed by four armed men in civilian clothes who ran through the house, she continued. They were Chicago policemen.

"They were looking for marijuana and some man named Will," recalls Mrs. Smith, who noticed that the search warrant was originally issued for 9763 South Oglesby, one block away from the Smiths' home at 9763 South Crandon. The original address was scratched off and that of the Smiths written in.

Circuit Court Judge Irving Kipnis, who signed the warrant, said such changes must be made in a judge's presence, but he handles so many warrants these days that he could not recall if that procedure had been followed.

The Chicago police offered no explanation for the raid, nor did they pay for the broken door. "Every time I hear a noise at night now," says Mrs. Smith, "I live it all over again." Her husband, James, is a Cook County deputy sheriff.

On Jan. 26 this year Mrs. Anna Majette was asleep in her apartment at 1420 Barbour Drive in Portsmouth, Va. She heard a noise as her door crashed in.

She rose from bed and, she says, Frank Bonnewell, chief of Portsmouth detectives, stepped in front of her with a gun. "We've heard a lot about this house," he said.

The officer produced a search warrant. His men searched for heroin.

Then Mrs. Majette noticed that the warrant was issued for Apartment A and hers was Apartment J.

"Sorry," said the officer. And they left.

PHILADELPHIA INCIDENT

At a hearing later officers got to talking. "I was on a raid one time," one policeman recalled, "and we got the wrong house. We broke in, went upstairs to a bedroom and found a half-deaf and blind couple that didn't even know we entered the house."

On Jan. 24 in Philadelphia three off-duty patrolmen—John Chopak, James Haney and Harry Herr—were drinking in a bar near 40th and Market Streets when, they say, a patron said they could find narcotics in a nearby house.

According to a police investigation, the three men went to the house on Wiota Street, ransacked the house and beat three occupants. Not finding any drugs, they forced a passerby into the house and beat him too.

Then the patron took the officers to another house on Baring Street where they beat three other occupants. They found no drugs there either.

The policemen were suspended and arrested.

On Jan. 9 at 10 A.M. in Winthrop, Mass., 15 burly men armed with shotguns broke down two doors and burst into the William Pine residence.

The men did not identify themselves and wore no uniforms. They pushed the family to a couch. "Please don't kill us, please don't kill us," screamed 13-year-old Melody Pine.

"Just don't move," came the reply.

Mr. Pine, a night worker, awakened upstairs to face several gun barrels. The men asked his name. "William Pine," he replied.

The men looked at each other and raced from the house. They were state and Federal narcotics agents, it was learned later. And they wanted the green house at 30 Underhill Avenue, not the Pines' green house at 32 Underhill.

"I didn't know police operated like that in America," said Mrs. Pine.

At 6 A.M. Sept. 20, 1972, the James R. Herman family of Rochester, N. Y., was awakening. Suddenly the door jamb splintered under the weight of four men.

They ordered Mrs. Herman from the bathtub, threatened the family's barking dogs and searched the house. "If I'd had a gun," said Mr. Herman, "I'd have fired. I thought they were burglars."

They were not. They were state troopers, part of a force executing 22 search warrants in a Monroe County drug round-up. But they were at the wrong house.

The police said they had overheard a telephone number during a wiretap and when they had called the Rochester Telephone Corporation to get an address for it, their service representative gave them 3 Audobon Street.

It was Herman's address but not their telephone. The police apparently never checked the address further.

Smashing into the wrong house, added Capt. Richard Bolan of the state police, was an "insignificant detail" in what was "one hell of a raid."

In Norfolk, Va., at 3 A.M. May 24, 1972, Mrs. Lillian Davidson, a previous burglary victim, heard someone breaking into her house at 812 Lancaster Street. Then someone began to batter down her locked bedroom door.

SHOT THROUGH DOOR

She grabbed a .32-caliber revolver and shot through the door.

The bullet pierced the chest of Patrolman Lewis W. Hurst Jr., the 22-year-old son of the head of the Norfolk Police Department's narcotics squad. He died minutes later.

The police arrested Mrs. Davidson. They were looking for 2,400 parcels of heroin that an informer, a former drug addict, had said were there. They were not.

The police said it had been an error by the young informer and released Mrs. Davidson. The agents acted on an "immediate entry" clause added to the search warrant. The clause, said Lawrence Wallace, assistant commonwealth attorney, is unwritten common law that dates back to Virginia's founding.

On April 24, 1972, local policemen and agents of the Bureau of Narcotics and Dangerous Drugs moved on the mountain retreat of 24-year-old Dirk Dickenson near Eureka, Calif., to seize a "giant lab" producing drugs.

Arriving on foot with dogs and in a borrowed helicopter, the agents, who were not in uniform and did not identify themselves, assaulted the cabin with rifles and hand guns. Apparently frightened and baffled, Mr. Dickenson ran toward the woods.

An agent, Lloyd Clifton, shot him in the back as he fled. Mr. Dickenson died. It is a violation of bureau rules to shoot at fleeing suspects. No "giant lab" was found.

The United States Attorney in San Francisco said there had been no civil rights violations and the killing had been justifiable homicide.

On Feb. 5, 1973, Mr. Clifton was indicted by a Humboldt County grand jury for second-degree murder and involuntary manslaughter. The Federal Government hired a special defense attorney for Mr. Clifton. The lawyer, James McKittrick, seeks to have the charges dismissed.

Mr. Clifton continues his duties.

SECOND CALIFORNIA DEATH

Mrs. Adelina Garcia has sued Los Angeles and Riverside County for $750,000 for the shooting death of her husband, Francisco, by the police on a drug raid at a ranch near Indio on May 12, 1971.

The police said Mr. Garcia had ignored commands to stop his truck. They shot him and wounded his wife. A substantial cache of marijuana was discovered on the ranch, but Mr. Garcia was never implicated in the narcotics operation.

Here in Washington on May 2, 1970, seven policemen, only one in uniform, broke into Miss Lauretta Whitney's home on Newton Street, knocked her down and ransacked the apartment in search of illegal narcotics. They found none.

The address on the warrant came from a trusted informant, the city police said, but now that Miss Whitney is suing for $100,000 damages, officials say they have no idea where the informer is.

"We're also considering a class action suit," said Mrs. Florence Isbell of the local American Civil Liberties Union as she leafed through files with more than 20 similar cases.

On Oct. 3, 1969, a number of state and local narcotics agents in Whittier, Calif., drank beer and highballs for two hours in a local bar as they awaited completion of search warrants for a drug raid on Apartments B and D at 8033 South Comstock.

However, they initially entered the apartment of Mrs. Florence Mehan at 8031 South Comstock. Realizing their mistake, the agents went upstairs to the correct address.

Drawn by the commotion, Mrs. Mehan's son-in-law, Heyward Henry Dyer, 22, and his 22-month-old son, Francis, went to the Mehan apartment.

Suddenly, a bullet crashed through the ceiling. It pierced Mr. Dyer's skull, killing him instantly.

The shot came from an AR–15 military rifle, which one of the agents upstairs, Sgt. Frank Sweeney, was not authorized to carry. He said it had fired accidentally.

No one in that upstairs apartment was arrested. A coroner's jury decided that Mr. Dyer died by criminal means, but the district attorney's office declined to prosecute.

Sergeant Sweeney, among others, was later suspended from duty without pay for a time.

Three weeks ago a court awarded the family $900,000 damages.

COMPLEX REASONS

The reasons behind these mistaken raids are varied and complex. But they are tied intimately to the veritable explosion of Government drug enforcement activities in recent years.

At its formation in 1968 the Bureau of Narcotics and Dangerous Drugs, the main Federal arm against drugs, had 615 agents and a $14-million budget. Now it has 1,586 domestic agents and a $74-million budget. On July 1, a new Drug Enforcement Administration will absorb most of the Federal efforts, including the bureau. These efforts cost about $245 million a year.

With its sudden growth, the bureau has had to do some fast recruiting. "A majority of our people come to us right out of college," said Richard Ulrich, administrative officer for the National Training Institute, the bureau's training arm, "and some of them have law enforcement experience."

The institute runs a 10-week school for new agents and hundreds of local policemen, with 600 hours of instruction, including 26 hours on due process and the Constitution's Fourth Amendment, which prohibits "unreasonable searches and seizures." But apparently attendance is not required; some agents involved in mistaken raids had not taken the course.

The raids are frightening for both raided and raider. The tactics are based in part on the theory that a sudden, overwhelming display of police force will quash any thought of resistance and secure evidence before it can be disposed of.

"You have to go in with the idea that this guy is going to fight," said Clyde Charles, an agent who asked that his real name not be used. "He's always being shaken down by other pushers. So you figure you'll be staring down a gun barrel."

"I've been on 200 or so raids," he continued, "and the no-knock is the scariest. You ask yourself what would you do if your door came crashing down at 3 A.M. and you had a gun. You'd let go, right? Personally, I think the danger might outweigh the value."

Officials of the bureau, which works against big-time pushers, say they have executed "two or three" no-knock raids; officials for the Office of Drug Abuse Law Enforcement, which concentrates on smaller drug dealers, say they have done "above 100."

But the agents themselves admit to some "funny business" regarding the requirement to announce themselves on other than no-knock raids. "You might whisper, 'Open up! Police!,' " one said, "or you could yell it the instant before you hit the door."

Another drug official added: "It's hard for outsiders to set a normal standard of behavior. You can't ask an agent to spend three months on a case and then expect him to announce himself politely and listen to every toilet on the floor flush away the evidence. You have to be a saint to do that."

Another agent said, "If you spend weeks undercover, living in a hole and dealing with drug people, your whole life-style changes and perhaps your morals too. Sometimes there's a thin line between the hunted and the hunter."

"This is dirty scummy work," said Myles J. Ambrose, head of the Office of Drug Abuse Law Enforcement. "You see these vermin selling drugs and what they do to people and our cities and you get sickened and angry and perhaps you take your hostilities and frustrations out on some guy's bookcase. It's not right. But how are you going to prevent it?"

EXHIBIT 6

[From the Washington Post, June 8, 1974]

WILSON WON'T FIGHT "NO-KNOCK" REPEAL

(By Stephen Green and Alfred E. Lewis)

A bipartisan move in the Senate to repeal the authorization for controversial no-knock search and arrest warrants prescribed in the 1970 D.C. crime act will not face opposition from Jerry V. Wilson, chief of the metropolitan police department, which was supposed to benefit from the measure.

"I won't object," Wilson said yesterday. "It won't affect us one way or another." He said that D.C. police have not used no knock warrants since October, 1971.

Sen. Sam J. Ervin, Jr., (D-N.C.) introduced a bill Thursday to repeal the no-knock authorization sections of the D.C. crime act as well as a similar section in the federal Comprehensive Drug Abuse Prevention and Control Act of 1970.

Yesterday Sen. Charles H. Percy (R-Ill.) also introduced a bill that would get rid of the authorization for no-knock warrants.

Ervin's bill is stronger than Percy's for it would allow innocent victims of no-knock searches to sue the government for damages as well as the police officers involved.

Ervin had opposed both the D.C. law and federal drug act on civil libertarian grounds. Percy, however, had voted for both measures.

Percy yesterday explained that he has changed his opinion because "the dangers and abuses that were predicted by some Senators have unhappily come to pass over the last few years."

He referred specifically to the widely publicized, mistaken drug raids by federal agents at Collinsville, Ill., in April, 1973, as "perhaps the most notorious example of this official lawlessness."

Federal and local narcotics officers raided two homes and terrorized the occupants in that incident until they realized they had gone to the wrong dwellings.

Geoffrey Alprin, chief lawyer for the D.C. police department has said the use of no-knock can increase the possibility of injuries both to police and occupants of homes.

". . . There might be a shootout; that's not what we want," he said.

"I believe that it is essential that these unconstitutional and unnecessary provisions be repealed," Ervin said.

He said repeal would still let police use no-knock warrants under certain circumstances, such as when law enforcement officials believe persons within a dwelling are in imminent danger of bodily harm.

The no-knock warrant authorization in the D.C. crime act and the federal drug law allow issuance if a regular warrant is likely to permit destruction of evidence or permit a suspect to escape.

Another controversial section of the D.C. crime act is preventive detention, which allows judges to jail a defendant without bond, before trial, if he is deemed to be a danger to the community.

Preventive detention has been used sparingly and has not aroused civil libertarians as much as the no-knock warrants. The day the law was enacted, for example, activist Julius Hobson publicly pledged to shoot any policeman trying to enter his home under the no-knock authority. The Rev. David Eaton, senior minister of All Souls Unitarian Church, 16th and Harvard Streets NW urged members of his congregations to do the same.

EXHIBIT 7

ADDITIONAL VIEWS OF MESSRS. ERVIN AND HART

The requirement of prior notice of authority and purpose before forcing entry into a home is deeply rooted in our heritage and should not be given grudging application (Mr. Justice Brennan speaking for the Court in *Miller* v. *U.S.*, 357 U.S. 301).

We strongly favor the general purposes of Controlled Dangerous Substances Act of 1969. In our opinion, drug abuse is one of the most serious problems facing our nation, and the Subcommittee on Juvenile Delinquency should be complimented for dealing with this difficult challenge. We believe that the proposed bill makes some very commendable changes in our laws relating to the severity of penalties which cover drug violations. Mandatory minimum sentences for drug violations are virtually eliminated and the committee has readjusted the laws dealing with marihuana to distinguish the young, casual user, the continuous user, and the professional criminal. The bill creates a Commission to study the effects of marihuana and its result, we hope, will be to provide a better understanding with respect to the dangers of this drug or the lack of them.

Despite our general approval of the bill, we feel that in its effort to facilitate law enforcement, the committee went too far in dealing with search warrants involving felony drug offenses by including section 702(b) in the bill which allows an officer to enter a home without notice if the issuing magistrate is satisfied that there is probable cause to believe that if such notice were given the evidence sought in the case may be easily and quickly disposed of or that danger to the life or limb of the officer or another may result.

We opposed this section in the Judiciary Committee on both constitutional and policy grounds. However, section 702(b) was retained in the bill by a vote of 6–5; even though, 8 of the committee members have now joined in opposing the section. We hope that the Senate will support my amendment to strike section 702(b) from the bill.

Beyond constitutional objections, we feel the section is controversial enough to warrant a serious examination, which it has not received from the Juvenile Delinquency Subcommittee, to study its possible effects on police practices and law enforcement efficiency; and we believe the Senate should agree to strike the provision. In the event the Senate fails to strike section 702(b), the bill should be recommitted to the Judiciary Committee with instructions to reopen this question with full hearings on it.

CONSTITUTIONAL CONSIDERATIONS

The rule that governmental authorities should announce their presence before entering a home is deeply rooted in our common law. It is generally thought to have originated in the 1603 decision in Seymayne's case (77 Eng. Rep. 194 (K.B. 1603)). In that case, the court said in dictum:

"In all cases when the King is party, the sheriff (if the door be not open) may break the party's house, either to arrest him, or to do other execution of the King's process, if otherwise he cannot enter. But before he breaks in, he ought to signify the cause of his coming, and to make request to open door * * *."

Down through the years, there has been a clear judicial application in the common law of the rule of announcement to service of warrants for arrest and warrants for searches. The rule of announcement has been embodied in statutory form in half of the states and recognized by judicial decisions in the others. However, beyond the legal tradition of receiving announcement, we personally believe that the principle is embodied in the fourth amendment to the U.S. Constitution. The fourth amendment states:

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Since the exception to the announcement principle, section 702(b), which we are considering is embodied in a possible Federal statute, the principle would have to be constitutionally founded to negate the statute in spite of its common law hearings. Because a Federal statute (18 U.S.C. 3109), requires announcement, the Supreme Court has never been called upon to determine the constitutional basis of this principle regarding Federal officers. The Court has, however, considered the announcement question with regard to state officers in Kerr. v. California (374 U.S. 23 (1963)), and for this reason, the Ker case has to be closely examined.

The Ker opinion was very unclear with the Justice dividing on several issues; but on balance, the case clearly pronounces the announcement principle a Federal constitutional requirement. Four Justices, in an opinion by Justice Brennan, flatly took the position that the announcement principle was implicit in the fourth amendment and voted to overturn the convictions below because the unannounced entry was not justified by exigent circumstances. Four Justices, in an opinion by Justice Clark, voted to affirm the convictions not because State officers were not bound by a Federal constitutional announcement requirement but because "in the practical circumstances of this case, the officer's method of entry * * * was not unreasonable under the Fourth Amendment * * *." The position of the ninth Justice, Justice Harlan, was that the States should not be bound by the same standards of search and seizure as is the Federal Government; so, his vote in Ker is no denial that the rule of announcement is constitutionally mandated for Federal officers.

Thus, it is very clear that at least eight members of the Court in Ker, the only case in this area, considered the announcement principle a constitutional requirement of the fourth amendment.

Of course, common law exceptions have been created to the announcement rule. Justice Brennan summarized these exceptions in *Ker* v. *California*, as "(1) where the persons within already know of the officers authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted."

(1)

It is with regard to authorization in section 702(b) for a "no knock" provision if "there is probable cause to believe that if such notice were to be given the property sought in the case may be easily and quickly destroyed or disposed of * * *" which raises the most serious constitutional problem. This clause is ambiguous. Presumably the "may be * * * easily and quickly destroyed" refers to the nature of the property sought by which it lends itself to easy destruction; that is, the clause means the property "can be easily destroyed" rather than in the circumstances of the particular case it "might be easily destroyed." Thus, if the property sought is marihuana or heroin which can easily be washed down a sink or flushed down a toilet, the magistrate could with little more being shown insert in the warrant a "no knock" authorization:

Of course, the clause might mean that the officers have to present to the magistrate particular information which leads them to reasonably conclude that the occupants of a dwelling have specifically resolved to effect disposal in the event of police intrusion or have made specific preparations in that regard. But it can also be read as meaning merely that, given the easy destructability of the material sought and its incriminating nature as evidence, a reasonably prudent law breaker "is likely" to make every effort to destroy it. Thus, the statute will greatly expand the existing common law exception to the announcement principle.

We believe that the statements of Justice Clark and Justice Brennan in the Ker case preclude this latter rationale. Justice Clark's statement is more ambiguous, but it clearly does not go that far, and the facts of the case would suggest that the constitutionality of any statute used in such a way would be placed in doubt.

The facts in the Ker case are these: State officers had observed conduct occurring between Ker and a narcotics dealer exactly paralleling that observed the previous night when an undercover officer had bought narcotics from the dealer. The officers attempted to follow Ker's car but it made a U turn in the middle of a block, and they lost it. They then proceeded to Ker's apartment building, obtained a pass key from the manager, and entered the apartment surreptitiously, discovering Ker in the living room, his wife in the kitchen, and the marihuana in plain view.

After constitutionally enshrining the announcement principle, the Court in Ker proceeded to consider whether or not the judicial officers at the time of the arrest could find exigent circumstances justifying an authorization to break without notice. In other words, did the facts in Ker relate a reasonable and constitutional exception to the announcement principle? Justice Clark viewed the case as presenting exigent circumstances He said:

"Here justification for the officers' failure to give notice is uniquely present. In addition to the officers' belief that Ker was in

possession of narcotics which could be quickly and easily destroyed, Ker's furtive conduct in eluding them shortly before the arrest was ground for the belief that he might well have been expecting the police."

Although Justice Clark cited the easy destructibility of the materials sought, it is evident from the quoted paragraph and the context of the entire opinion that it was not this fact alone or primarily that justified the officers' conduct. It was rather that the officers could reasonably have believed from Ker's conduct that he knew he was under surveillance and probably subject to imminent arrest. His "furtive" conduct in losing them could and did reasonably suggest to the officers that Ker's intention would be as rapidly as possible to destroy the evidence which could convict him. On this set of facts and reasonable beliefs there was thus activated two exceptions to the announcement rule. The first is that if objective facts and reasonable conclusions drawn therefrom lead officers to believe that suspects are in the process of destroying evidence they can break and enter without complying with the announcement rule or any other such restriction. The second exception is the commonsense one that if one's identity, authority and purpose are already known to the person within you need not waste your time telling him what he already knows. From Justice Clark's statement of facts and discussion of the issues, while somewhat hazily presented, it seems clear to me that the opinion must be read as grounded on these established exceptions and to lend no support to the constitutionality of section 702(b).

Justice Brennan, on the other hand, would have been even more restrictive. He would permit no exception to the announcement rule, whether it related to the destruction of evidence, the escape of the suspect, or danger to others, that did not turn in some way upon the facts or the probability that the occupant of the dwelling was aware of the officer's presence, identity, and purpose. This view would obviously not allow the insertion of a "no knock" authorization into a warrant by the magistrate because at that stage of the proceedings none of the exigent circumstances justifying failure to give notice could be present.

Presumably, under the Clark view there are a few instances in which the state of known facts at the time of the issuance of the warrant could justify the insertion of a "no knock" authorization. But this would be a distinctly minority case established only upon a particular showing as in *Ker* and not upon the easy destructibility of the evidence sought or the class of violators involved. Yet, this could hardly be what the proponents of section 702(b) have in mind. We believe the "easy destructibility" of the evidence standard in this proposed law is intended to allow the insertion a "no knock" authorization in every warrant issued for the seizure of narcotics. Such authority, even if the accused were a known criminal, would constitute a gross invasion of constitutional rights and would, we believe, suffer the same fate as the same claimed authority has recently suffered in California.

In the recent case of *People v. Gastelo* (67 Calif. 2d 586) the California Supreme Court rejected the arguments which have been made for section 702(b). In *Gastelo*, police went to an apartment where defendant was living, with a search warrant for narcotics. They broke in, without announcing, found defendant asleep, and discovered narcotics during the search. The state defended the unannounced entry on the basis that narcotics are easily destroyed and that narcotics violators normally are always on the alert to destroy them quickly at the first sign of a policeman. The court rejected the argument. "We do not agree with this contention. Neither this court nor the United States Supreme Court has held that unannounced forcible entries may be authorized by a blanket rule based on the type of crime or evidence involved." Continued Chief Justice Traynor:

"Under the fourth amendment, a specific showing must always be made to justify any kind of police action tending to disturb the security of the people in their homes. Unannounced forcible entry is in itself a serious disturbance of that security and cannot be justified in a blanket thesis. Otherwise the constitutional test of reasonableness would turn only on practical expendiency, and the amendment's primary safeguard—the requirement of particularity—would be lost. Just as the police must have sufficiently particular reason to enter at all, so must they have some particular reason to enter in the manner chosen (*supra*, 67 Calif. 2d, 588–589, 432 P. 2d 708)."

Similarly, in the case of *People v. De Santiago* (71 A.C. 18, 76 Calif. Rptr. 809, 453 P. 2d. 706 (1969)) the court specifically rejected the contention that noncompliance with the announcement requirement could be based upon an officer's general experience relative to the disposability of the kind of evidence sought and the propensity of offenders to effect disposal. Rather, the court reiterated, noncompliance must be justified because of the particular circumstances of the case which give rise to a reasonable belief that immediate action is necessary to prevent the destruction of evidence. Both decisions, of course, were interpretations of the California notice statute, but both had decided fourth amendment overtones.

The announcement principle is only one aspect of the constitutional protection embodied in the fourth amendment. It, as well as the requirements of probable cause, particularly, and prior approval of an impartial magistrate, embody the wisdom revealed by the experience of the Founding Fathers to whom the abuse of the general warrant and the unrestricted search was particularly abhorrent. Thus, the requirement of probable cause restricts police power whether to invade a citizen's privacy. The announcement requirement restricts police power as they invade a citizen's privacy. The particularity requirement restricts police power after they invade a citizens privacy by restricting the scope of the search to the items named and the places to be searched to those likely to contain the named items.

It is established constitutional doctrine that the facts that the police have a right to be where they are does not give them an unlimited range of freedom of activity once they get there. Similarly, we believe, the fact that they have a right to get where they are going does not give them an unlimited power, under warrant or not, to get there in any manner they choose. Regardless of how great the probable cause to believe a man guilty of a crime, in possession of contraband, or concealing evidence, the announcement requirement accords him a reasonable opportunity to surrender his privacy to minimal compulsion, and not yield to force.

Even if one concedes for the sake of argument that section 702(b) is not unconstitutional on its face, it is obvious that it will be unconstitutional as applied in virtually every instance in which it is used because police officers cannot possibly have advance knowledge that either of the specified emergencies will exist in the overwhelming majority of all instances where the section is invoked. It is manifest that the section will be construed to permit the issuance of a "no knock" warrant if the material is easily destructible or the persons involved merely belong to a class of violators with a propensity to destroy such material. This being true, section 702(b) will be invoked to justify unconstitutional search and seizure under the doctrine of the *Ker* case. Also, law enforcement officers will be tempted to pretend that they are searching for narcotics in all cases for the purpose of securing a "no knock" warrant.

The second part of section 702(b) would allow an officer in executing warrants involving felony drug offenses to enter the house of another without notice if the issuing magistrate was satisfied that danger to the life or limb of the officer or another may result.

It is a well recognized exception to the announcement rule in arrest and search and seizures cases that no notice is necessary when there is a danger to the life and limb of an officer or another. For example, in *Gilbert v. U.S.* (366 F 2d 923, 928 (C.A. 9, 1966) *cert, den.* 388 U.S. 922 (1967)) the suspect was wanted for the murder of a policeman and armed bank robbery and police knew he was always armed; thus, grabbing him with no announcement was excused. Because of this rule, we see no reason to attempt to set up this exception by statute. To do so would invite the unwise temptation to legislate additional classes of exceptions.

Also, we believe that an officer and someone inside a dwelling in danger have a greater chance of being killed or wounded if the officer blusters into the home of an accused without notice. Despite the law being clear in this area, we wonder if we should allow our policemen to catch burglars by acting like burglars. At any rate, there is no reason to try to codify the existing law on the subject since it would serve no worthwhile purpose.

POLICY OBJECTIONS

As stated previously, early common law and our fourth amendment were designed to protect the sanctity of the house. Throughout the development of the law on announcement, courts continually mentioned the right of privacy to which a man in his home is entitled. Justice Brennan in the case of *Miller* v. *U.S.* (357 U.S. 301) twice mentioned that a man's home protected him from the authority of the government because of a rule of "privacy." The remarks of William Pitt in 1763 express eloquently the general principles of protection which a man's home affords him from the forces of governmental authority:

"The poorest man may in his cottage bid defiance to all of the forces of the crown. It may be frail; its roof may shake; the wind may blow through it; the storm may enter; the rain may enter; but the King of England cannot enter—all his force dares not cross the threshold of the ruined tenement."

Beyond the general aspects of the right of privacy, the rule of announcement is founded on some very practical considerations. The first is to prevent a sudden, unannounced invasion of the privacy of a citizen, guilty or innocent, with a resulting destruction of property when entry might well be effected by giving notice. The second, to safeguard the officer who might otherwise be killed or injured by a fearful householder unaware of his purpose.

The Miller decision, mentioned earlier, was not of constitutional dimensions but we believe that Justice Brennan writing for the majority lays down very sound policy considerations to guide the Congress in legislating in the area of prior notice before entering. He said:

The requirement of prior notice of authority and purpose before forcing entry into a home is deeply rooted in our heritage.

We believe for this reason alone section 702(b) should be opposed.

LACK OF COMMITTEE CONSIDERATION OF THE OVERALL PROBLEM

There is no question that section 702(b) is a hastily considered measure. In the first place, why should this section apply only to announcement in drug cases? Numbers paraphernalia on so-called "flash paper" could be readily destroyed in great quantity by the

touch of a lighted match. Also, the Senate Investigations Subcommittee has received testimony that it may take no less than 30 seconds to destroy all of the evidence of a wire service headquarters. There must be other property which "might easily be destroyed" which a general investigation into this entire area of search and seizure and announcement would disclose.

If we are to have a "no knock" authorization in federal law why legislate piece-meal in this manner. We think we should not have any and if we are to have some would it not be better to have a statute of general application inserted in the body of the Federal statutes governing search and seizure. To legislate so narrowly is bound to lead to confusion and to frustration among law enforcement agencies and create the temptation among law enforcement personnel not so well favored as narcotic agents to evade the restrictions binding them.

These considerations, we submit, make it imperative that the Senate return this bill to committee if the section is not stricken with instructions that hearings be held. The subcommittee hearings reveal very little effort at all to ascertain the necessity for the proposal, its desirability, its constitutionality, its potential for abuse, and the other things we should know before we legislate. Thus, law enforcement officials should be called to relate their experiences with the announcement requirement in narcotics and other areas. Scholars and others should be called on for their considered opinions. For example, New York and Utah by statute and Minnesota by court ruling authorize "no knock" entries. How have the laws worked in those States? Have there been abuses? Has law enforcement really been improved? What is the consensus of opinion in those States?

Moreover, from the early 1950's to the two cases we cited earlier, the California courts apparently permitted police officers wide latitude and discretion in not announcing, especially in narcotics cases. Now, the California court has clamped down. Why? Were there abuses? Did the experiment not work for some reason? These and other questions can be explored fully in hearings and if we are again presented with a "no knock" bill we will have the facts and the opinions needed to legislate.

The subcommittee gave no indepth consideration to the relationship between sections 702(b) and 3109 of title 18, the general statute dealing with announcement in Federal cases. Justice Brennan in the *Miller* case said that "Congress, codifying a tradition embedded in Anglo-American law, had designated in section 3109 the reverance of the law for the individual's right or privacy in his house." Before passage of section 702(b), we feel that hearings should thoroughly explore the significance of its relationship with this law.

Section 702(b) deals only with search warrants in drug cases. It does not deal with announcement in the analogous situation of general arrest or arrest without a warrant. Most of the leading cases, such as *Miller* and *Ker*, concern the question of announcement in connection with an arrest without a warrant. So there could be potentially one rule for arrest the existing rule—and another for search warrants under the rule of section 702(b). These matters lead to further confusion which could not help the police in their efforts to administer justice, and should be considered by the subcommittee. Suppose, for example, a policeman is executing both an arrest warrant and a search warrant under section 702(b). Would the announcement rulings of the common law dealing with arrest or section 702(b) govern his actions? The fact that there is no reasonable answer illustrates the defective nature of this legislation.

Enactment of section 702(b) would create an interesting paradox in the law which should be considered in hearings. There are holdings to the effect that in the absence of notice it would not be murder for the householder to kill the invading authority. By giving officers the right to enter without notice, section 702(b) would escalate a very real conflict in the law because of the existing right of the citizen to protect his home against intruders.

When legislation is being considered on which there is substantial constitutional doubt and it involves the foundation of one provision of the Bill of Rights, it is absolutely essential that we not vote until we have investigated the matter thoroughly. In short, the subcommittee failed to work out in its hearings the full constitutional and practical implications of S. 702(b). We think the section should be opposed for this reason and if not stricken, the bill should be sent back to the Judiciary Committee to be the subject of a general investigation into the rule of announcement and unlawful entry.

CONCLUSION

We oppose section 702(b) because we believe it is of doubtful constitutionality. We oppose it because we consider it unwise policy and because of its cavalier treatment in the subcommittee hearings. Proponents of this measure say that police already have the authority which would be granted to them under section 702(b). We would be quite willing to abide by this statement and allow the general law as it is developing to control search and seizure situations and we think this is as good reason as any to delete the section from the Controlled Dangerous Substances Act of 1969. Because the present common law exceptions to the announcement principle allow Federal and State officers to disregard it in exigent circumstances involving danger, destruction of evidence, or escape of suspects, we do not believe either a delay or final failure to enact such a provision at all will have a deleterious effect on law enforcement.

Proponents of section 702(b) argue that because of the demands of effective criminal investigation and law enforcement, this legislation is necessary; therefore, despite other considerations, it should be passed. Justice Jackson in *U.S.* v. *Di Re* (332 U.S. 581 (1948)) eloquently dealt with the necessity argument in the same way that we hope the Senate will deal with it in connection with section 702(b). He said:

"We meet in this case, as in many, the appeal to necessity. It is said that if such arrests and searches cannot be made, law enforcement will be more difficult and uncertain. But the forefathers, after consulting the lessons of history, designed our constitution to place obstacles in the way of a too permeating police surveillance, which they seemed to think was a greater danger to a free people than the escape of some criminals from punishment."

William Pitt put it even more bluntly:

"Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves."

SAM J. ERVIN, JR.
PHILIP A. HUNT.

EXHIBIT 8

[From the CONGRESSIONAL RECORD, July 17, 1970]

DISTRICT OF COLUMBIA COURT REFORM AND CRIMINAL PROCEDURE ACT OF 1970

NO-KNOCK SEARCHES

I wish to discuss at this time the provisions about no-knock. In my judgment, the fourth amendment and the doctrine that every man's home is or should be his castle arise out of what may be correctly described as the greatest longing of the human heart. In all the countries and all the generations of the people from whom we draw our blood and our laws and our literature and our religion, we have found that one of the great hungers of the human heart where he could converse with his God, free from the world, where he could communicate with the members of his family, and where he could converse with his god, free from molestation by any individual or by government itself. So we find in the early days of the common law that the principles were laid down, hundreds of years ago, that a man's home was his castle, that a man had a right to use any means necessary to prevent anyone from intruding on his home without his consent.

The principles of the common law lay it down that a man is guilty only of justifiable homicide when he kills another to prevent him from forcibly intruding himself into his home. Of course, this rule is subject to certain actions on the part of the law; but this common law said that even an officer of the law had no right and had no power to intrude into a man's home against the will of that man, unless he first knocked at the door of that house, identified himself as an officer of the law, advised the occupants of the house of his purpose in being there, and gave them a reasonable opportunity to open that door and admit him.

The desire to have a place to which one can flee from the world is one of the most passionate hungers of the human heart. Let us go back to the Prophet Micah, for he had something to say on this subject on the day when the people were going to go up the mountain to the House of the Lord. I read from chapter 4.

But in the last days it shall come to pass, *that* the mountain of the house of the Lord shall be established in the top of the mountains, and it shall be exalted above the hills; and people shall flow unto it.

2 And many nations shall come, and say, Come, and let us go up to the mountain of the Lord, and to the house of the God of Jacob; and he will teach us of his ways, and we will walk in his paths: for the law shall go forth of Zion, and the word of the Lord from Jerusalem.

3 And he shall judge among many people, and rebuke strong nations afar off; and they shall beat their swords into plowshares, and their spears into pruninghooks: nation shall not lift up a sword against nation, neither shall they learn war any more.

I come now to the words of the Prophet Micah to which I wish to call attention:

"4 But they shall sit every man under his vine and under his fig tree; and none shall make *them* afraid: for the mouth of the Lord of hosts hath spoken *it*."

So according to the prophet Micah, "the mouth of the Lord of Hosts hath spoken it." He has said that every man shall have a right to "sit under his vine and under his fig tree, and none shall make them afraid."

That is what religion has to say on this subject.

Some time ago, I mentioned that the excuse being made for passage of this bill containing the no-knock provision is the same excuse which is always made for every infringement upon human liberty. I have quoted the remark which the distinguished statesman William Pitt made on the floor of the House of Commons several generations ago, and now I should like to quote another one of his which is apropos to this subject of the no-knock provision.

On another occasion, William Pitt stood upon the floor of Parliament and opposed a no-knock bill. The British Parliament had placed an excise tax on cider and those charged with collecting the revenues of the realm had reported that it was difficult to enforce the excise tax on cider and the only way to enforce it was to let them enter a man's house without knocking, to let them enter the house like burglars, to let them enter the house like law-enforcement officers of the District of Columbia will be able to

enter, if the District of Columbia crime bill becomes law.

William Pitt was a man who recognized that eternal vigilance was the price of liberty and he stood up on the floor of Parliament and opposed the proposal that would allow no-knock entry because it was necessary to enforce the tax laws of England.

At the close of his speech in opposition to that proposal, William Pitt had this to say—and if I had the power I would write these words indelibly upon the hearts of every legislator in this Nation, including the Members of the U.S. Senate as they consider the District of Columbia crime bill.

He said:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of that ruined tenement."

In these words, William Pitt was proclaiming what has always been one of the proudest boasts made by our law, that every man's home is his castle. That has been the law of the United States, not only at the Federal level but also at the State level ever since George Washington took his first oath of office as President of the United States.

Mr. President, here we have a proposal, made in the good year of our Lord 1970, that a man's home shall no longer be his castle, that any officer of the law having the power to make an arrest or to execute a search warrant, shall have the legal power to enter the home of any citizen of the District of Columbia, in like manner in which a burglar now illegally enters the homes of people to rob them—in other words, by threat or stealth or by force.

Mr. President, I hold in my hand a newspaper clipping, and it reads:

NO-KNOCK RAIDERS: ARMED PRINCE GEORGES DEPUTIES SMASH INTO WRONG HOME

A Prince Georges County woman was awakened about 1 a.m. yesterday by a crew of armed county deputy sheriffs who had broken into her apartment with a sledge hammer.

Maj. Daniel D. Ballard of the Prince Georges County sheriff's office yesterday confirmed the incident but said it was all a mistake.

He said that a squad from the sheriff's office conducting a drug raid had divided into three sections in order to assure surprise.

That is what no-knock is for, all right, to assure surprise.

It surely must have been a surprise to the lady, to have someone knock down her door at 1 a.m. in the morning with a sledge hammer.

I am sure that Senators need not bother with the thought that their doors will be knocked down with a sledge hammer at 1 o'clock in the morning, if the District of Columbia crime bill becomes law, because everyone knows whose doors are going to be knocked down.

They are going to be the poor, the humble, and the helpless, not persons of affluence or political power.

I continue to read:

He said that a squad from the sheriff's office conducting a drug raid had divided into three sections in order to assure surprise and to cover all entrances to a nearby apartment that was the actual target of the raid.

Ballard said that one section blundered into the apartment of Margaret O. Malloy. That section had been assigned to enter through the rear of the apartment that was to be raided and erred because there were no numeral markers there, Ballard said.

Mrs. Malloy, 58, who lives at 7308 Forest Rd. with her son John, 23, came into the living room to find a half-dozen men armed with pistols and with blackjacks protruding from their rear pockets. They were wearing civilian clothes, not uniforms.

I guess that was another way they had of surprising people.

I continue to read:

As Mrs. Malloy recounted the incident yesterday, she said she found herself staring down the barrel of a rifle held by a crouching man who wore a bandolier across his sports shirt.

"My God, what's happened?" asked Mrs. Malloy, shaking, as she later said, "like a leaf."

"This is a raid. We're Prince Georges County sheriffs," a spokesman for the group told her, she said.

"Isn't this 7302 Forest Rd.?" he asked.

"No." answered Mrs. Malloy's son. "This is 7308," she recounted.

"We've got the wrong apartment. I'll be right back and explain," the spokesman told her.

If we pass this District of Columbia crime bill, they will have a better explanation to give for raids when they knock people's doors down with sledgehammers. They can say that this honorable body, this guardian of the rights of the people, the U.S. Senate, authorized them to do it. They will have a better explanation in the eyes of some people. But in my opinion, it will be worse. I would a whole lot rather not have Prince Georges County sheriffs or law-enforcement officers of the District of Columbia break into the homes of people with sledgehammers at 1 o'clock in the morning without any consent, and as a Member of the U.S. Senate I affirm here and now that they will not get my consent to do so.

So, if they tell the truth in the future, they will have to say that the Senator from North Carolina attempted to prevent episodes of this kind.

I continue to read:

Mrs. Malloy and her thoroughly awakened neighbors then watched the group make its way to the nearby apartment.

They saw the search party go to 7302 Forest Rd. to a third floor apartment similar to Mrs. Malloy's.

Mrs. Malloy and her neighbors said they could hear screams and an unexplained shot as they saw pictures being removed from the walls and vases smashed, she said.

Ballard said that at the second address eight arrests were made and that $2,500 worth of heroin and other illegal drugs were seized. After the raid, a deputy returned to apologize to Mrs. Malloy, she said.

Mrs. Malloy said she believes in upholding the law but that she hopes the sheriff will be more careful next time.

"I have high blood pressure," she said.

I am afraid I will acquire high blood pressure, because it almost gives me high blood pressure to hear it solemnly advocated in the Congress of the United States that we do away with the boast in our law that a man's home is his castle and that we allow officers of the law and make it legal for officers of the law to enter houses of our citizens in like manner to that in which burglars now and have always entered them.

Mr. President, I would like to point out, of course, that they say these are bad men and that we are after bad men. Of course, sometimes they get good ladies like Mrs. Malloy.

I will read from the opinion of the Supreme Court of the United States in Miller against United States, reported in volume 2, lawyers' edition of the Supreme Court reports, second series, at page 1332 as to what the law says. It is also reported in the official edition of the reports of the U.S. Supreme Court, 357 U.S. at page 301.

Speaking of an act of Congress applicable to the District of Columbia which is to be done away with by the District of Columbia crime bill—this statute which requires an officer to notify occupants of the house of his presence and purpose before he enters—the Supreme Court says:

"Congress, codifying a tradition embedded in Anglo-American law, has declared in § 3109 the reverence of the law for the individual's right of privacy in his house.[11] Every householder, the good and the bad, the guilty and the innocent, is entitled to the protection designed to secure the common interest against unlawful invasion of the house. The petitioner could not be lawfully arrested in his home by officers breaking in without first giving him notice of their authority and purpose. Because the petitioner did not receive that notice before the officers broke the door to invade his home, the arrest was unlawful, and the evidence seized should have been suppressed.

This decision of the Supreme Court has much to say about the boast of our law that every man's home is his castle. For this reason, I ask unanimous consent that a complete copy of the opinion in Miller against United States be printed at this point in the RECORD.

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

[357 US 301, 2 L ed 2d 1332, 78 S Ct 1190, No. 126]

WILLIAM MILLER, PETITIONER, *v.* UNITED STATES OF AMERICA

Argued January 28, 1958—Decided June 23, 1958

[Footnotes omitted]

SUMMARY

Petitioner was convicted of federal narcotics offenses in the District Court for the District of Columbia, following a prosecution in which he sought unsuccessfully to suppress evidence consisting of marked currency found in his apartment after his arrest. Petitioner's contention was that the currency was unlawfully seized, since its seizure followed the breaking of his door by police officers who sought to arrest him without warrant, and the officers, before breaking the door, had not informed him of their purpose, in demanding admission. The conviction was affirmed by the United States Court of Appeals for the District of Columbia Circuit (100 App DC 302, 244 F2d 750).

On certiorari, the United States Supreme Court reversed the judgment below. BRENNAN, J., speaking for six members of the court, held that the arrest was unlawful, and the currency seized thereafter inadmissible in evidence, since the police officers had not expressly demanded admission or stated the purpose for their presence before breaking defendant's door, and the evidence did not warrant a finding that the facts known to the officers justified them in being virtually certain that defendant knew their purpose so that an announcement hereof would have been a useless gesture.

HARLAN, J., concurred in the result.

CLARK, J., joined by BURTON, J., dissented, asserting that the evidence supported the finding of the court below that defendant, at the time the police entered his apartment, already fully understood who the officers were and that they sought to arrest him.

OPINION OF THE COURT

[357 US 302] Mr. Justice Brennan delivered the opinion of the Court.

Petitioner, William Miller, together with Bessie Byrd and her brother, Arthur R. Shepherd, was tried and convicted in the District Court for the District of Columbia for conspiracy to commit violations, and violations, of the federal narcotics laws. 26 USC § 4707a; 21 USC § 174; 18 USC § 371. The Court of Appeals for the District of Columbia Circuit affirmed, one judge dissenting, 100 App DC 302, 244 F2d 750. We granted certiorari, 353 US 957. 1 L ed 2d 908, 77 S Ct 867, to determine whether evidence seized at the time of petitioner's arrest was

properly admitted against the petitioner. The evidence was $100 of marked currency which was seized by the federal officers who arrested the petitioner and Bessie Byrd at their apartment.

On March 25, 1955, at 1:35 a.m., Clifford Reed was arrested, under an arrest warrant, on a Washington, D.C. street on suspicion of narcotics offenses. Reed revealed to Wilson, a federal narcotics agent, that he purchased heroin in 100-capsule quantities from the petitioner through Shepherd. Agent Wilson knew of the petitioner as one who had trafficked in narcotics and had been convicted for a narcotics offense in 1953. Reed said that he was to meet Shepherd later that morning to make a purchase. Agent Wilson enlisted his aid to apprehend Shepherd and the petitioner. About 3 a.m. another federal narcotics agent, Lewis, carrying $100 of marked currency, went with Reed in a taxicab to Shepherd's home. Reed introduced Lewis to Shepherd as a buyer. Shepherd accepted the $100 and agreed to secure 100 capsules of heroin from the petitioner and deliver them to Lewis at Reed's apartment. Shepherd proceeded alone in the taxicab to the petitioner's apartment.

[357 US 303] The taxicab was followed by agent Wilson, officer Wurms of the Metropolitan Police Department, and other officers in police cars.[1] Shepherd was seen to leave the taxicab in front of the apartment house where the petitioner and Bessie Byrd occupied a two-room-and-bath basement apartment. The taxicab waited. Shepherd entered the basement but agent Wilson, who looked into the basement hall, could not see where he went. Shepherd came out of the basement within a few minutes and re-entered the taxicab. The taxicab was proceeding toward Reed's apartment when the officers following in the police cars intercepted it. Shepherd was arrested and searched. He did not have the marked bills on his person but admitted to agent Wilson and officer Wurms that a package of 100 capsules of narcotics found under the taxicab's front seat was put there by him when the police cars stopped the taxicab. He said that he had taken the package from behind a fire extinguisher in the basement hall where he had been sent by a "fellow" with Reed who had promised him $10 for getting it.

The federal officers returned immediately to the apartment building. About 3:45 a.m. agent Wilson and officer Wurms went to the door of the petitioner's apartment. Officer Wurms knocked and, upon the inquiry from within—"Who's there?"—replied in a low voice, "Police." The petitioner opened the door on an attached door chain and asked what the officers were doing there. Before either responded, he attempted to close the door. Thereupon, according to officer Wurms, "we put our hands inside the door and pulled and ripped the chain off, [357 US 304] and entered." [2] The officers had no arrest or search warrrant. They did not expressly demand admission or state their purpose for their presence,[3] nor did they place the petitioner under arrest until after they entered the apartment.

Bessie Byrd was also arrested in the apartment and turned over the cash she had in her housecoat. The cash included $34 of the marked currency. After an extended search the remaining $36 of marked currency was found, some in a hatbox in a closet, and the rest within the covers of a bed in the bedroom.

The Government contends that there was probable cause for arresting the petitioner and that the marked currency [357 US 305] was properly admitted in evidence because it was seized as an incident to a lawful arrest. Harris v United States, 331 US 145, 91 L ed 1399, 67 S Ct 1098. The petitioner's argument breaks down into three contentions: (1) that the officers had no probable cause to arrest the petitioner without a warrant; (2) that the search was not justified as being an incident of a lawful arrest; (3) that the arrest, and therefor the search, was in any event unlawful because the officers broke the door of petitioner's home without first giving notice of their authority and purpose in demanding admission. If any one of these contentions prevails, it is agreed that the marked money was inadmissible in evidence. In the view we take, we need consider only petitioner's third contention.

The lawfulness of the arrest of petitioner depends upon the power of the arresting officers to "break" the doors of a home in order to arrest without warrant persons suspected of having committed narcotics offenses. Agent Wilson did not have statutory authority to arrest without a warrant although officer Wurms, as a member of the Metropolitan Police Department (Headnote 2), did have such authority.[4] This Court has said, in the similar circumstance of an arrest for violation of federal law by state peace officers, that the lawfulness of the arrest without warrant is to be determined by reference to state law. United States v Di Re, 332 US 581, 589, 92 L ed 210, 217, 68 Ct 222; Johnson v United States, 333 US 10, 15, 92 L ed 436, 441, 68 S Ct 367. By like reasoning the validity of the arrest [357 US 306] of petitioner is to be determined by reference to the law of the District of Columbia.

In making reference to that law we are mindful of our policy of not interfering (Headnote 3) with local rules of law fashioned by the courts of the District of Columbia. Fisher v United States, 328 US 463, 476, 90 L ed 1382, 1391, 66 S Ct 1318; Griffin v United States, 336 US 704, 715, 93 L ed 993, 999, 69 S Ct 814. But the Government agrees with petitioner that the validity of the entry to execute the arrest without warrant must be tested by criteria identical with those embodied in 18 UCS § 3109, which deals with entry to execute a search warrant.[5] That section provides that an officer, executing a search warrant, may break open a door only if, "after notice of his authority and purpose," he is denied admittance. The Government states in its brief that, "where an arrest is made on probable cause rather than a warrant, these statutory requirements must be met before an officer can force entry into an apartment." These statutory requirements are substantially identical to those judicially developed by the Court of Appeals for the District of Columbia in Accarino v United States, 85 App Circuit in Accarino v United States, 85 App DC 394, 179 F2d 456, 465. Since the rule of Accarino (Headnote 4) bears such a close relationship to a statute which is not confined in operation to the District of Columbia, we believe that review is warranted here. Cf. Del Vecchio v Bowers, 296 US 280, 80 L ed 229, 56 S Ct 190; Carroll v United States, 354 US 394, 414, 1 L ed 2d 1442, 1454, 77 S Ct 1332.

From earliest days, the common law drastically limited the authority of law officers (Headnote 5) to break the door of a house [357 US 307] to effect an arrest.[6] Such action invades the precious interest of privacy summed up in the ancient adage that a man's house is his castle. As early as the 13th Yearbook of Edward IV (1461–1483), at folio 9, there is a recorded holding that it was unlawful for the sheriff to break the doors of a man's house to arrest him in a civil suit in debt or trespass, for the arrest was then only for the private interest of a party. Remarks attributed[7] to William Pitt, Earl of Chatham, on the occasion of debate in Parliament on the searches incident to the enforcement of an excise on cider, eloquently expressed the principle:

"The poorest man may in his cottage bid defiance to all the forces of the crown. It may be frail; its roof may shake; the wind may blow through it; the storm may enter; the rain may enter; but the King of England cannot enter—all his forces dares not cross the threshold of the ruined tenement!"

But the common law recognized some authority in law officers to break the door of a dwelling to arrest for felony. The common-law authorities differ, however, as to the circumstances in which this was the case. Hawkins says: "where one lies under a probable Suspicion only, and is not indicted, it seems the better Opinion at this Day. That no one can justify the Breaking open Doors in Order to [357 US 308] apprehend him." 2 Hawkins, Pleas of the Crown, c. 14 § 7 (1762); see also Foster, Crown Law, 321 (2d ed. 1776). Coke appears to have been of the same view, and to have thought that the breaking of a house was limited to cases in which a writ, now our warrant, had issued. Co. 4th Inst. 177. On the other hand. Hale says that "A man, that arrests upon suspicion of felony, may break open doors, if the party refuse upon demand to open them . . ." 1 Hale, Pleas of the Crown, 583 (1736).

Whatever the circumstances under which breaking a door to arrest for felony (Headnote 6) might be lawful, however, the breaking was unlawful where the officer failed first to state his authority and purpose for demanding admission. The requirement was pronounced in 1603 in Semayne's Case, 5 Coke 91, 11 ERC 629, 77 Eng Reprint 194: "In all cases where the King is party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the K[ing]'s process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors. . . .*" (Emphasis supplied.)

The requirement stated in Semayne's Case still obtains. It is reflected in 18 U.S.C. § 3109, in the statutes of a large number of States,[8] and in the American Law [357 US 309] Institute's proposed Code of Criminal Procedure, § 28.[9] It applies, as the Government here concedes (Headnote 7), whether the arrest is to be made by virtue of a warrant, or when officers are authorized to make an arrest for a felony without a warrant. There are some state decisions holding that justification for noncompliance exists in exigent circumstances, as, for example, when the officers may in good faith believe that they or someone within are in peril of bodily harm, Read v Case, 4 Conn 166, 10 Am Dec 110, or that the person to be arrested is fleeing or attempting to destroy evidence. People v Maddox, 46 Cal2d 301, 294 P2d 6.

But whether the unqualified requirements of the rule admit of an exception justifying noncompliance in exigent circumstances is not a question we are called upon to decide in this case. The Government makes no claim here of the existence of circumstances excusing compliance. The Government concedes that compliance was required but argues that "compliance is evident from the events immediately preceding the officers' forced entry."

The rule seems to require notice (Headnote 8) in the form of an express announcement by the officers of their purpose for demanding admission. The burden of making an express announcement is certainly slight. A few more words by [357 US 310] the officers would have satisfied the requirement in this case. It may be that, without an express announcement of purpose, the facts known to officers would justify them in being virtually certain that the petitioner already knows their purpose so that an announcement would be a useless gesture. Cf. People v Martin, 45 Cal2d 755, 290 P2d 855; Wilgus, Arrest Without a Warrant, 22 Mich L Rev 798, 802 (1924).[10] But even by that test the evidence upon which the Government relies (Headnote 9) was not sufficient to justify the officers' failure expressly to notify the petitioner that they demanded

admission to his apartment for the purpose of arresting him.

The single fact known to the officers upon which the Government relies is the "split-second" occurrence in which the petitioner evinced "instantaneous resistance to their entry," an "almost instinctive attempt to bar their entry after they [the officers] had identified themselves as police . . . ." It is argued that this occurrence "certainly points up that he knew their purpose immediately . . . [and], at once, realized that he had been detected and that the officers were there to arrest him"; [357 US 311] that "[i]t would be wholly unrealistic to say that the officers had not made their purpose known because they did not more formally announce that they were there to arrest him."

But, first, the fact that petitioner attempted to close the door did not of itself prove that he knew their purpose to arrest him. It was an ambiguous act. It could have been merely the expected reaction of any citizen having this experience at that hour of the morning, particularly since it does not appear that the officers were in uniform, of. Accarino v. United States, supra 85 App. DC at 403, 179 F2d at 465, and the answer "Police" was spoken "in a low voice" and might not have been heard by the petitioner so far as the officers could tell.

Second, petitioner's reaction upon opening the door could only have created doubt in the officers' minds that he knew they were police intent on arresting him. On the motion to suppress, Agent Wilson testified that "he wanted to know what we were doing there." This query, which went unanswered, is on its fact inconsistent with knowledge. The majority of the Court of Appeals denied the import of the query by inferring that Miller knew Wilson and Wurms personally and recognized them as soon as he opened the door. That inference has no support in the record.[11] But even if this inference were [357 US 312] supportable, Miller's recognition of Wilson and Wurms as police officers would not have justified them, in light of other facts known to them, in being virtually certain that Miller actually knew the reason for their presence. The officers knew that petitioner was unaware of Shepherd's arrest; they knew that he was unaware that the currency was marked; they knew that he was unaware that their presence was pursuant to a plan, initiated by Reed's disclosures, to catch the petitioner in a criminal act. Moreover, they did not actually know that petitioner had made a sale to Shepherd and received the marked money, for Shepherd had not talked and had not been seen to enter petitioner's apartment. The fact that the marked money was found in the apartment had no bearing upon the petitioner's knowledge of the officers' purpose since he did not know that the money was marked. This Court said in United States v. Di Re, supra, (322 US at 595): "We have had frequent occasion to point out that a search is not to be made legal by what it turns up (Headnote 10). In law it is good or bad when it starts and does not change character from its success." The most that can be said is that the petitioner's act in attempting to close the door might be the basis for the officers being virtually certain that the petitioner knew there were police at his door conducting an investigation. This, however, falls short of a [357 US 313] virtual certainty that the petitioner knew of their purpose to arrest him. The requirement is not met except by notice of that purpose, for the Government admits that the officers had no authority to break the petitioner's door except to arrest him. We must, therefore, conclude (Headnote 3) that the petitioner did not receive the required notice of authority and purpose.

We are duly mindful of the reliance that society must place for achieving law and order upon the enforcing agencies of the criminal law. But insistence on observance by law officers (Headnote 11) of traditional fair procedural requirements is, from the long point of view, best calculated to contribute to that end. However much in a particular case insistence upon such rules may appear as a technicality that insures to the benefit of a guilty person, the history of the criminal law proves that tolerance of short-cut methods in law enforcement impairs its enduring effectiveness. The requirement of prior notice of authority and purpose before forcing entry into a home is deeply rooted in our heritage and should not be given grudging application. Congress, codifying a tradition embedded in Anglo-American law, has declared in § 3109 the reverence of the law for the individual's right of privacy in his house.[12] Every householder (Headnote 12), the good and the bad, the guilty and the innocent, is entitled to the protection designed to secure the common interest against unlawful invasion of the house. The petitioner (Headnote 13) could not be lawfully arrested in his home by officers breaking in without first giving him notice of their authority and purpose. Because the petitioner did not receive that [357 US 314] notice before the officers broke the door to invade his home, the arrest was unlawful, and the evidence seized should have been suppressed.

Reversed.

Mr. Justice Harlan concurs in the result.

SEPARATE OPINION

Mr. Justice Clark, with whom Mr. Justice Burton concurs, dissenting.

I agree that a requirement of prior notice of authority and purpose should not be given a "grudging" application. But by the same token it should not be reduced to an absurdity. A majority of the Court of Appeals has concluded that petitioner, at the time the police entered his apartment, "already fully understood who the officers were and that they sought to arrest him." 100 App DC 302, 244 F2d 750, 758. The entry, therefore, was held valid under District of Columbia law.[13] [357 US 315] This Court now superimposes upon the local rule of the District an artificial and unrealistic requirement that, even under the circumstances found here, police must make "an express announcement" in unmistakable words that they are the police and have come to make an arrest.

The Court attempts to justify interference in local law by what it terms a "concession" of the Government that validity of the entry must be tested by a federal statute relating to forcible entry to execute a search warrant.[14] But the fact that the Government seeks clarification of a general federal statute, possibly to serve its purposes in prosecutions elsewhere, is no reason for us to oblige, especially when the result is to subvert existing local law. In the process, the Court reverses the conviction of a wholesale narcotics violator with a previous record in the traffic who carries on his abominable trade by using a juvenile as his dope peddler and co-conspirator.

The facts on which the Court of Appeals found the entry valid were these: Officers trailed Shepherd as he proceeded by taxicab to purchase heroin for Lewis, a narcotics agent. Shepherd went to the apartment occupied by his sister, Mrs. Byrd, and by petitioner. The officers saw him enter the apartment building. Agent Wilson followed him to the basement entrance and saw him disappear down a lighted hall about "as long as the jury box." Other than the entrance, there were only two [357 US 316] doors into the hall, one leading into petitioner's apartment, the other into a furnace room. No one lived in the basement except petitioner and Mrs. Byrd. Wilson then withdrew to a location across the street. He saw a light go on in the furnace room, remain on shortly, and then go out. Shepherd soon emerged, re-entered the taxicab and drove away. The officers followed, arrested Shepherd, and seized 100 capsules of heroin found in the taxicab.

The opinion of the Court of Appeals graphically described the subsequent events:

"After the arrest of Shepherd, the officers, having found the 100 capsules of heroin, immediately went back to the apartment occupied by Mrs. Byrd and Miller, and, a few minutes later, knocked on the door and announced their identity. Thereupon Miller, known to the officers as a narcotics violator, having opened his door part way, recognized the officers of the narcotics squad and attempted to close the door. As he pulled the door to, the officers resisted his effort to close it, a chain bolt broke, and the officers arrested Miller and Mrs. Byrd." 100 App DC at 304, 244 F2d, at 752.

This summary is amply supported by the evidence. Wilson testified that petitioner previously met him when he was an agent with the Federal Bureau of Narcotics. He also knew petitioner in connection with a narcotics case. Officer Wurms testified that he too knew petitioner officially.[15] As to their entry into the apartment, Wurms testified: "I knocked on the front door . . . somebody [357 US 317] asked, 'Who's there?' I said 'Blue'—in a low voice, I said 'Police.' I repeated it two or three times in that manner. The door opened. There was a chain on the door. Blue Miller saw me, Agent Wilson, and I don't know who else he saw but he tried to close the door. . . ." Wilson described the entry this way: "There was a short struggle there between Wurms and Miller to open the door and finally the door was forced open and we got ourselves into the apartment." The officers found the marked currency and a carton of one thousand unfilled gelatin capsules. Three hundred and eighty-one such capsules filled with heroin were found in the furnace room across the hall.

As a pretrial hearing petitioner moved to suppress the marked currency, alleging that the officers had neither warrant nor probable cause for arrest. This motion was denied. At trial before a jury and a different judge the motion was renewed. In denying the motion the judge said, "I will give you the right to make another motion. You certainly have a right at the end of the testimony." Petitioner never availed himself of this opportunity.

On appeal petitioner shifted his ground, emphasizing that even if the officers had probable cause to arrest him, such authority was improperly exercised because they did not formally announce their purpose before entry. The Court of Appeals held:

"Against the background of the facts as noted and the law as summarized, we find the officers at Miller's door, knowing that a felony had been committed and having probable cause to believe it was continuing. The statute spelled out their clear duty to arrest." 100 App DC 302, 309, 244 F2d 750, 757.

The court agreed with the trial judge "that the attempt of the officers to arrest Miller at his doorway under the circumstances of this case was not unreasonable," and found [357 US 318] that the breaking of the door chain "in the course of his resistance [was] immaterial and his arrest, immediately made was justified." 100 App DC at 310, 244 F2d, at 758. Concluding that Miller without doubt was aware both of the officers' identity and purpose, the court upheld the refusal of the trial court to suppress the evidence, and found the proof of guilt "overwhelming and unanswerable."

The majority, however, brushes aside these conclusions, explaining petitioner's action in slamming the door as "the expected reaction

of any citizen." This "is something entirely foreign to my concept of the respect a law-abiding citizenry pays to its law-enforcement officers. Nor can I accept the conclusion of the Court that the circumstances found by the Court of Appeals fall "short of a virtual certainty that the petitioner knew of [the officers'] purpose to arrest him." His knowledge—in the absence of an express admission by him—can never be a "virtual certainty." Rather than attempting to psychoanalyze petitioner, we should measure his * * * Court of Appeals found that they indisputably established petitioner's awareness of the police purpose. We should not disturb that finding.

The majority does not deal with the "exigent circumstances" of the case because the Government makes no claim for thus "excusing compliance" with the statute. It is to be noted, however, that the Court of Appeals expressly based its opinion on the fact that the officers "were confronted by the need for a decision arising from the necessitious circumstances of the situation." The position of the Government does not excuse us from evaluating the circumstances of the whole case. I believe that the Court of Appeals was eminently correct in its conclusion that "necessitous circumstances" here warranted the officer in entering the apartment. As that court pointed out, petitioner might have fled or hidden [357 US 319] himself or destroyed the fruits of his crime, particularly in view of his background and the visit of his brother-in-law Shepherd only a few moments before. Certainly he soon would have learned of Shepherd's arrest. Moreover, his attempt to forcibly prevent the entry of the officers into his apartment required their immediate action. Any delay might well have precluded the arrest. Destruction of the marked money might have prevented the establishment of petitioner's guilt. As the Government points out, "split-second action [was] necessary."

I would affirm the judgment on the basis of the District of Columbia rule in Accarino, 85 App DC 394, 179 F2d 456, supra, which I believe this Court should honor.[16]

Mr. ERVIN. Mr. President, I think perhaps it was very appropriate for me to speak of the Prophet Micah because this bill depends so much on prophecy and the power of prophecy.

I wish to commend the distinguished senior Senator from Maryland for the great work he has done in this field, and I withdraw any purpose to criticize him on account of the fact that this bill contains the no-knock and preventive detention provisions. He has frankly stated all of the time that he favors such provisions. He has just the same right to favor preventive detention as I do to oppose putting people in jail for crimes they have not committed and may never commit. He has exactly the same right to say that officers of the law should be given the authority to enter people's houses without prior notice as I do to maintain the right that a man's home is his castle and that it is a sacred right that should be protected.

But I do agree with the Senator on one point. He used football language to describe my efforts and the efforts of my colleagues to get a really good bill here, without these inequities, as an "end run." It was well to engage in football parlance in discussing this bill and this conference report because this conference report certainly does "kick" the Constitution all over the District of Columbia. So it is well to refer to football where so much kicking is done as in this bill. I think it was a very appropriate metaphor or simile, as one may see fit to describe it.

I wish to call attention to the no-knock provisions of this bill. They appear on pages 160 and 177. The provision on page 177 states:

"(a) Any officer authorized by law to make arrests, or to execute search warrants, or any person aiding such an officer, may break and enter any premises, any outer or inner door or window of a dwelling house or other building, or any part thereof, any vehicle, or anything within such dwelling house, building, or vehicle, or otherwise enter to execute search or arrest warrants, to make an arrest where authorized by law without a warrant, or where necessary to liberate himself or a person aiding him in the execution of such warrant or in making such arrest.

"(b) Breaking and entry shall not be made until after such officer or person makes an announcement of his identity and purpose and the officer reasonably believes that admittance to the dwelling house or other building or vehicle is being denied or unreasonably delayed.

"(c) An announcement of identity and purpose shall not be required prior to such breaking and entry—

"(1) if the warrant expressly authorizes breaking and entry without such a prior announcement, or

"(2) if circumstances known to such officer or person at the time of breaking and entry, but, in the case of the execution of a warrant, unknown to the applicant when applying for such warrant, give him probable cause to believe that—

"(A) such notice is likely to result in the evidence subject to seizure being easily and quickly destroyed or disposed of,

"(B) such notice is likely to endanger the life or safety of the officer or another person,

"(C) such notice is likely to enable the party to be arrested to escape, or

"(D) such notice would be a useless gesture.

Mr. President, the Supreme Court had occasion to consider the question of the meaning of the Fourth Amendment in respect to matters of this kind. I shall return in a few minutes to discuss this particular provision, but I wish to lay some emphasis on my belief about what Micah called the right of a man to dwell under his own vine and under his own fig tree without being afraid, and what an important right it is.

One of the recent commentaries upon the Constitution was written by Bernard Schwartz. Two of the volumes of this commentary are entitled "The Rights of the Person." These two volumes deal with these fundamental rights, which Jeremiah Black stated in his argument in Ex parte Milligan, that the Founding Fathers had garnered from the basic principles of our law, such as the Magna Charta, the Bill of Rights, and Principles of Common Law. They deal with the importance of these rights which are necessary for the individual to retain if he is to be a free man and is to live in a free society.

In volume 1 of "Rights of the Person" Mr. Schwartz stated as follows, as shown at pages 178, 179, and 180:

PRIVACY OF THE HOME

When we think of a right of privacy, constitutionally guaranteed against governmental invasions, we naturally think first of the privacy of the home, for it is such privacy that is most plainly safeguarded by explicit provisions in the basic document.

In protecting the privacy of the home, the Constitution does "but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim, 'every man's home is his castle.' " As early as 1603 *Coke's Reports* could declare. "That the house of every one is to him as his castle and fortress, as well for his defense against injury and violence, as for his repose."

Certainly the notion of the home as a privileged place whose privacy may not be disrupted by governmental intrusions is one that is basic in a free society: "A sane, decent, civilized society must provide some such oasis, some shelter from public scrutiny, some insulated enclosure, some enclave, some inviolate place which is a man's castle.

The Framers themselves were deeply concerned with the problem of search by public officials. They were well aware of the abusive attempts by Crown officers, both in Britain and the Colonies, to exceed the narrow limits within which the law confined governmental powers of search. Such attempts called forth both the enduring judgment in *Entick* v. *Carrington* (1765), which imposed fundamental limitations on the power of search that are still valid, and appeals to the colonial courts, which culminated in the famous attack by James Otis against general writs of assistance in *Paxton's Case* (1761).

What Otis was concerned with was essentially (to use his own phrase), "the freedom of one's house," which he characterized as "one of the most essential branches of English liberty." The general writs at issue, declared Otis, "would totally annihilate this privilege."

* * * * *

It may thus be seen that it is statutes and the law of torts—not constitutional guaranties—which forbid invasions of privacy by private individuals. The constitutional guaranties, from which (we saw in the last section) a constitutional right of privacy may be derived, are directed against government action alone.[63] To the extent that the Constitution does confer a right of privacy, it is a right against governmental invasions. It is to the principles governing such invasions that the remainder of this chapter will be devoted, dealing first with the privacy of the home and then with other aspects of the constitutional right of privacy.

Well, Mr. President, that is all this bill requires—a bare suspicion, but it does say "oath"—a bare suspicion about what is going to happen in the future. You know, Mr. President, I think if officers of the law have the uncanny capacity to prophesy what is going to happen in the future, they ought to be given the job of running our Government, because they might keep us from involving us in such problems as we are now confronted with in Vietnam. This bill requires them to be prophets if they are going to discharge the duties imposed upon them and exercise the powers it vests in them. This bill permits them to break bars and locks just as James Otis said the British customs officers in Boston were doing at the time the American people decided they would seek freedom so that they could keep their homes for their castles and not have officers of the law breaking into their houses all day and all night, as this bill would authorize them to do. Continuing to read from Schwartz' book:

To be sure, the Otis appeal on behalf of the fundamental safeguard for the liberty of the people to the colonial court, staffed as it was with judges subservient to the Crown's pleasure, failed. But a higher tribunal was ultimately to receive the issue. The debate in *Paxton's Case*, we are told by the highest Court, "was perhaps the most prominent event which inaugurated the resistance of the colonies to the oppressions of the mother country." The Otis argument, exclaimed John Adams in a famous comment over half a century after the event, "breathed into this nation the breath of life," and, "Then and there the child Independence was born."

The abuses against which Otis declaimed were part of the living experience of the men who founded the American Republic. They wrote that experience directly into the Fourth Amendment. "With the fresh recollection of those stirring discussions [respecting writs of assistance], and of the revolution which followed them, the article in the Bill of Rights, respecting searches and seizures was framed and adopted."

The Fourth Amendment categorically proclaims that, "The right of the people to be

secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated." So basic to liberty is such protection against governmental search and seizure deemed, that every state in the Union has a similar constitutional safeguard.

In section 359, we saw that the Fourth Amendment prohibition (barring, as it does, unreasonable arrests) is a basic security for the Sanctity of the Person. There can, at the same time, be no doubt that, preoccupied as the Framers were with abusive exercises of powers of search—abuses so deeply felt by them as to be one of the potent causes of the Revolution—the amendment was primarily intended "to prevent . . . unlawful invasion of the sanctity of the home." At the very core of the Fourth Amendment, the highest Court tells us, "stands the right of a man to retreat into his own home and there be free from unreasonable governmental intrusion."

The Constitution, in thus safeguarding the sanctity of the home from unlawful governmental intrusion, ensures to the person a privileged sanctuary within which he can live his own life, sheltered from public supervision and scrutiny—a place where he can enjoy what William Faulkner has called that "last vestige of privacy without which man cannot be an individual." So long as such cases of privacy exist, there is still room for exercise of that individuality that distinguishes not only our species, but each of us from the other. "A man can still control a small part of his environment, his house; he can retreat thence from outsiders, secure in the knowledge that they cannot get at him without disobeying the Constitution. That is still a sizable hunk of liberty—worth protecting from encroachment."

Mr. President, that is exactly what I am trying to do. In opposing the adoption of the conference report, I am trying to preserve for the benefit of the people of the District of Columbia, who have no one here to speak in their behalf, a liberty worth protecting from encroachment. That is precisely what the District of Columbia crime bill proposes to take from every man, woman, and child who happens to have a residence or place of business in the District of Columbia.

It would seem to me that, if Congress should be solicitous about the basic liberties and the basic constitutional rights of any of the American people, it should be solicitous about the liberties and basic constitutional rights of the people of the District of Columbia, who live here in the shadow of the Capitol which bears a flag we like to call Old Glory; the Capitol of a country which was created by men, as they stated in the Preamble to the Constitution, for the purpose of preserving to themselves and their posterity the blessings of liberty.

It is really passing strange to see this proposal for a no-knock provision. It authorizes exactly the same kind of conduct toward the people residing in the District of Columbia that the British customs officers exercised in the days of James Otis, Samuel Adams, and John Adams in respect to the people of the city of Boston.

John Adams was certainly right when he said that this abuse by the officers of the Crown of the privilege of invading the homes of the people of the city of Boston was the thing which breathed the breath of life into our Nation and gave birth to the child Independence.

Yet we have it seriously proposed in this bill that this basic right—a right which the people of America deemed so precious that they went to war to secure it—be taken from the people of the District of Columbia.

I shall come to the preventive detention question after a while, but we know that preventive detention is like the provision of this bill with relation to the swearing out of a search warrant by an officer, in that it requires a prophetic foresight, the gift of prophecy, the ability to foretell the future. And not only the future, but the future behavior of an individual. That makes it even worse. We can come nearer foretelling what the forces of nature will do than what individual human beings are going to do, because individual human beings are very much like Josh Billings' mule, in one respect. Josh Billings, in speaking of his mule, said, "It didn't kick according to no rules whatever."

I do not believe any law which depends upon the ability to prophesy individual behavior will work.

It is a strange thing, here in the year of our Lord 1970, that a serious proposal is made in the Congress of the United States—and, I might add, at the recommendation of the President of the United States and at the insistance of the Department of Justice of the United States—that Congress make sacrosanct, by law, an abuse which prompted the American people to rebel against England and seeking independence from England. That shows that the behavior of men cannot be predicted—even that of Senators and Representatives.

We had a very fine poet in North Carolina some years ago named John Charles McNeill. He wrote one little poem in which he said:

> How testing truth a thousand faces shows,
> As in a broken will;
> And what the father died for in the flames
> His own son scorns as error.

American patriots died in the flames for the privilege of having their home regarded as their castle. They died in the flames of the revolution to secure the right which prophet Micah called the right to sit under their own vines and under their own fig trees, where none could make them afraid.

Yet we see their descendants asking that we legitimize something which was so bad in the eyes of our ancestors that they rebelled against the mother country and obtained their freedom in order to escape from such tyranny. Now we have the President of the United States and the Department of Justice urging that this tyranny be given the sanction of Congress in the form of the District of Columbia crime bill.

I mentioned a moment ago the decision of the Supreme Court of the United States in the case of *Ker* v. *the State of California*, reported in 374 U.S. 23, 10 L.ed. 2D726, 83 S.Ct. 1623. I am going to discuss this case.

There were three opinions in the case, which involved the question of whether or not the action of officers in the State of California in entering a man's house without knocking constituted a violation of the fourth amendment.

We had one opinion written by Justice Clark, in which three other Justices concurred, making it the opinion of four Justices. Those four all agreed that the requirement that an officer of the law notify the occupants of the house of their purpose and presence, and call on them to admit them before entering the house, is a normal and inseparable part of the fourth amendment.

There was another opinion, written by Justice Brennan, in which three other Justices joined, and those four Justices concurred in the ruling of the other four Justices that the obligation to knock at the door of the house and announce their presence and purpose to make an arrest or execute a search warrant is an inseparable part of the fourth amendment, subject only to limited exceptions.

The reason the opinion written by Justice Clark became the law of the case was because Justice Harlan wrote a separate concurring opinion. Justice Harlan does not accept the theory that the due process clause of the 14th amendment made the fourth amendment applicable to the States, and that the action of State officers, when they enter the house of a citizen for the purpose of making an arrest or a search without first acquainting the citizen with their presence and purpose, is to be governed solely by the due process clause, and not by the fourth amendment.

So, by reason of this separate concurring opinion of Justice Harlan, who concurred in the result reached by the opinion of Justice Clark, Justice Clark's opinion became the judgment of the Court, although it was concurred in by only four Justices out of the nine.

Since I am going to discuss this opinion, I ask unanimous consent at this point that all of the opinions and rulings made by the Supreme Court of the United States, including the dissenting opinions and the concurring opinions, in the case of Ker against State of California, be printed in the RECORD at this point.

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

[374 U.S. 23, 10 L. ed. 2d 726, 83 S. Ct. 1623, No. 53]

GEORGE D. KER ET AL., PETITIONERS, *v.* STATE OF CALIFORNIA

Argued December 11, 1962—Decided June 10, 1963

[Footnotes omitted]

SUMMARY

On the day following a California police officer's encounter with a known marijuana dealer, including the purchase from the dealer of a package of marijuana, other police officers observed an encounter between the dealer and the defendant husband, which occurred under identical surrounding circumstances except that the officers did not see any substance passing between the two men. The officers following the defendant lost contact with him when he made a U-turn in the middle of a block. Without securing a search warrant, the officers, among them one having information that the defendant husband was selling from his apartment marijuana possibly secured from the dealer, obtained from the building manager a passkey to defendants' apartment, and entered the apartment, where they found the defendant husband in the living room. The defendant wife emerged from the kitchen, and one of the officers, after identifying himself, observed through the open doorway of the kitchen a package of marijuana on a scale atop the kitchen sink. The officers then arrested both defendants and searched the apartment, finding additional marijuana in the kitchen cupboard and atop the bedroom dresser.

The defendants were convicted in the Superior Court of Los Angeles County of possessing marijuana. The convictions were affirmed by the California District Court of Appeal on the grounds that there was probable cause for the arrests, that the officers' entry into the apartment was for the purpose of arrest and was not unlawful, and that the search, being incident to the arrests, was likewise lawful and its fruits admissible in evidence against the defendants. (195 Cal App 2d 246, 15 Cal Rptr 767.)

On certiorari, the United States Supreme Court affirmed. The ultimate issue before the Court concerned the admissibility, in defendants' trial, of the marijuana seized in their apartment. Eight members of the Court agreed on the nature of the standards applicable to determine the reasonableness of a state search and seizure, but split 4 to 4 as to whether these standards were violated under the circumstances of the present case. The remaining member—Mr. Justice Harlan—concurred in the affirmative of the judgment below.

In an opinion by Clark, J., expressing the views of eight members of the Court, it was held that the question of reasonableness of

a state search and seizure is governed by federal constitutional standards, as expressed in the Fourth Amendment and the decisions of the Court applying that amendment. On the other hand, Harlan, J., expressed the view that state searches and seizures should be judged by the more flexible concept of "fundamental" fairness, or rights "basic to a free society," embraced in the due process clause of the Fourteenth Amendment.

The question whether federal constitutional standards of reasonableness were violated by the search in the present case was answered in the negative in an opinion by Clark, J., joined by Black, Stewart, and White, JJ. These justices held that the search without warrant was valid as incident to a lawful arrest, made upon probable cause, and that the officers' method of entry was not unreasonable. On the other hand, Brennan, J., joined by Warren, Ch. J., and Douglas and Goldberg, JJ., expressed the view that federal constitutional standards were violated because the unannounced intrusion of the arresting officers into defendants' apartment violated the Fourth Amendment.

OPINION OF THE COURT

[374 US 24] Mr. Justice Clark delivered the opinion of the Court with reference to the standard by which state searches and seizures must be evaluated (Part I), together with an opinion applying that standard, in which Mr. Justice Black, Mr. Justice Stewart and Mr. Justice White join (Parts II–V), and announced the judgment of the Court.

This case raises search and seizure questions under the rule of Mapp v Ohio, 367 US 643, 6 L ed 2d 1081, 81 S Ct 1684, 84 ALR2d 933 (1961). Petitioners, husband and wife, were convicted of possession of marijuana in violation of § 11530 of the California Health and Safety Code. The California District Court of Appeal affirmed, 195 Cal App 2d 246, 15 Cal Rptr 767, despite the contention of petitioners that their arrests in their [374 US 25] apartment without warrants lacked probable cause[1] and the evidence seized incident thereto and introduced at their trial was therefore inadmissible. The California Supreme Court denied without opinion a petition for hearing. This being the first case arriving here since our opinion in Mapp which would afford suitable opportunity for further explication of that holding in the light of intervening experience, we granted certiorari. 368 US 974, 7 L ed 2d 437, 82 S Ct 480. We affirm the judgment before us.

The state courts' conviction and affirmance are based on these events, which culminated in the petitioners' arrests. Sergeant Cook of the Los Angeles County Sheriff's Office, in negotiating the purchase of marijuana from one Terrhagen, accompanied him to a bowling alley about 7 p.m. on July 26, 1960, where they were to meet Terrhagen's "connection." Terrhagen went inside and returned shortly, pointing to a 1946 DeSoto as his "connection's" automobile and explaining that they were to meet him "up by the oil fields" near Fairfax and Slauson Avenues in Los Angeles. As they neared that location, Terrhagen again pointed out the DeSoto traveling ahead of them, stating that the "connection" kept his supply of narcotics "somewhere up in the hills." They parked near some vacant fields in the vicinity of the intersection of Fairfax and Slauson, and, shortly thereafter, the DeSoto reappeared and pulled up beside them. The deputy then recognized the driver as one Roland Murphy, whose "mug" photograph he had seen and whom he knew from other narcotics officers to be a large-scale seller of marijuana currently out on bail in connection with narcotics charges.

[374 US 26] Terrhagen entered the DeSoto and drove off toward the oil fields with Murphy, while the Sergeant waited. They returned shortly. Terrhagen left Murphy's car carrying a package of marijuana and entered his own vehicle, and they drove to Terrhagen's residence. There Terrhagen cut one pound of marijuana and gave it to Sergeant Cook, who had previously paid him. The Sergeant later reported this occurrence to Los Angeles County Officers Berman and Warthen, the latter of whom had observed the occurrences as well.

On the following day, July 27, Murphy was placed under surveillance. Officer Warthen, who had observed the Terrhagen-Murphy episode the previous night, and Officer Markman were assigned this duty. At about 7 p.m. that evening they followed Murphy's DeSoto as he drove to the same bowling alley in which he had met Terrhagen on the previous evening. Murphy went inside, emerged in about 10 minutes and drove to a house where he made a brief visit. The officers continued to follow him but, upon losing sight of his vehicle, proceeded to the vicinity of Fairfax and Slauson Avenues where they parked. There, immediately across the street from the location at which Terrhagen and Sergeant Cook had met Murphy on the previous evening, the officers observed a parked automobile whose lone occupant the latter determined to be the petitioner George Douglas Ker.

The officers then saw Murphy drive past them. They followed him but lost sight of him when he extinguished his lights and entered the oil fields. The officers returned to their vantage point and, shortly thereafter, observed Murphy return and park behind Ker. From their location approximately 1,000 feet from the two vehicles, they watched through field glasses. Murphy was seen leaving his DeSoto and walking up to the driver's side of Ker's car, where he "appeared to have conversation with him." It was shortly before 9 p.m. and the distance in the [374 US 27] twilight was too great for the officers to see anything pass between Murphy and Ker or whether the former had anything in his hands as he approached.

While Murphy and Ker were talking, the officers had driven past them in order to see their faces closely and in order to take the license number from Ker's vehicle. Soon thereafter Ker drove away and the officers followed him but lost him when he made a U-turn in the middle of the block and drove in the opposite direction. Now, having lost contact with Ker, they checked the registration with the Department of Motor Vehicles and ascertained that the automobile was registered to Douglas Ker at 4801 Slauson. They then communicated this information to Officer Berman, within 15 to 30 minutes after observing the meeting between Ker and Murphy. Though officers Warthen and Markman had no previous knowledge of Ker, Berman had received information at various times beginning in November of 1959 that Ker was selling marijuana from his apartment and that "he was possibly securing this marijuana from Ronnie Murphy who is the alias of Roland Murphy." In early 1960 Officer Berman had received a "mug" photograph of Ker from the Inglewood Police Department. He further testified that between May and July 27, 1960, he had received information as to Ker from one Robert Black, who had previously given information leading to at least three arrests and whose information was believed by Berman to be reliable. According to Officer Berman, Black had told him on four or five occasions after May 1960 that Ker and others, including himself, had purchased marijuana from Murphy."

[374 US 28] Armed with the knowledge of the meeting between Ker and Murphy and with Berman's information as to Ker's dealings with Murphy, the three officers and a fourth. Officer Love, proceeded immediately to the address which they had obtained through Ker's license number. They found the automobile which they had been following—and which they had learned was Ker's—in the parking lot of the multiple-apartment building and also ascertained that there was someone in the Kers' apartment. They then went to the office of the building manager and obtained from him a passkey to the apartment. Officer Markman was stationed outside the window to intercept any evidence which might be ejected, and the other three officers entered the apartment. Officer Berman unlocked and opened the door, proceeding quietly, he testified, in order to prevent the destruction of evidence,[3] and found petitioner George Ker sitting in the living room. Just as he identified himself, stating that "We are Sheriff's Narcotics Officers, conducting a narcotics investigation," petitioner Diane Ker emerged from the kitchen. Berman testified that he repeated his identification to her and immediately walked to the kitchen.

Without entering, he observed through the open doorway a small scale atop the kitchen sink, upon which lay a "brick-like—brick-shaped package containing the green leafy substance" which he recognized as marijuana. He beckoned the petitioners into the kitchen where, following their denial of knowledge of the contents of the two-and-two-tenths-pound package and [374 US 29] failure to answer a question as to its ownership, he placed them under arrest for suspicion of violating the State Narcotic Law. Officer Marksman testified that he entered the apartment approximately "a minute, minute and a half" after the other officers, at which time Officer Berman was placing the petitioners under arrest. As to the sequence of events, petitioner George Ker testified that his arrest took place immediately upon the officers' entry and before they saw the brick of marijuana in the kitchen.

Subsequent to the arrest and the petitioners' denial of possession of any other narcotics, the officers, proceeding without search warrants, found a half-ounce package of marijuana in the kitchen cupboard and another atop the bedroom dresser. Petitioners were asked if they had any automobile other than the one observed by the officers, and George Ker replied in the negative, while Diane remained silent. On the next day, having learned that an automobile was registered in the name of Diane Ker, Officer Warthen searched this car without a warrant, finding marijuana and marijuana seeds in the glove compartment and under the rear seat. The marijuana found on the kitchen scale, that found in the kitchen cupboard and in the bedroom, and that found in Diane Ker's automobile[4] were all introduced into evidence against the petitioners.

The California District Court of Appeal in affirming the convictions found that there was probable cause for the arrests; that the entry into the apartment was for the purpose of arrest and was not unlawful; and that the search being incident to the arrests was likewise lawful and its fruits admissible in evidence against petitioners. These conclusions were essential to the affirmance, since the California Supreme Court in 1955 had held that evidence [374 US 30] obtained by means of unlawful searches and seizures was inadmissible in criminal trials. People v. Cahan, 44 Cal 2d 434, 282 P2d 905, 50 ALR2d 513. The court concluded that in view of its findings and the implied findings of the trial court, this Court's intervening decision in Mapp v. Ohio, 367 US 643, 6 L ed 2d 1081, 81 S Ct 1684, 84 ALR2d 933, supra, did "not justify a change in our original conclusion." 195 Cal App 2d, at 257, 15 Cal Rptr, at 773.

I

In Mapp v. Ohio, 367 US at 646, 647, 657, we followed Boyd v. Unted States, 116 US 616, 630, 29 L ed 746, 651, 6 S Ct 524 (1886) which held that the Fourth Amendment,[5] implemented by the self-incrimination clause of the Fifth,[6] forbids the Federal Government to convict a man of crime by using testimony or papers obtained from him by unreasonable

searches and seizures as defined in the Fourth Amendment. We specifically held in Mapp that this constitutional prohibition is enforceable against the States through the Fourteenth Amendment.[7] This means, as we said in Mapp (Headnote 1), that the Fourth Amendment "is enforceable against them [the states] by the same sanction of exclusion as is used against the Federal Government," by the application of the same constitutional standard prohibiting "unreasonable [374 US 31] searches and seizures." 367 US, at 655. We now face the specific question as to whether Mapp requires the exclusion of evidence in this case which the California District Court of Appeal has held to be lawfully seized. It is perhaps ironic that the initial test under the Mapp holding comes from California, whose decision voluntarily to adopt the exclusionary rule in 1955 has been commended by us previously. See Mapp v Ohio, supra (367 US at 651, 652); Elkins v United States, 364 US 206, 220, 4 L ed 2d 1669, 1679, 80 S Ct 1437 (1960).

Preliminary to our examination of the search and seizures involved here, it might be helpful for us to indicate what was not decided in Mapp. First, it must be recognized (Headnote 2) that the "principles governing the admissibility of evidence in federal criminal trials have not been restricted . . . to those derived solely from the Constitution. In the exercise of its supervisory authority in the federal courts . . . this Court has . . . formulated rules of evidence to be applied in federal criminal prosecutions." McNabb v. United States, 318 US 332, 341, 87 L ed 819, 824–63 S Ct 608 (1943); cf. Miller v United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct 1190 (1958); Nardone v United States, 302 US 379, 82 L ed 314, 58 S Ct 275 (1937). Mapp, however, established no assumption by this Court of supervisory authority over state courts, cf. Cleary v Boiger, 371 US 392, 401, L ed 2d 390, 396, 83 S Ct 385 (1963), and, consequently, it implied no total obliteration of state laws relating to arrests and searches in favor of federal law. Mapp sounded no death knell for our federalism; rather, it echoed the sentiment of Elkins v. United States, supra (364 at 221), that (Headnote 3) "a healthy federalism depends upon the avoidance of needless conflict between state and federal courts" by itself urging that "[f]ederal-state cooperation in the solution of crime under constitutional standards will be promoted, if only by recognition of their now mutual obligation to respect *the same fundamental criteria* in their approaches." 367 US, at 658, (Emphasis added.) Second, Mapp did not attempt the impossible task of laying (374 US 32) down a "fixed formula" for the application in specific cases of the constitutional prohibition against unreasonable searches and seizures; it recognized that we would be "met with recurring questions of the reasonableness of searches" and that ,"at any rate, '[r]easonableness is in the first instance for the [trial court] . . . to determine,'" id. 367 US at 652, thus indicating that the usual weight be given to findings of trial courts.

Mapp, of course, did not lend itself to a detailed explication of standards, since the search involved there was clearly unreasonable and bore no stamp of legality even from the Ohio Supreme Court. Id. 387 US at 643–645. This is true also of Elkins v United States, where all of the courts assumed the unreasonableness of the search in question and this Court "invoked" its "supervisory power over the administration of criminal justice in the federal courts," 364 U.S. at 216, in declaring that the evidence so seized by state officers was inadmissible in a federal prosecution. The prosecution being in a federal court, this Court of course announced that "[t]he test is one of federal law, neither enlarged by what one state court may have countenanced, nor diminished by what another may have colorably supported." Id. 364 U.S. at 224. Significant in the Elkins holding is the statement, apposite here, that "it can fairly be said that in applying the Fourth Amendment this Court has seldom shown itself unaware of the practical demands of effective criminal investigation and law enforcement." Id. 364 U.S. at 222.

Implicit in the Fourth Amendment's protection from unreasonable searches and seizures (Headnote 4) is its recognition of individual freedom. That safeguard has been declared to be "as of the very essence of constitutional liberty" the guaranty of which "is as important and as imperative as are the guaranties of the other fundamental rights of the individual citizen. . . ." Gouled v United States, 255 U.S. 298, 304, 65 L ed 647, 650, 41 S Ct 261 (1921); cf. Powell v Alabama, 287 U.S.* 45, 65–68, 77 L ed 158, 168–170, 53 S Ct 55, 84 ALR 527 (1932). While the language of the Amendment (Headnotes 5 and 6) is "general," it "forbids every search that is unreasonable; it protects all, those suspected or known to be offenders as well as the innocent and unquestionably extends to the premises where the search was made. . . ." GoBart Importing Co. v. United States, 282 U.S. 344, 357, 75 L ed 374, 382, 51 S Ct 153 (1931). Mr. Justice Butler there stated for the Court that "[t]he Amendment is to be liberally construed and all owe the duty of vigilance for its effective enforcement lest there shall be impairment of the rights for the protection of which it was adopted." Ibid. He also recognized that "[t]here is no formula for the determination of reasonableness. Each case is to be decided on its own facts and circumstances." Ibid; see United States v Rabinowitz, 339 U.S. 56, 63, 94 L ed 658, 658, 70 S Ct 430 (1950); Rios v United States, 364 U.S. 253, 255, 4 L ed 2d 1688, 1690, 80 S Ct 1431 (1960).

This Court's long-established recognition that standards of reasonableness under the Fourth Amendment (Headnote 7) are not susceptible of Procrustean application is carried forward when that Amendment's proscriptions are enforced against the States through the Fourteenth Amendment. And, although the standard of reasonableness (Headnote 8) is the same under the Fourth and Fourteenth Amendments, the demands of our federal system compel us to distinguish between evidence held inadmissible because of our supervisory powers over federal courts and that held inadmissible because prohibited by the United States Constitution. We reiterate that the reasonableness of a search (Headnotes 9 and 10) is in the first instance a substantive determination to be made by the trial court from the facts and circumstances of the case and in the light of the "fundamental criteria" laid down by the Fourth Amendment and in opinions of this Court applying that Amendment. Findings of reasonableness, of course, are respected only insofar as consistent with federal constitutional guarantees. As we have stated above and in other cases involving [374 US 34] federal constitutional rights, findings of state courts (Headnote 11) are by no means insulated against examination here. See, e.g., Spano v New York, 360 US 315, 316, 3 L ed 2d 1256, 1267, 70 S Ct. 1202 (1959; Thomas v Alabama, 356 US 390, 393, 2 L ed 2d 863, 866. 78 S Ct 885 (1958); Pierre v Louisiana, 306 US 354, 358, 83 L ed 751, 760, 59 S Ct 536 (1939). While this Court does not sit as in nisi prius to appraise contradictory factual questions, it will, where necessary to the determination of constitutional rights, make an independent examination of the facts, the findings, and the record so that it can determine for itself whether in the decision as to reasonableness the fundamental—i.e., constitutional—criteria established by this Court have been respected. The States are not thereby precluded (Headnote 12) from developing workable rules governing arrests, searches and seizures to meet 'the practical demands of effective criminal investigation and law enforcement" in the States, provided that those rules do not violate the constitutional proscription of unreasonable searches and seizures and the concomitant command that evidence so seized is inadmissible against one who has standing to complain, See Jones v United States, 362, US 257, 4 L ed 2d 697, 80 S Ct 725, 78 ALR2d 233 (1969). Such a standard implies no derogation of uniformity in applying federal constitutional guarantees but is only a recognition that conditions and circumstances vary just as do investigative and enforcement techniques.

Applying this federal constitutional standard we proceed to examine the entire record including the findings of California's courts to determine whether the evidence seized from petitioners were constitutionally admissible under the circumstances of this case.

SEPARATE OPINION

(EDITOR'S NOTE.—As stated on p. 732, supra, Parts II–V hereof represent the separate opinion of Clark, Black, Stewart, and White, JJ.)

II

The evidence at issue, in order to be admissible, must be the product of a search incident to a lawful arrest (headnotes 13 and 14), since the officers had no search warrant. The lawfulness of the arrest without warrant, in turn, must be based upon [374 US 35] probable cause, which exists "where the facts and circumstances within their [the officers'] knowledge and of which they had reasonably trustworthy information [are] sufficient in themselves to warrant a man of reasonable caution in the belief that an offense has been or is being committed." Brinegar v. United States, 338 US 160, 175, 176, 93 L ed 1879, 1890, 69 S Ct 1302 (1949), quoting from Carroll v United States, 267 US 132, 162, 69 L ed 543, 555, 45 S Ct 280, 39 ALR (1925); accord, People v Fisher, 49 Cal 2d 442, 317 P2d 967 (1957); Bompensiero v Superior Court of San Diego County, 44 Cal 2d 178, 281 P2d 250 (1955). The information (headnote 15) within the knowledge of the officers at the time they arrived at the Kers' apartment, as California's courts specifically found, clearly furnished grounds for a reasonable belief that petitioner George Ker had committed and was committing the offense of possession of marijuana. Officers Markman and Warthen observed a rendezvous between Murphy and Ker on the evening of the arrest which was a virtual reenactment of the previous night's encounter between Murphy, Terrhagen and Sergeant Cook, which concluded in the sale by Murphy to Terrhagen and the Sergeant of a package of marijuana of which the latter had paid Terrhagen for one pound which he received from Terrhagen after the encounter with Murphy. To be sure, the distance and lack of light prevented the officers from seeing and they did not see any substance pass between the two men, but the virtual identity of the surrounding circumstances warranted a strong suspicion that the one remaining element—a sale of narcotics—was a part of this encounter as it was the previous night.

But Ker's arrest does not depend upon this single episode with Murphy. When Ker's U-turn thwarted the officer's pursuit, they learned his name and address from the Department of Motor Vehicles and reported the occurrence to Officer Berman. Berman, in turn, revealed information from an informer whose reliability had been tested previously, as [374 US 36] well as from other sources, not only that Ker had been selling marijuana from his apartment but also that his likely source of supply was Murphy himself. That this information was hearsay (Headnote 16) does not destroy its role in establishing probable cause. Brinegar v. United

States, 338 US 160, 93 L. ed. 1879, 69 S. Ct. 1302, supra. In Draper v. United States, 358 U.S. 307, 3 L. ed. 2d 327, 79 S. Ct. 329 (1959), we held that information from a reliable informer, corroborated by the agents' observations as to the accuracy of the informer's description of the accused and of his presence at a particular place, was sufficient to establish probable cause for an arrest without warrant. The corroborative elements in Draper were innocuous in themselves, but here both the informer's tip and the personal observations connected Ker with specific illegal activities involving the same man, Murphy, a known marijuana dealer. To say that this coincidence of information was sufficient to support a reasonable belief of the officers that Ker was illegally in possession of marijuana is to indulge in understatement.

Probable cause for the arrest of petitioner Diane Ker (Headnote 17), while not present at the time the officers entered the apartment to arrest her husband, was nevertheless present at the time of her arrest. Upon their entry and announcement of their identity, the officers were met not only by George Ker but also by Diane Ker, who was emerging from the kitchen. Officer Berman immediately walked to the doorway from which she emerged and, without entering, observed the brick-shaped package of marijuana in plain view. Even assuming that her presence [374 US 37] in a small room with the contraband in a prominent position on the kitchen sink would not alone establish a reasonable ground for the officers' belief that she was in joint possession with her husband, that fact was accompanied by the officers' information that Ker had been using his apartment as a base of operations for his narcotics activities. Therefore, we cannot say that at the time of her arrest there were not sufficient grounds for a reasonable belief that Diane Ker, as well as her husband, was committing the offense of possession of marijuana in the presence of the officers.

III

It is contended that the lawfulness of the petitioners' arrests, even if they were based upon probable cause, was vitiated by the method of entry. This Court, in cases under the Fourth Amendment (Headnote 18), has long recognized that the lawfulness of arrests for federal offenses is to be determined by reference to state law insofar as it is not violative of the Federal Constitution. Miller v. United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct 1190, supra; United States v Di Re, 332 US 581, 92 L ed 210, 68 S Ct 222 (1948): Johnson v United States, 338 US 10, 15, note 5, 92 L ed 436, 441, 68 S Ct 367 (1948). A fortiori, the lawfulness of these arrests by state officers for state offenses is to be determined by California law. California Penal Code, § 844,[9] permits peace officers to break into a dwelling place for the purpose of arrest after demanding admittance and explaining their purpose. Admittedly the officers did not comply with the terms of this statute since they entered quietly and without announcement, in order to prevent the destruction of contraband. The California District Court of Appeal, [374 US 38] however, held that the circumstances here came within a judicial exception which had been engrafted upon the statute by a series of decisions, see, e.g., People v Ruiz, 146 Cal App 2d 630, 304 P2d 175 (1956); People v Maddox, 46 Cal 2d 301, 294 P2d 6, cert den 352 US 858, 1 L ed 2d 65, 77 S Ct 81 (1956), and that the noncompliance was therefore lawful.

Since the petitioners' federal constitutional protection from unreasonable searches and seizures by police officers (Headnote 19) is here to be determined by whether the search was incident to a lawful arrest, we are warranted in examining that arrest to determine whether, notwithstanding its legality under state law, the method of entering the home may offend federal constitutional standards of reasonableness and therefore violates the legality of an accompanying search. We find no such offensiveness on the facts here. Assuming that the officers' entry by use of a key obtained from the manager is the legal equivalent of a "breaking," see Keiningham v United States, 109 App. DC 272, 276, 287 F2d 126, 130 (1960), it has been recognized from the early common law (Headnote 20) that such breaking is permissible in executing an arrest under certain circumstances.

See Wilgus, Arrest Without a Warrant, 22 Mich L Rev 541, 798, 800–806 (1924). Indeed, 18 USC § 3109,[10] dealing with the execution of search warrants by federal officers, authorizes breaking of doors in words very similar to those of the California statute, both statutes including a requirement of notice of authority and purpose. In Miller v United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct 1190, supra, this Court held unlawful an arrest, and therefore its accompanying search, on the ground that the District of [375 US 39] Columbia officers before entering a dwelling did not fully satisfy the requirement of disclosing their identity and purpose. The Court stated that "the lawfulness of the arrest without warrant is to be determined by reference to state law. . . . By like reasoning the validity of the arrest of petitioner is to be determined by reference to the law of the District of Columbia." 357 US, at 305, 306. The parties there conceded and the Court accepted that the criteria for testing the arrest under District of Columbia law were "substantially identical" to the requirements of § 3109. Id. 357 US at 306. Here, however, the criteria under California law (Headnote 21) clearly include an exception to the notice requirement where exigent circumstances are present. Moreover, insofar as violation of a federal statute required the exclusion of evidence in Miller, the case is inapposite for state prosecutions, where admissibility is governed by constitutional standards. Finally, the basis of the judicial exception to the California statute, as expressed by Justice Traynor in People v Maddox, supra (46 Cal 2d at 306), effectively answers the petitioners' contention:

"It must be borne in mind that the primary purpose of the constitutional guarantees is to prevent unreasonable invasions of the security of the people in their persons, houses, papers, and effects, and when an officer has reasonable cause to enter a dwelling to make an arrest and as an incident to that arrest is authorized to make a reasonable search, his entry and his search are not unreasonable. Suspects have no constitutional right to destroy or dispose of evidence, and no basic constitutional guarantees are violated because an officer succeeds in getting to a place where he is entitled to be more quickly than he would, had he complied with section 844. Moreover, since the demand and explanation requirements [374 US 40] of section 844 are a codification of the common law, they may reasonably be interpreted as limited by the common law rules that compliance is not required if the officer's peril would have been increased or the arrest frustrated had he demanded entrance and stated his purpose. (Read v. Case, 4 Conn. 166, 170 [10 Am. Dec. 110]; see Rest., Tort, § 206, com. d.) Without the benefit of hindsight and ordinarily on the spur of the moment, the officer must decide these questions in the first instance."

No such exigent circumstances as would authorize noncompliance with the California statute were argued in Miller, and the Court expressly refrained from discussing the question, citing the Maddox Case without disapproval. 357 U.S., at 309.[11] Here justification for the officers' failure to give notice is uniquely present. In addition to the officers' belief that Ker was in possession of narcotics, which could be quickly and easily destroyed, Ker's furtive conduct in eluding them shortly before the arrest was ground for the belief that he might well have been expecting the police.[12] We therefore hold that in the particular [374 U.S. 41] circumstances of this case (Headnote 24) the officers' method of entry, sanctioned by the law of California, was not unreasonable under the standards of the Fourth Amendment as applied to the States through the Fourteenth Amendment.

IV

Having held the petitioners' arrests lawful, it remains only to consider whether the search which produced the evidence leading to their convictions was lawful as incident to those arrests. The doctrine that a search without warrant may be lawfully conducted (Headnote 25) if incident to a lawful arrest has long been recognized as consistent with the Fourth Amendment's protection against unreasonable searches and seizures. See Marron v. United States, 275 U.S. 192, 72 L ed 231, 48 S Ct. 74 (1927); Harris v United States, 331 U.S. 145, 91 L ed 1399, 67 S Ct 1098 (1947); Abel v United States, 362 U.S. 217, 4 L ed 2d 668, 80 S Ct 683 (1960); Kaplan, Search and Seizure: A No-Man's Land in the Criminal Law, 49 Cal L Rev 474, 490–493 (1961). The cases have imposed no requirement that the arrest be under authority of an arrest warrant, but only that it be lawful. See Marron v United States, supra (275 U.S. at 198, 199); United States v Rabinowitz, supra (339 U.S. at 61); cf. Agnello v United States, 269 U.S. 20, 30, 31, 70 L ed 145, 148, 46 S Ct 4, 51 ALR 409 (1925). The question remains whether the officers' action here exceeded the recognized bounds of an incidental search.

Petitioners contend that the search was unreasonable in that the officers could practicably have obtained a search warrant. The practicability of obtaining a warrant (Headnote 26 and 27) is not the controlling factor when a search is sought to be justified as incident to arrest, United States v Rabinowitz, 339 US 56, 94 L ed 653, 70 S Ct 430, supra; (374 US 42) but we need not rest the validity of the search here on Rabinowitz, since we agree with the California court that time clearly was of the essence. The officers' observations and their corroboration, which furnished probable cause for George Ker's arrest, occurred at about 9 p.m., approximately one hour before the time of arrest. The officers had reason to act quickly because of Ker's furtive conduct and the likelihood that the marijuana would be distributed or hidden before a warrant could be obtained at that time of night.[13] Thus the facts bear no resemblance to those in Trupiano v United States, 334 US 699, 92 L ed 1663, 68 S Ct 1229 (1948), where federal agents for three weeks had been in possession of knowledge sufficient to secure a search warrant.

The search of the petitioners' apartment (Headnote 28) was well within the limits upheld in Harris v United States, 331 US 145, 91 L ed 1399, 67 S Ct 1098, supra, which also concerned a private apartment dwelling. The evidence here, unlike that in Harris, was the instrumentality of the very crime for which petitioners were arrested, and the record does not indicate that the search here was as extensive in time or in area as that upheld in Harris.

The petitioners' . . . remaining contention is that the discovery of the brick of marijuana cannot be justified as incidental to arrest since it preceded the arrest. This contention is of course contrary to George Ker's testimony, but we reject it in any event. While an arrest may not be used merely as the pretext for a search without warrant (Headnote 29), the California court specifically found and the record supports both that the officers entered the apartment for (374 US 43) the purpose of arresting

George Ker and that they had probable cause to make that arrest prior to the entry.[14] We cannot say that it was unreasonable for Officer Berman, upon seeing Diane Ker emerge from the kitchen, merely to walk to the doorway of that adjacent room.

We thus agree with the California court's holding (Headnote 30) that the discovery of the brick of marijuana did not constitute a search, since the officer merely saw what was placed before him in full view. United States v Lee, 274 US 559, 71 L ed 1202, 47 S Ct 746 (1927); United States v Lefkowitz, 285 US 452, 465, 76 L ed 877, 882, 52 S Ct 420, 82 ALR 775 (1932); People v West, 144 Cal App 2d 214, 300 P2d 729 (1956). Therefore, while California law (Headnote 31) does not require that an arrest precede an incidental search as long as probable cause exists at the outset, Willson v Superior Court of San Diego County, 46 Cal 2d 291, 294 P2d 36 (1956), the California court did not rely on that rule and we need not reach the question of its status under the Federal Constitution.

V

The petitioners state and the record bears out that the officers searched Diane Ker's automobile on the day subsequent to her arrest. The reasonableness of that search (Headnotes 32 and 33), however, was not raised in the petition for certiorari nor was it discussed in the brief here. Ordinarily "[w]e do not reach for constitutional questions not raised by the parties," Mazer v Stein, 347 US 201, 206, 96 L ed 630, 636, 74 S Ct 460 note 5 (1954), nor extend our review beyond those specific federal questions [374 US 44] properly raised in the state court. The record gives no indication that the issue was raised in the trial court or in the District Court of Appeal, the latter court did not adjudicate it and we therefore find no reason to reach it on the record.[15]

For these reasons the judgment of the California District Court of Appeal is

Affirmed.

ADDITIONAL SEPARATE OPINIONS

Mr. Justice Harlan, concurring in the result.

Heretofore there has been a well-established line of demarcation between the constitutional principles governing the standards for state searches and seizures and those controlling federal activity of this kind. Federal searches and seizures have been subject to the requirement of "reasonableness" contained in the Fourth Amendment, as that requirement has been elaborated over the years in federal litigation. State searches and seizures, on the other hand, have been judged, and in my view properly so, by the more flexible concept of "fundamental" fairness, or rights "basic to a free society," embraced in the Due Process Clause of the Fourteenth Amendment. [374 US 45] See Wolf v Colorado, 338 US 25, 27, 93 L ed 1782, 1785, 69 S Ct 1359;[16] cf. Rochin v California, 342 US 165, 96 L ed 183, 72 S Ct 205, 25 ALR2d 1396; Palko v Connecticut, 302 US 319, 82 L ed 288, 58 S Ct 149. Today this distinction in constitutional principle is abandoned. Henceforth state searches and seizures are to be judged by the same constitutional standards as apply in the federal system.

In my opinion this further extension of federal power over state criminal cases, cf. Fay v Noia, 372 US 391, 9 L ed 2d 837, 83 S Ct 822; Douglas v California, 372 US 353, 9 L ed 2d 811, 83 S Ct 814; Draper v Washington, 372 U.S. 487, 9 L ed 2d 899, 83 S Ct 774—all decided only a few weeks ago, is quite uncalled for and unwise. It is uncalled for because the States generally, and more particularly California, are increasingly evidencing concern about improving their own criminal procedures, as this Court itself has recently observed on more than one occasion (see Gideon v Wainwright, 372 US 335, 345, 9 L ed 2d 799, 806, 83 S Ct 792; ante, p. 736, and because the Fourteenth Amendment's requirements of fundamental fairness stand as a bulwark against serious local shortcomings in this field. The rule is unwise because the States, with their differing law enforcement problems, should not be put in a contributional straitjacket and also because the States, more likely than not, will be placed in an atmosphere of uncertainty since this Court's decisions in the realm of search and seizure are hardly notable for their predictability. Cf Harris v United States, 331 US 145, 175–181, 91 L ed 2d 1399, 1419–1422, 67 S. Ct 1098 (Appendix to dissenting opinion of Mr. Justice Frankfurter). (The latter point is indeed forcefully illustrated by the fact that in the first application of its new constitutional rule the majority finds itself equally divided.) And if the Court is prepared to relax Fourth Amendment standards in order to avoid unduly fettering the States, this would be in [374 US 46] derogation of law enforcement standards in the federal system—unless the Fourth Amendment is to mean one thing for the States and something else for the Federal Government.

I can see no good coming from this constitutional adventure. In judging state searches and seizures I would continue to adhere to establish Fourteenth Amendment concepts of fundamental fairness. So judging this case, I concur in the result.

Mr. Justice Brennan, with whom The Chief Justice, Mr. Justice Douglas and Mr. Justice Goldberg join.

I join Part I of Mr. Justice Clark's opinion and the holding therein that "as we said in Mapp . . . the Fourth Amendment 'is enforceable against . . . [the States] by the same sanction of exclusion as is used against the Federal Government,' by the application of the same constitutional standard prohibiting 'unreasonable searches and seizures.'" Only our Brother Harlan dissents from that holding; he would judge state searches and seizures "by the more flexible concept of 'fundamental' fairness, of rights 'basic to a free society,' embraced in the Due Process Clause of the Fourteenth Amendment."

However, Mr. Justice Clark, Mr. Justice Black, Mr. Justice Stewart and Mr. Justice White do not believe that the federal requirement of reasonableness contained in the Fourth Amendment was violated in this case. The Chief Justice, Mr. Justice Douglas, Mr. Justice Goldberg and I have the contrary view. For even on the premise that there was probable cause by federal standards for the arrest of George Ker, the arrests of these petitioners were nevertheless illegal, because the unannounced intrusion of the arresting officers into their apartment violated the Fourth Amendment. Since the [374 US 47] arrests were illegal, Mapp v Ohio, 367 US 643, 6 L ed 2d 1081, 81 S Ct 1684, 84 ALR2d 933, requires the exclusion of the evidence which was the product of the search incident to those arrests.

Even if probable cause exists for the arrest of a person within, the Fourth Amendment (Headnote 35) is violated by an unannounced police instrusion into a private home, with or without an arrest warrant, except (1) where the persons within already known of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within, made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted.

I

It was firmly established long before the adoption of the Bill of Rights that the fundamental liberty of the individual includes protection against unannounced police entries. "[T]he Fourth Amendment did but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim 'every man's home is his castle.'" Fraenkel, Concerning Searches and Seizures, 34 Harv L Rev 361, 365 (1921); Frank v Maryland, 359 US 360, 376–382, 3 L. ed. 2d 877, 887–891, 79 S. Ct. 804 (dissenting opinion). As early as Semayne's Case, 5 Co Rep 91a, 91b, 77 Eng Rep 194, 195 (1603), it was declared that "[i]n all cases when the King is party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the K[ing]'s process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors. . . .*" (Emphasis supplied.) Over a century later the leading commentators upon the English criminal law affirmed the continuing vitality of [374 U.S. 48] that principle. 1 Hale, Pleas of the Crown (1736), 583; see also 2 Hawkins, Pleas of the Crown (6th ed. 1787), c. 14, § 1; Foster Crown Law (1762), 320–321.[17] Perhaps its most emphatic confirmation was supplied only 35 years before the ratification of the Bill of Rights. In Curtis' Case, Fost, 135, 168 Eng Rep 67, decided in 1756, the defendant, on trial for the murder of a Crown officer who was attempting an entry to serve an arrest warrant, pleaded that because the officer had failed adequately to announce himself and his mission before breaking the doors, forceful resistance to his entry was justified and the killing was therefore justifiable homicide. In recognizing the defense the court repeated the principle that "peace-officers, having a legal warrant to arrest for a breach of the peace, may break open doors, *after having demanded admittance and given due notice of their warrant*"; the court continued that "no precise form of words is required in a case of this kind" because "[i]t is sufficient that the party hath notice, that the officer cometh not as a mere trespasser, but claiming to act under a proper authority . . . ." Fost., at 136–137, 168 Eng Rep. at 68. (Emphasis supplied.) The principle was again confirmed not long after the Fourth Amendment became part of our Constitution. Abbott, C. J., said in Launock v Brown, 2 B & Ald 592, 593–594, 106 Eng. Rep. 482, 483 (1819):

". . . I am clearly of opinion that, in the case of a misdemeanor, such previous demand is requisite. . . . It is reasonable that the law should be so; for if no § 374 US 491 previous demand is made, how is it possible for a party to know what the object of the person breaking open the door may be? He has a right to consider it as an aggression on his private property, which he will be justified in resisting to the utmost."[18]

The protections of individual freedom carried into the Fourth Amendment, Boyd v United States, 116 US 616, 630, 29 L ed 746, 751, 6 S Ct 524, undoubtedly included this firmly established requirement of an announcement by police officers of purpose and authority before breaking into an individual's home. The requirement is no mere procedural nicety or formality attendant upon the service of a warrant. Decisions in both the federal and state courts have recognized, as did the English courts, that the requirement is of the essence of the substantive protections which safeguard individual liberty.[19] The Court of Appeals for the District of Columbia Circuit has said: ". . . there is no division of opinion among the learned authors . . . that even where an officer may [374 US 50] have power to break open a door without a warrant, he cannot lawfully do so unless he first notifies the occupants as to the purpose of his demand for entry." Accarino v United States, 85 App DC 394, 400, 179 F2d 456, 462.

Similarly, the Supreme Judicial Court of Massachusetts declared in 1852:

"The maxim of law that every man's house is his castle . . . has not the effect to restrain

an officer of the law from breaking and entering a dwelling-house for the purpose of serving a criminal process upon the occupant. In such case the house of the party is no sanctuary for him, and the same may be forcibly entered by such officer after a proper notification of the purpose of the entry, and a demand upon the inmates to open the house, and a refusal by them to do so." Bernard V. Bartlett, 64 Mass (10 Cush) 501, 502, 503; cf. State v Smith, 1 NH 346.

Courts of the frontier States also enforced the requirement. For example, Tennessee's high court recognized that a police officer might break into a home to serve an arrest warrant only "after demand for admittance and notice of his purpose," McCaslin 1. McCord, 116 Tenn 690, 708, 94 SW 79, 83; cf. Hawkins v Commonwealth, 53 Ky (14 B Mon) 395. Indeed, a majority of the States have enacted the requirement in statutes Code § 844 and the federal statute, 18 USC § 3109.[20]

[374 US 51] Moreover, in addition to carrying forward the protections already afforded by English law, the Framers also meant by the Fourth Amendment to eliminate once and for all the odious practice of searches under general warrants and writs of assistance against which English law had generally left them helpless. The colonial experience under the writs was unmistakably "fresh in the memories of those who achieved our independence and established our form of government."[21] Boyd v United States, supra (116 US at 625). The problem of entry under a general warrant was not, of course, exactly that of unannounced intrusion to arrest with a warrant or upon probable cause, but the two practices clearly invited common abuses. One of the grounds of James Otis' eloquent indictment of the writs bears repetition here:

"Now one of the most essential branches of English liberty is the freedom of one's house. A man's house is his castle; and whilst he is quiet, he is as well [374 US 52] guarded as a prince in his castle. This writ, if it should be declared legal, would totally annihilate his privilege. Custom-house officers may enter our houses when they please; we are commanded to permit their entry. Their menial servants may enter, may break locks, bars, and everything in their way: and whether they break through malice or revenge, no man, no court, can inquire. Bare suspicion without oath is sufficient." Tudor, Life of James Otis (1823), 66–67.

Similar, if not the same, dangers to individual liberty are involved in unannounced intrusions of the police into the homes of citizens. Indeed in two respects such intrusions are even more offensive to the sanctity and privacy of the home. In the first place service of the general warrants and writs of assistance was usually preceded at least by some form of notice or demand for admission. In the second place the writs of assistance by their very terms might be served only during daylight hours.[22] By significant contrast, the unannounced entry of the Ker apartment occurred after dark, and such timing appears to be common police practice, at least in California.[23]

[374 US 53] It is much too late in the day to deny that a lawful entry is as essential to vindication of the protections of the Fourth Amendment as, for example, probable cause to arrest or a search warrant for a search not incidental to an arrest. This Court settled (Headnote 36) in Gouled v United States, 255 US 298, 305, 306, 65 L ed 647, 651, 41 S Ct 261, that a lawful entry is the indispensable predicate of a reasonable search. We held there that a search would violate the Fourth Amendment if the entry were illegal whether accomplished "by force or by an illegal threat or show of force" or "obtained by stealth instead of by force or coercion." Similarly, rigid restrictions upon unannounced entries are essential if the Fourth Amendment's prohibition against invasion of the security and privacy of the home is to have any meaning.

It is true, of course, that the only decision of this Court which forbids federal officers to arrest and search after an unannounced entry, Miller v United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct. 1190, did not rest upon constitutional doctrine but rather upon an exercise of this Court's supervisory powers. But that disposition in no way implied that the same result was not compelled by the Fourth Amendment.

Miller is simply an instance of the usual practice of the Court (Headnote 37) not to decide constitutional questions when a nonconstitutional basis for decision is available. See International Asso. of Machinists v Street, 367 US 740, 749, 750, 6 L ed 2d 1141, 1149, 1150, 81 S Ct 1784. The result there drew upon analogy to a federal statute, similar in its terms to § 844, with which the federal officers concededly had not complied in entering to make an arrest. Nothing we said in Miller so much as intimated that, without such a basis for decision, the Fourth Amendment would not have required the same result. The implication, indeed, is quite to the contrary. For the history adduced in Miller in support of the nonconstitutional ground persuasively demonstrates that the Fourth Amendment's protections include the security of the householder against unannounced invasions by the police.

II

[374 US 54] The command of the Fourth Amendment reflects the lesson of history that "the breaking an outer door is, in general, so violent, obnoxious and dangerous a proceeding, that it should be adopted only in extreme cases, where an immediate arrest is requisite." 1 Burn, Justice of the Peace (28th ed 1837), 275–276.

I have found no English decisions which clearly recognizes any exception to the requirement that the police first give notice of their authority and purpose before forcibly entering a home. Exceptions were early sanctioned in American cases, e.g., Read v Case, 4 Conn 166, but these were rigidly and narrowly confined to situations not within the reason and spirit of the general requirement. Specifically, exceptional circumstances have been thought to exist only when, as one element, the facts surrounding the particular entry support a finding that those within actually knew or must have known of the officer's presence and purpose to seek admission. Cf. Miller v United States, supra (357 US at 311–313). For example, the earliest exception seems to have been that "[i]n the case of an *escape* after arrest, the officer, on fresh pursuit of the offender to a house in which he takes refuge, may break the doors to recapture him, in the case of felony, without a warrant, and without notice or demand for admission to the house of the offender."[24] Wilgus, Arrest Without [374 US 55] a Warrant, 22 Mich L Rev 541, 798, 804 (1924). The rationale of such an exception is clear, and serves to underscore the consistency and the purpose of the general requirement of notice: Where such circumstances as an escape and hot pursuit by the arresting officer leave no doubt that the fleeing felon is aware of the officer's presence and purpose, pausing at the threshold to make the ordinarily requisite announcement and demand would be a supperfluous act which the law does not require.[25] But no exceptions have heretofore permitted unannounced entries in the absence of such awareness on the part of the occupants—unless possibly where the officers are justified in the belief that someone within is in immediate danger of bodily harm.

Two reasons rooted in the Constitution clearly compel the courts to refuse to recognize exceptions in other situations [374 US 56] when there is no showing that those within were or had been made aware of the officers' presence. The first is that any exception not requiring a showing of such awareness necessarily implies a rejection of the inviolable presumption of innocence. The excuse for failing to knock or announce the officer's mission where the occupants are oblivious to his presence can only be an almost automatic assumption that the suspect within will resist the officer's attempt to enter peacefully, or will frustrate the arrest by an attempt to escape, or will attempt to destroy whatever possibly incriminating evidence he may have. Such assumptions do obvious violence to the presumption of innocence. Indeed, the violence is compounded by another assumption, also necessarily involved, that a suspect to whom the officer first makes known his presence will further violate the law. It need hardly be said that not every suspect is in fact guilty of the offense of which he is suspected, and that not everyone who is in fact guilty will forcibly resist arrest or attempt to escape or destroy evidence.[26]

[374 US 57] The second reason is that in the absence of a showing of awareness by the occupants of the officers' presence and purpose, "loud noises" or "running" within would amount, ordinarily, at least, only to ambiguous conduct. Our decisions in related contexts have held that ambiguous conduct cannot form the basis for a belief of the officer that an escape or the destruction of evidence is being attempted. Wong Sun v United States, 371 US 471, 483, 484, 9 L ed 2d 441, 452, 453, 83 S Ct 407; Miller v United States, supra (357 US at 311).

Beyond these constitutional considerations, practical hazards and law enforcement militate strongly against any relaxation of the requirement of awareness. First, cases of mistaken identiy are surely not novel in the investigation or crime. The possibility is very real that the police may be misinformed as to the name or address of a suspect, or as to other material information. That possibility is itself a good reason for holding a tight rein against judicial approval of unannounced police entries into private homes. Innocent citizens should not suffer the shock, freight or embarrassment attendant upon an unannounced police intrusion."

Second, the requirement [374 US 58] of awareness also serves to minimize the hazards of the officers' dangerous calling. We expressly recognize in Miller v United States, supra (257 US at 313, note 12), that compliance with the federal notice statute "is also a safeguard for the police themselves who might be mistaken for prowlers and be shot down by a fearful householder."[28] Indeed, one of the principal objectives of the English requirement of announcement of authority and purpose was to protect the arresting officer from being shot as trespassers," . . . for if no previous demand is made, how is it possible for a party to know what the object of the person breaking open the door may be? He has a right to consider it as an aggression on his private property, which he will be justified in resisting to the utmost." Launock v Brown, 2 B & Ald 592, 594, 106 Eng Rep. 482, 483 (1819).

These compelling considerations underlie the constitutional barrier against recognition of exceptions not predicated on knowledge or awareness of the officers' presence. State and Federal officers have the common obligation to respect this basic constitutional limitation upon their police activities. I reject the contention that the courts, in enforcing such respect on the part of all officers, State or Federal, create serious obstacles to effective law enforcement. Federal officers have operated for five years under [374 US 59] the Miller rule with no discernible impairment of their ability to make effective arrests and obtain important narcotics convictions.

Even if it were true that state and city

police are generally less experienced or less resourceful than their federal counterparts (and the experience of the very police force involved in this case, under California's general exclusionary rule adopted judicially in 1955, goes very far toward returning any such suggestion,[20] see Elkins v. United States, 364 U.S. 206, 220, 221, 4 L ed 2d 1669, 1679, 80 S Ct 1437), the Fourth Amendment's protections against unlawful search and seizure do not contract or expand depending upon the relative experience and resourcefulness of different groups of law-enforcement officers. When we declared in Mapp that, because the rights of the Fourth Amendments were of no lesser dignity than those of the other liberties of the Bill of Rights absorbed in the Fourteenth, ". . . we can no longer permit . . . [them] to be revocable at the whim of any police officer who, in the name of law enforcement itself, chooses to suspend [their] . . . enjoyment,[21] 367 U.S. at 660—I thought by these words we had laid to rest the very problems of constitutional dissonance which I fear the present case so soon revives.[20]

III

[374 U.S. 60] I turn now to my reasons for believing that the arrests of these petitioners were illegal. My Brother Clark apparently recognizes that the element of the Kers' prior awareness of the officers' presence was essential, or at least highly relevant, to the validity of the officers' unannounced entry into the Ker apartment, for he says, "Ker's furtive conduct including them shortly before the arrest was ground for the belief that he *might well have been* expecting the police." (Emphasis supplied.) But the test under the "fresh pursuit" exception which my Brother Clark apparently seeks to invoke depends not, of course, upon more conjecture whether those within "might well have been" expecting the police, but upon whether there is evidence which shows that the occupants were in fact aware that the police were about to visit them. That the Kers were wholly oblivious to the officers' presence is the only possible inference on the uncontradicted facts; the "fresh pursuit" exception is therefore clearly unavailable.

When the officers let themselves in with the passkey, "proceeding quietly," as my Brother Clark says, George Ker was sitting in his living room reading a newspaper, and his wife was busy in the kitchen. The marijuana, moreover, was in full view on the top of the kitchen sink. More convincing evidence of the complete unawareness of an imminent police visit can hardly be imagined. Indeed, even the conjecture that the Kers "might well have been expecting the police" has no support in the record. That conjecture is made to rest entirely upon the unexplained U-turn made by Ker's car when the officers lost him after the rendezvous at the oil fields. But surely the U-turn must be disregarded as wholly ambiguous conduct; there is absolutely no proof that the driver of the Ker car knew that the officers were [374 U.S.61] * following it. Cf. Miller v. United States, supra (357 U.S. at 311); Wong Sun v. United States, supra (371 U.S. at 483, 484).

My Brother Clark invokes chiefly, however, the exception allowing an unannounced entry when officers have reason to believe that someone within is attempting to destroy evidence. But the minimal conditions for the application of that exception are not present in this case. On the uncontradicted record, not only were the Kers completely unaware of the officers' presence, but, again on the uncontradicted record, there was absolutely no activity within the apartment to justify the officers in the belief that anyone within was attempting to destroy evidence. Plainly enough, the Kers left the marijuana in full view on top of the sink because they were wholly oblivious that the police were on their trail. My Brother Clark recognizes that there is no evidence whatever of activity in the apartment, and is thus forced to find the requisite support for this element of the exception in the officers' testimony that, in their experience in the investigation of narcotics violations, *other* narcotics suspects had responded to police announcements by attempting to destroy evidence. Clearly such a basis for the exception fails to meet the requirements of the Fourth Amendment; if police experience in pursuing other narcotics suspects justified an unannounced police intrusion into a home the Fourth Amendment would afford no protection at all.

The recognition of exceptions to great principles always creates, of course, the hazard that the exceptions will devour the rule. If mere police experience that some offenders have attempted to destroy contraband justifies unannounced entry in *any* case, and cures the total absence of evidence not only of awareness of the officers' presence but even of such an attempt in the *particular* case, I perceive no logical basis for distinguishing unannounced police entries into homes *[374 U.S. 62] to make *arrests for any crime involving evidence of a kind which police experience indicates might be quickly destroyed or jettisoned. Moreover, if such experience, without more, completely excuses the failure of arresting officers before entry, at any hour of the day or night, either to announce their purpose at the threshold or to ascertain that the occupant already knows of their presence, then there is likewise no logical ground for distinguishing between the stealthy manner in which the entry in this case was effected, and the more violent manner usually associated with totalitarian police of breaking down the door or smashing the lock.[21]

My Brother Clark correctly states that only when state law "is not violative of the Federal Constitution" may we refer to state law in gauging the validity of an arrest under the Fourth Amendment. Since the California [374 U.S. 63] law of arrest here called in question patently violates the Fourth Amendment, that law cannot constitutionally provide the basis for affirming those convictions. This is not a case of conflicting testimony pro and con the existence of the elements requisite for finding a basis for the application of the exception. I agree that we should ordinarily be constrained to accept the state fact-finder's resolution of such factual conflicts.

Here, however, the facts are uncontradicted: the Kers were completely oblivious of the presence of the officers and were engaged in no activity of any kind indicating that they were attempting to destroy narcotics. Our duty then is only to decide whether the officers' testimony—that in their general experience narcotics suspects destroy evidence when forewarned of the officers' presence—satisfies the constitutional test for application of the exception. Manifestly we should hold that such testimony does not satisfy the constitutional test. The subjective judgment of the police officers cannot constitutionally be a substitute for what has always been considered a necessarily objective inquiry,[22] namely, whether circumstances exist in the *particular* case which allow an unannounced police entry.[23]

[374 US 64] We have no occasion here to decide how many of the situation in which, by the exercise of our supervisory power over the conduct of federal officers, we would exclude evidence, are also situations which would require the exclusion of evidence from state criminal proceedings under the constitutional principles extended to the States by Mapp. But when the conduct effecting an arrest so clearly transgresses those rights guaranteed by the Fourth Amendment as does the conduct which brought about the arrest of these petitioners, we would surely reverse the judgment if this were a federal prosecution involving federal officers. Since our decision in Mapp has made the guarantees of the Fourteenth Amendment coextensive with those of the Fourth we should pronounce precisely the same judgment upon the conduct of these state officers.

Mr. ERVIN. I am not going to belabor this decision at length. I do wish to emphasize again the fact that eight of the Justices of the Supreme Court—that is, Justice Clark and the three who concurred in his opinion and Justice Brennan and the three who concurred in his opinion—agreed that the obligation of an officer of the law to inform the occupants of the house of his presence and purpose, and to give them a reasonable time to admit him before breaking into the house, constitutes a part, and an integral part, of the fourth amendment.

Mr. President (Mr. MATHIAS), what I assert is the decision of these eight Justices is pretty well summarized in the opinion of Justice Brennan, in which he says:

Mr. Justice Clark, Mr. Justice Black, Mr. Justice Stewart, and Mr. Justice White do not believe that the Federal requirement of reasonableness contained in the Fourth Amendment was violated in this case. The Chief Justice, Mr. Justice Douglas, Mr. Justice Goldberg, and I have the contrary view. For even on the premise that there was probable cause by Federal standards for the arrest of George Ker, the arrest of these petitioners were nevertheless illegal, because the unannnounced intrusion of the arresting officers into their apartment violated the Fourth Amendment. Since the arrests were illegal, *Mapp* v. *Ohio*, 367 U.S. 643, 6th Law Edition 2d 1081, 81 Supreme Court Reporter 1684, 84 ALR 2d 933, requires the exclusion of the evidence which was the product of the search incident to those arrests.

Here is the crux of the opinion:

Even if probable cause exists for the arrests of a person within, the Fourth Amendment is violated by an unannounced police intrusion into a private home, with or without an arrest warrant, except (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within, made aware of the presence of someone outside (because for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that the escape or destruction of evidence is being attempted.

Justice Brennan proceeds and says these three exceptions, which he enumerates, only come into play from facts and circumstances known to the officer at the time he breaks in without announcing his presence or purpose. One of these is where the people in the house already know the officer is there—know his presence and purpose. There is no necessity in that case to give notice. Or where the officer knows, at the time he breaks and enters without notice, that someone in the house is in peril of bodily harm; or where, because they are made aware of the presence of someone outside the house, the officer knows from the activity inside the house at the time that the occupants of the house would escape or destroy evidence. Manifestly, an officer cannot know in advance whether these conditions exist.

Mr. President, the Lord's Prayer says: "Lead me not into temptation."

One of the arguments against the District of Columbia crime bill is that that provision of the crime bill violates the injunction of the Lord's Prayer and leads the officers of the law into a temptation to make false affidavits or to indulge in false prophecies, without any basis for them.

The provisions of the District of Columbia crime bill about search warrants are found in section 23–522, which appears on

page 160. In order to save time, I ask unanimous consent that section 23–522, as it appears on page 160 of the conference report, be printed in full at this point in the RECORD.

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

"§ 23–522. Applications for search warrants

"(a) Each application for a search warrant shall be made in writing upon oath or affirmation to a judicial officer.

"(b) Each application shall include—

"(1) the name and title of the applicant;

"(2) a statement that there is probable cause to believe that property of a kind or character described in section 23–521(d) is likely to be found in a designated premise, in a designated vehicle or object, or upon designated persons;

"(3) allegations of fact supporting such statement; and

"(4) a request that the judicial officer issue a search warrant directing a search for and seizure of the property in question.

The applicant may also submit depositions or affidavits of other persons containing allegations of fact supporting or tending to support those contained in the application.

"(c) The application may also contain—

"(1) a request that the search warrant be made executable at any hour of the day or night, upon the ground that there is probable cause to believe that (A) it cannot be executed during the hours of daylight, (B) the property sought is likely to be removed or destroyed if not seized forthwith, or (C) the property sought is not likely to be found except at certain times or in certain circumstances; and

"(2) a request that the search warrant authorize the executing officer to break and enter dwelling houses or other buildings or vehicles to be searched without giving notice of his identity and purpose, upon probable cause to believe that one of the conditions set forth in subparagraph (A), (B), or (D) of section 23–591(c)(2) is likely to exist at the time and place at which warrant is to be executed.

Any request made pursuant to this subsection must be accompanied and supported by allegations of fact supporting such request.

Mr. ERVIN. Section 23–591, which I have already mentioned, provides that an officer can break into a house without knocking, without advising the occupants of the house of his presence and purpose, and without giving them an opportunity to open the house to him, if the warrant expressly authorizes breaking and entering without such a prior announcement. How does an officer get a warrant such as that? The only way he can do it is to succumb to the temptation which is presented to him by section 23–522. So how does he get a warrant to authorize him to break in without notice of hearing? He has to apply for a search warrant. Of course, under the fourth amendment, his application must be supported by an oath of affirmation. It says that he can request that the search warrant authorize him to break and enter the house or building or vehicles to be searched without giving notice of his identity and purpose, if he has probable cause to believe that one of the conditions set forth in subparagraphs (a), (b), or (d) of section 23–591 is likely to exist at the time and place at which such warrant is to be executed. The provisions in subparagraphs (a), (b), and (d) of section 23–591 attempt to embody the exceptions to the announcement provisions of the fourth amendment as laid down substantially in the Ker case.

How does an officer who goes to get a search warrant from a U.S. judge or from a U.S. magistrate, miles away from the place he wants to search, know in advance that it is likely that at the time he undertakes to execute that search warrant miles away, one of these exceptions may exist. It says—and this is just an exercise, for all practical purposes, in linguistic hypocrisy—"Any request made pursuant to this subsection will be accompanied and supported by allegations or facts supporting such request."

How is an officer who goes before a judge to get a search warrant to search my apartment to know, when he gets to it hours later, that I am going to be attempting to dispose of some evidence, or feel that perhaps I am in imminent peril of bodily harm at the hands of some burglar to maintain as an exercise his privilege of an officer who has broken into my apartment? Or, how is he to know, when he goes up to a court building and gets an affidavit to search my apartment without knocking, that I am going to escape when he finally gets to the apartment at a subsequent time?

The truth is, he cannot know. There is no possibility of his knowing any of these things. So he goes and gets a search warrant, which he can only get on the basis of false prophecies; and no amount of sophistry can convert a false prophecy into a fact. Yet, to get the search warrant to enter a house, such as Mrs. Mallory's was entered, why he has to be able to establish the facts showing that at some subsequent time, things of which he is necessarily ignorant will be existing at the place where he undertakes to execute the search warrant.

The simple truth of it is that the no-knock provision of the bill leads U.S. magistrates and leads U.S. judges, who may be great law and order men in the most acceptable sense of that term, and law-enforcement officers, into the temptation to concoct false prophecies and foretell things that no human being on earth can foretell, in order to get what I call a spurious warrant.

I do not believe that the law should lead an officer of the law into the temptation to lie, but that is precisely what the no-knock provision of this bill would do, because it would authorize the issuance of a warrant to be executed at some future time without announcement of the officer's presence or purpose.

Mr. President, I should like to emphasize what Associate Justice Brennan had to say in this opinion. He pointed out that this rule, that an officer should announce his presence and purpose before entering the home of a citizen, was not only adopted to make the citizen's home his castle, but was also adopted for the protection of the officer of the law.

Mr. ALLEN. Mr. President, will the senior Senator from North Carolina yield to the junior Senator from Alabama at some convenient place?

Mr. ERVIN. I am happy to yield to the Senator right now.

Mr. ALLEN. It is the opinion of the junior Senator from Alabama that the distinguished senior Senator from North Carolina is the greatest living constitutional lawyer in the United States bar none.

Although the junior Senator from Alabama always enjoys the discussion by the distinguished senior Senator from North Carolina of any constitutional issue, or any point of law, he would like the distinguished senior Senator from North Carolina to recall the occasion when he was speaking against the no-knock provision in the drug control law, and he recited an argument made in a similar controversy, I believe, in the British Parliament where a similar provision was under discussion. I believe it possibly was the great William Pitt who said something about the sanctity and inviolability of the Englishman's home, that it was his castle.

I was very much impressed with the Senator's statement wherein he quoted William Pitt as saying that the elements could come into an Englishman's home, the rain, the snow, the sleet, but that the King of England could not.

Would the distinguished senior Senator from North Carolina refresh the recollection of the junior Senator from Alabama on that point?

Mr. ERVIN. Yes. I am delighted to do so. I was referring to a speech which William Pitt made in the House of Commons against the proposal of English officials who had been charged with the duty of collecting excise taxes on cider, that they believed they should have the right to enter the homes of people without apprising them of their presence or purpose; in other words, a no-knock provision back there was being advocated in the British Parliament.

In speaking in opposition to the proposal, William Pitt had this to say:

The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of the ruined tenement.

Mr. ALLEN. I would say to the distinguished senior Senator from North Carolina that is a great and stirring statement of the common law upon which the law of the various States in this country is based. Certainly that same argument would apply now just as it applied more than 200 years ago.

Mr. ERVIN. It would seem to be even stronger now because at that time people did have some veneration for the power of the King of England. The King was supposed to have some autocratic powers which our U.S. Constitution, of course, denies to our Government.

Mr. ALLEN. I thank the distinguished senior Senator from North Carolina and would like to recall to him that the junior Senator from Alabama followed his leadership in opposition to the no-knock provision in the drug control bill that was passed by the Senate, in voting against the no-knock provision; and he wishes to state that he wishes again to vote against the no-knock provision, that he feels it is obnoxious, that it is inadvisable, that it is unfair, that it would be dangerous for police officers, that it does invade the homes of our people, and he would like very much to be able to vote again against the no-knock provision.

Is there any way in which the junior Senator from Alabama will be able to vote against the no-knock provision and at the same time vote in favor of all other provisions of the bill?

Mr. ERVIN. The Senator from Alabama can do that in the event, and only in the event, the Senate rejects the conference report. The conference report cannot be amended.

The only way the Senator from Alabama can vote in that fashion is to vote against the conference report. In the event the conference report is rejected, he can then vote for the bill which has been introduced by 19 other Senators and me which will make law every provision of the conference report that is worthy of a place in any system of civilized justice.

Mr. ALLEN. Mr. President, under the parliamentary procedure then, as the Senator from North Carolina has explained it, there will be no opportunity to vote yes or no on the no-knock provision.

Mr. ERVIN. No. And I will say to the Senator that I am a very trusting person and I do not look unfavorably on other people. However, at the same time, this whole thing has been more or less strange.

The Senate has never yet been given an opportunity to vote up or down on any provision for preventive detention. The bill we passed that came from the House District Committee has no provision for preventive detention.

We have been conducting hearings in the Subcommittee on Constitutional Rights on the proposal of the administration and certain other proposals that preventive detention be made Federal law applicable through-

out the 50 States. But the Department of Justice, I suspect, came to the conclusion that Senators were not going to impose that. They might vote to impose preventive detention on the people of the District of Columbia, but they were not going to be willing to vote for preventive detention upon the people of their States.

After the Senate bill had passed the Senate without any preventive detention provision in it, it was sent to the House. There it slept and slept and slept for many weeks. Then suddenly, according to what Representative BROCK ADAMS of Washington—a man who entertains views similar to those of the Senator from Alabama and myself and who is not willing to sell the everlasting liberties of the American people for the purpose of some temporary thing like getting a few people in jail without being tried—testified before my committee that on the day the House passed the original bill, they had announced in advance that the only thing the House would consider was some provision to aid police officers.

On that day those who were opposed to preventive detention, assured that no preventive detention was being suggested, absented themselves from the committee in order to attend other official duties. And in their absence a representative of the Department of Justice came there and presented the recommendations of the Department of Justice in the form of a bill.

Under those circumstances it was adopted. The representative of the Department of Justice was the only man permitted to be heard on that subject before the District Committee. Those were the circumstances. It was put in the bill.

I might state that the bill as it came from the House so outraged the Members of the Senate that on the motion of the senior Senator from Maryland, it rejected the House bill by a unanimous voice vote.

It then went back to the House. Now we are being asked to swallow this thing lock, stock, and barrel, the no-knock provision and everything else, without ever being given the opportunity to vote on these things separately.

Why the House District Committee could not find anyone else except one representative from the Department of Justice to testify, I do not know. I, as chairman of the Subcommittee on Constitutional Rights, found literally hundreds of liberty-loving Americans who have been willing to appear or to write the Constitutional Rights Subcommittee to testify against preventive detention.

We are now told that unless we bow down obsequiously and permit all of these constitutional inequities to be perpetrated on the people of the District, we will not have any bill.

I hate to think that the House subcommittee is guilty of that kind of legislative inequity. They tell us that we have no right to exercise our intelligence but must swallow the medicine they have concocted over there on these matters no matter how distasteful it is, no matter how unconstitutional it is, no matter how unwise it might be, no matter how unfair it might be, and no matter how unworkable it might be.

I will not take any medicine like that. I think that my oath to support the Constitution of the United States requires me to stand on the floor of the Senate and fight for the preservation of the liberty of all people of the United States as guaranteed to them by the Constitution, whether they live in the District of Columbia or somewhere else.

Mr. ALLEN. Mr. President, I greatly admire the distinguished Senator from North Carolina. I appreciate his statement. I admire him for his ability, knowledge, and courage to stand here and speak out for his convictions and for the freedoms that the people of the United States are guaranteed under the Constitution.

The junior Senator from Alabama would welcome once again the opportunity of voting against the no-knock provision. He regrets that this issue is not going to be presented to the Senate so the Senate can meet it head on.

In that event, the junior Senator from Alabama would cast his vote against the no-knock provision which he regards as being an invasion of the liberties and freedom that the people are guaranteed under the Constitution.

Mr. ERVIN. Mr. President, I thank the Senator from Alabama. I would say that if I were not a trusting person who is not inclined to think evil of others, I might succumb to the temptation to believe there is a little bit of legal chicanery in the House committee, the House committee being aided and abetted by the Department of Justice. But being a trusting person who thinks no evil of another person, I will not make that accusation on the floor of the Senate.

But I will absolve any Member of the * * * any legislative chicanery did occur.

Mr. ALLEN. Mr. President, I commend the distinguished Senator from North Carolina on his trusting nature. However, having seen some of the legislative proceedings and enactments that take place here, it is doubtful that the junior Senator from Alabama would go as far as the distinguished Senator from North Carolina has gone in this connection.

Mr. ERVIN. Mr. President, in the future I may be wiser. I always hope to be wiser tomorrow than I am today. It may be that the next time I will follow that old proverb that says, "If you fool me once, it is your fault; if you fool me twice, it is mine."

Mr. ALLEN. Mr. President, it having happened three, four, or five times now, I wonder that the Senator can continue to be so trustful.

Mr. ERVIN. It is very difficult.

I thank the Senator from Alabama for his contribution to the argument. I further say that the Senator from North Carolina entertains a very high admiration for the Senator from Alabama.

The Senator from North Carolina has noted during the service of the Senator from Alabama in this body that the Senator from Alabama has never succumbed to the temptation to sell the constitutional truth to serve political allies.

Mr. ALLEN. I thank the distinguished Senator.

Mr. ERVIN. I know of no higher tribute I can pay any man than that, because sometimes that temptation is very strong, all of us being political animals.

Mr. ALLEN. I thank the Senator.

Mr. ERVIN. Mr. President, I was emphasizing what Justice Brennan emphasized in the Ker case, that this requirement that a police officer shall inform the occupants of a house of his presence and purpose before he enters and giving them an opportunity to open the house to him is designed to protect the officer and his life as well as to protect the occupants of the house in the enjoyment of their rights of privacy.

In the Ker case he pointed out this situation. He stated in his opinion:

It was firmly established long before the adoption of the Bill of Rights that the fundamental liberty of the individual includes protection against unannounced police entries. "[T]he Fourth Amendment did but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim 'every man's home is his castle.'" Fraenkel, Concerning Searches and Seizures, 34 Harv L Rev 161, 365 (1921); Frank v Maryland, 359 US 360, 376–382, 3 L ed 2d 877, 887–891, 79 S Ct 804 (dissenting opinion). As early as Semayne's Case, 5 Co Rep 91a, 91b, 77 Eng Rep 194, 195 (1603), it was declared that "[i]n all cases when the King is party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the K(ing)'s process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors . . .*" (Emphasis supplied.) Over a century later the leading commentators upon the English criminal law affirmed the [374 US 48] continuing vitality of "that principle. 1 Hale, Pleas of the Crown (1736), 583; see also 2 Hawkins, Pleas of the Crown (6th ed 1787), c. 14, § 1; Foster, Crown Law (1762), 320–321.[1] Perhaps its most emphatic confirmation was supplied only 35 years before the ratification of the Bill of Rights. In Curtis' Case, Fost, 135, 168 Eng Rep. 67, decided in 1756, the defendant, on trial for the murder of a Crown officer who was attempting an entry to serve an arrest warrant, pleaded that because the officer had failed adequately to announce himself and his mission before breaking the doors, forceful resistance to his entry was justified homicide. In recognizing the defense the court repeated the principle that "peace-officers, having a legal warrant to arrest for a breach of the peace, may break open doors, *after having demanded admittance and given due notice of their warrant*"; the court continued that "no precise form of words is required in a case of this kind" because "[i]t is sufficient that the party hath notice, that the officer cometh not as a mere trespasser, but claiming to act under a proper authority . . . ." Fost., at 136–137, 168 Eng Rep. at 68. (Emphasis supplied.) The principle was again confirmed not long after the Fourth Amendment became part of our Constitution. Abbott, C. J., said in Launock v. Brown, 2 B & Ald 592, 593–594, 106 Eng Rep. 482, 483 (1819):

This holding of the English law is the law in virtually every American common law jurisdiction. When the officer undertakes to enter the house of a person without announcing his presence and without announcing his purpose and without giving the person a reasonable opportunity to open the doors to him, he runs the risk of being killed by the householder who has the right to protect his home against what he understands to be unwarranted intrusion; and the killing of an officer under these circumstances under this decision and a multitude of decisions in this country, is justifiable homicide.

Congress, in the law of the United States, should not put officers in a position of running the risk of being justifiably killed in their efforts to enter homes of our citizens without acquainting those citizens of their presence and purpose.

The Supreme Court had occasion to talk about some of these things some time ago in the case of *McDonald* v. *United States*, 335 U.S. 451.

In that case a woman operated a boarding house. Some officers of the law began to suspect that some of her roomers were engaged in operating an illegal lottery. Instead of getting a search warrant they undertook to enter the house under the supposition that they had the right to arrest the people because they had eavesdropped outside and gotten enough to go in and had gotten enough to convince them that the roomers were operating an illegal lottery. They entered without notice and without acquaint-

[1] Hale's view was representative: "A man, that arrests upon suspicion of felony, may break open doors, if the party refuse upon demand to open them. . . ." 1 Hale, Pleas of the Crown (1736), 583. See generally Miller v United States, 357 US 301, 306–310, 2 L d 2d 1332, 1336–1338, 78 S Ct 1190; Accarino v United States, 85 App DC 394, 398–402, 179 F 2d 456, 460–464; Thomas, The Execution of Warrants of Arrest (1962), Crim L Rev 520, 597, 601–604.

ing the occupants of the house of their presence and purpose.

The man was tried and convicted and they offered in evidence the things they seized at that time. The Supreme Court reversed the conviction which occurred here in the District of Columbia, where these no-knock provisions are to be the law if this conference report is adopted. The Supreme Court reversed the conviction on the ground that the entry of the officers was illegal. The Court said:

"The right of privacy was deemed too precious to entrust to the discretion of those whose job is the detection of crime and the arrest of criminals. Power is a heady thing; and history shows that the police acting on their own cannot be trusted."

The Court said that was the reason the fourth amendment was written. They said:

"We cannot be true to that constitutional requirement and excuse the absence of a search warrant without a showing by those who seek exemption from the constitutional mandate that the exigencies of the situation made the course imperative."

Justice Jackson had something to say about exemptions occurring in circumstances like those. He said this in agreeing with the holding of the Court that this was an illegal search and seizure, in violation of the fourth amendment, in his concurring opinion, which appears on pages 457 to 461. I will read from his opinion on pages 460 and 461:

"I am the less reluctant to reach this conclusion—

Says Justice Jackson; that is, that it was an illegal search and seizure—

"because the method of enforcing the law exemplified by this search is one which not only violates legal rights of defendant but is certain to involve the police in grave troubles if continued. That it did not do so on this occasion was due to luck more than to foresight. Many homeowners in this crime-beset city doubtless are armed. When a woman sees a strange man, in plain clothes, prying up her bedroom windows and climbing in, here natural impulse would be to shoot. A plea of justifiable homicide might result awkwardly for enforcement officers. But an officer seeing a gun being drawn on him might shoot first. Under the circumstances of this case, I should not want the task of convincing a jury that it was not murder. I have no reluctance in condemning as unconstitutional a method of law enforcement so reckless and so fraught with danger and discredit to the law enforcement agencies themselves."

In other words, Justice Jackson intimates that this woman, seeing a man attempting to enter her house, would have been justified in shooting him, and he also intimates that if the officer, seeing her draw the gun to shoot him, shot her, the officer would be guilty of murder.

Why should the Congress of the United States adopt laws which, as Justice Jackson observed, are a discredit to law enforcement agencies and which are so reckless as this?

In other words, he talks about the woman seeing a man prying up her bedroom window and climbing in. Yet that is exactly what the no-knock provision of this law would authorize a law enforcement officer to do—to pry into the bedrooms of women in the District of Columbia. That is to be made legal. They could pry windows and do, as officers did in the lawyer's situation, break down the door with a sledgehammer if they did not want to enter quietly.

STATEMENT ON AMENDMENT TO REPEAL "NO-KNOCK" PROVISIONS

Mr. NELSON. Mr. President, approximately 30 years ago Supreme Court Justice Felix Frankfurter declared that "the history of liberty has largely been the history of observance of procedural safeguards."

That declaration embodies the essence of my reasoning in joining with Senator ERVIN in proposing an amendment to repeal the "no-knock" provisions of the Comprehensive Drug Prevention and Control Act of 1970 and the District of Columbia crime bill. These "no-knock" provisions authorize Federal narcotics agents and District of Columbia law enforcement officials to secure court warrants to forcibly enter an individual's home or office without first identifying themselves or the purposes for which they seek entry.

I opposed those "no-knock" provisions when the Senate debated and voted upon them in 1970. No argument has been advanced since then to make me question the soundness of that opposition. Indeed, quite the contrary. Subsequent experience and reconsideration of the law compel the conclusion that the "no-knock" provisions are unnecessary, dangerous, and unconstitutional.

To begin with, experience has demonstrated that the "no-knock" provisions are not at all necessary to the rigorous enforcement of Federal drug laws or District of Columbia criminal laws. In an interview on June 7, for example, Chief of Police Jerry V. Wilson stated flatly that he would not object to repeal of the "no-knock" provisions and that repeal of such provisions "would not effect the District of Columbia Metropolitan Police Department one way or another." In fact, the District of Columbia Metropolitan Police Department reported earlier that it has not used the "no-knock" authority at all since 1971. Similarly, although the Federal Government once used the "no-knock" authority regularly, more recent statistics indicate that the authority is invoked rarely today. Since June 1973, for instance, the Federal Government has invoked the authority only three times. In any event, as Senator ERVIN has pointed out, there is no reason why Federal narcotics agents and District of Columbia enforcement officials should be given broader police powers than the FBI, and other Federal enforcement officers who do not have access to "no-knock" authority.

Whatever the marginal utility of the "no-knock" provisions, it is far outweighed by the grave dangers which they pose to the fundamental and constitutionally guaranteed right to privacy. Numerous reports have documented how Government agents have abused the "no-knock" authority to break into homes and terrorize unsuspecting and even innocent individuals.

An exhaustive survey conducted by the New York Times in 1973 found, for example, that "innocent Americans around the country have been subjected to dozens of mistaken, violent, and often illegal police raids by local, State, and Federal narcotics agents in search of illicit drugs and their dealers." The Times article observed that the incidents underlie "an inherent danger in no-knock narcotics raids which were authorized for Federal agents by Congress in 1970." Reference to some of the incidents recounted by the Times should make that inherent danger clear to everyone:

A raid by Norfolk, Va., police on a home at 3 a.m. on May 24, 1972, was conducted pursuant to an "immediate entry" clause attached to a search warrant based on erroneous information from an informer. Because the resident was previously a burglary victim, she had a gun for personal protection. A patrolman was killed when the resident fired her revolver through her locked bedroom door as the police attempted to batter it down. There is no evidence that there were any drugs in the house.

On April 20, 1973, at 10:45 p.m. Chicago police dressed in civilian clothes broke down with a sledgehammer the back door of a home. The resident later noticed that her address had been written in on the search warrant after the original address had been scratched out. Because of the large volume of such warrants handled by the authorizing judge, it is unknown whether the change was made in his presence. But it is known that no evidence of drugs was found in the invaded house.

In Portsmouth, Va., on January 26, 1973, an apartment dweller was awakened by the sound of her door crashing in and confronted by a gun-carrying detective who handed her a warrant. As other officers searched for heroin, the woman pointed out to them that the warrant was issued for a different apartment.

The home of a Rochester, N.Y., family was mistakenly broken into by State troopers executing 22 warrants during a massive drug "roundup" on the morning of September 20, 1972. The family's address was obtained from the telephone company, supposedly matching a number the police had overheard during a wiretap. The homeowner thought the men were burglars and stated he would have fired if he had had a gun. One higher official of the State police termed the incident an "insignificant detail" in the context of the entire raid.

The "no-knock" provisions are dangerous not only because of the abuse of authority delegated to Federal agents; those provisions are equally dangerous, because they breed an official attitude which places Government agents above the law. In numerous cases Federal agents conducted "no-knock" raids without the required court warrant, apparently because they believed the warrants to be a procedural formality which they did not have to honor.

The Herbert Giglotto and Donald Ashew families of Colinsville, Ill., for example, were subjected to indiscriminate ransacking of their dwellings and verbal and physical abuse by Federal agents of the old Office of Drug Abuse Law Enforcement the night of April 23, 1973. The agents burst into the residences without warning and without warrants; they did not identify themselves until leaving. Not surprisingly, the Federal agents did not find any drugs; they had guessed the addresses of the residences to be searched. At a subsequent criminal trial, the agents were acquitted principally because the prosecutors failed to establish the agents' criminal intent. But the absence of criminal intent is of no solace to

the families which endured the terror of the agents' night raid.

The Washington Star of January 4, 1974, detailed another example of the dangerous consequences when Government agents engaged in surprise searches. On April 24, 1972, disguised agents of the old Bureau of Narcotics and Dangerous Drugs conducted a massive raid, by helicopter and by foot, on a mountain cabin in Eureka, Calif. The agents carried an arrest warrant—but not a "no-knock" warrant—to arrest a man believed to be dealing in drugs. Apparently the agents were primarily interested in combing the suspect's premises in search of a large "drug factory." The agents descended on the suspect's cabin without identifying themselves or their purposes. The frightened suspect fled from the unidentified invaders and was fatally shot in the back by an agent who claimed he mistakenly thought a fellow agent had been shot.

The "no-knock" provisions, and the official state of mind which they foster, are clearly at odds with principles of common law and the fourth amendment. According to early English law, the King's agents could not enter a citizen's home without first identifying themselves and their purposes. This fundamental principle was articulated as early as 1603 in *Semayne's Case*, 5 Co. Rep. 919, 916, 77 Eng. Rep. 194, 195 (1603), where an English court declared:

> In all cases when the King is a party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the King's process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors* . . . (Emphasis added.)

The principle was upheld by subsequent court decisions. But it received perhaps its most eloquent articulation in a statement by William Pitt in the House of Commons in 1766. The Commons was debating a proposal to allow the King's agents to enter an individual's home unannounced to collect an excise tax on cider. In opposing this proposal, Pitt made a forceful statement which warrants repetition here:

> The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of that ruined tenement.

It is unthinkable that a power denied to the King of England should be conferred upon Federal agents acting under our Constitution. In fact, the Constitution does not confer such power upon any government; it applies the same restrictions to which the King of England was subject.

These restrictions are embodied in the fourth amendment. That amendment states quite simply that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

The purpose of this amendment is clear and unequivocal. It protects an individual's privacy against unreasonable intrusions by the Government. As one legal commentator stated—

> [T]he Fourth Amendment did not but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim "every man's home is his castle." Fraenkel, "Concerning Searches and Seizures." 34 *Harv. L. Rev.* 361, 365 (1921).

As in the common law which first developed in England, the fourth amendment restrictions require that Government agents identify themselves and their purposes before executing any search. Enunciating the principle as understood by all but one of his colleagues, Supreme Court Justice William Brennan stated in *Ker* v. *California*, 374 U.S. 23, 49 (1963), that—

> [T]he protections of individual freedom carried into the Fourth Amendment undoubtedly included this firmly established requirement of an announcement by police officers of purpose and authority before breaking into an individual's home. The requirement is no mere procedural nicety or formality attendant upon the service of a warrant. Decisions of both the federal and state courts have recognized, as did the English courts, that the requirement is of the essence of the substantive protections which safeguard individual liberty.

Exceptions to this "firmly established requirement" occur only when Government agents are confronted with exigent circumstances immediately prior to the search. According to Justice Brennan, these exceptions are confined to cases:

> (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within, made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted. 374 U.S. at 47.

The circumstances which could justify any one of these exceptions obviously could not be known in advance; they could become known only when the Government agents attempted to execute a search.

In contrast, the no-knock provisions allow a court to make an advance determination that such exigent circumstances will exist and to give Government agents prior authorization to dispense with the announcement of identity and purpose before executing their search. This prior determination of exigent circumstances flies in the face of logic; and the waiver of the Government agents' announcement flies in the fact of rights protected by the Constitution.

By repealing the no-knock provisions, our amendment would leave intact the constitutional and common law principles concerning Government searches. Under those principles, as noted above, "no-knock" searches would be permitted, but only when exigent circumstances become known to Government agents immediately prior to their contemplated search.

Many years ago, Oliver Wendell Holmes observed that "the life of the law has not been logic; it has been experience." That observation is of obvious relevance to consideration of the amendment proposed today. For the experiences of the past few years have shown that the no-knock authority is a dangerous affront to the right to privacy guaranteed to every individual under the common law and the fourth amendment. The no-knock provisions condone the kind of Government behavior which inspired the American Colonies to revolt in 1776; and such provisions foster an official state of mind which makes the law's protection of individual privacy a meaningless gesture.

There should be no question, therefore, about the wisdom of repealing the "no-knock" provisions. This is particularly so since they have proved to be a rarely used enforcement tool of dubious utility. After considering the merits of this issue, I am hopeful that the full Senate, and ultimately the House as well, will concur in the need for this amendment

Mr. President, I ask unanimous consent to insert in the RECORD my 1970 statements opposing inclusion of the "no-knock" authority in the drug bill and the District of Columbia crime bill. I also ask unanimous consent to insert in the RECORD a New York Times article which exposes the dangers of the "no-knock" provisions.

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

OPPOSING NO-KNOCK AUTHORITY IN THE DRUG BILL

Mr. NELSON. Mr. President, no matter how artistically and eloquently the proponents of this measure defend the concept of no-knock entry, preventive detention, and the provisions for wiretapping, the fact of the matter is that the provisions do in fact compromise the constitutional rights of the people of this country, and the conference report ought to be defeated.

Mr. President, there can be no doubt that the increasing crime rate is one of the most serious domestic problems facing our country today. The latest statistics of the Federal Bureau of Investigation indicate that there has been a 13 percent increase in serious crimes in the first 3 months of 1970. This added burden of crime has fallen most heavily upon our cities.

Nowhere are the criminal statistics more appalling than in the Nation's Capital: 56,000 felonies reported in the District of Columbia in 1969; serious crime rising at almost double the national rate; reported felonies having increased 122 percent in the last 5 years. Thus it is apparent that the national commitment to reducing crime can best begin here in Washington, making the District of Columbia an example for the entire country.

S. 2601, the District of Columbia crime bill, which we are now considering, therefore, must be considered as a pilot program to demonstrate the Federal Government's fight on crime to all of the United States. With this expectation, the administration has already sent similar legislative proposals to Congress to apply provisions of S. 2601 to all Federal districts throughout the country.

The District of Columbia crime bill which emerged from conference contains many noncontroversial features that are badly needed in any vigorous system of effective law enforcement—in the District of Columbia and in every other Federal jurisdiction as well. This bill, as it now stands, also contains provisions which are so antithetical to the en-

tire history of American jurisprudence that their inclusion makes this legislation unacceptable.

The Senator from North Carolina (Mr. ERVIN) has ably and carefully documented the constitutional flaws in this legislation. While the bill provides for badly needed court reorganization, a strengthened District of Columbia Bail Agency, establishment of a public defender for the District, and the the adoption of an Interstate Compact on Juveniles, it is, in my judgment, totally compromised by the inclusion of such obnoxious features as preventive detention, no-knock entry, mandatory sentencing, broadened wiretapping authority, automatic mental commitment, changes in burden of proof in insanity pleas, procedures for the no-jury trial of multiple offenders, and expanded treatment of juvenile as adults.

It has been suggested that, because the valid and necessary features of this present bill outnumber the objectionable provision, the Senate should swallow its objections and approve the conference report as it stands. It has also been suggested that at some later time the courts can repair any violence done to the Constitution. This is a dangerous concept and ought to be summarily rejected by the Senate. It is also implied that preventive detention of persons charged with crime who may commit another crime, no-knock entry by policemen and unnamed assistants, and government eavesdropping are the prices that we must pay to reduce the crime rate.

I do not agree with these suggestions. There are alternate courses of legislative action which can be enacted in a short time and which will bolster law enforcement without objectionable erosions of constitutional guarantees. I also firmly believe that it is right and proper for the Senate to insist that anticrime proposals be consistent with long-standing American concepts of justice.

There are presently available three legislative proposals which offer effective means of giving the District of Columbia additional tools to prosecute law enforcement. I am referring to S. 4080 and S. 4081, introduced by Senator ERVIN and others as substitutes for S. 2601. These measures incorporate the worthwhile features of the court reorganization plan and changes in criminal law and procedure which was contained in the conference report on S. 2601.

The most needed and uncontroversial features of S. 4080 and S. 4081 include a new superior court which would take jurisdiction over all purely local civil and criminal cases with divisions of flexible size capable of adjusting to exact needs; a system of modern court management, with the centralization of nonjudicial, administrative duties in top-level court executives to invoke more efficient procedure that will clear away paperwork and other delays; substantial increase in judges with provisions for other means for expanding the city's judicial resources; a full-fledged public defender service for the District of Columbia, greatly expanding the size and scope of operation of the existing Legal Aid Agency; and expanded District of Columbia Bail Agency with the authority and manpower to keep a much closer watch on defendants released on bail; and restoration of the Senate's original Federal payment of $48 million to the District to carry out court reorganization and give substance to other crime programs, in particular, efforts to deal with narcotics addiction.

The third legislative proposal which would assist in reducing crime in the District of Columbia is S. 3936, the speedy trial bill. This measure would require each Federal District Court to provide trial within 60 days of indictment or information. The measure would also provide for additional penalties for crimes that are committed during pretrial release and would establish demonstration pretrial service agencies in five Federal districts, including the District of Columbia. In sum, S. 3936 provides a constitutional alternative to preventive detention.

These three bills are sensible anticrime measures for the District of Columbia which I have cosponsored and which I support as substitutes for S. 2601. In addition to exercising the questionable provisions infringing on citizens' constitutional guarantees, this legislation would give the District the additional money to begin to make a concerted effort against its No. 1 crime problem—narcotics. These substitute bills deserve expedited consideration and passage in place of the measure now before us.

Since this legislation will mainly affect an unrepresented minority within an unrepresented minority—the black residents of the District of Columbia—it is a proper duty and an obligation of this body to question and object to the infringements of citizens' protections under this bill. Furthermore, we must also consider the example which this bill is intended to make for law enforcement activities in all the States. This bill has vital implications for governmental conduct in every region of the country.

Mr. President, the affairs and activities of men and governments in this country have been controlled and guided for over 180 years by the U.S. Constitution. Its provisions have withstood the tests of time and relevance to an expanding nation. Thus we are the only country in the world that has sustained any form of government under one constitution for so long a period of time.

Over the years this Constitution and its Bill of Rights have faced stiff and critical challenges. This document has remained as the framework of government and the guardian of individual liberty through these tests only because men have taken the responsibility and the opportunity to defend the Constitution all through the continuing stresses and strains of this great and important experiment of man and government.

Today, the Senate is faced with a measure which makes specific attacks upon the rights guaranteed to all citizens by the fourth, fifth, sixth, and eighth amendments to the Constitution and traditional American concepts of justice. In particular, these attacks are embodied in the no-knock entry and preventive detention provisions of the District of Columbia crime bill.

First, the no-knock authority granted in the conference report is broader and less clear than the no-knock power permitted under the Griffin amendment, which I opposed, to the Drug Control Act, S. 3246, passed earlier this year. The language of the present no-knock provision in S. 2601 is therefore at variance with both previous legislative language in S. 3246, and with case law. It has been suggested that the provision merely codifies existing law. If this is so, then why is this provision necessary at all? Also, if existing law concerning no-knock is sufficient, then why has the Federal prosecutor for the District of Columbia claimed that he now cannot do what the new law would permit?

According to the conference report, a police officer needs only a low level of proof to obtain a no-knock warrant up to 10 days before it is to be used. A magistrate must rely upon an officer's judgment which can be far removed in time and place from the point of action. In addition, the use of the no-knock warrant in the conference report is not restricted to a specific category of crimes such as in S. 3246, the Drug Control Bill, where the no-knock provision can only be used in connection with narcotics felonies. Under S. 2601, no-knock could be used for anything from minor offenses to major felonies.

Under S. 2601, an officer may seek a no-knock warrant if he has probable cause that evidence is likely to be destroyed or an officer's life endangered. There is no reference to any certainty regarding the need for a no-knock warrant, only likelihood. This conjunction of "probable cause" and "likelihood," in effect, is a level of proof requiring only a contingent contingency and would allow an officer to conduct a no-knock search at will, or best, a reasoned conjecture.

A most curious part of the no-knock provision is that which extends no-knock authority to "any person aiding an officer" in the execution of this warrant. Who is this "any person aiding an officer?" Is he a passerby? Is he a vigilante? No need has been demonstrated for extending whatever right of unannounced intrusion there may be to private persons. Indeed, the language of the conference report leaves open the possibility of a self-labeled assistant breaking and entering alone on the barest suggestion from an officer or on the basis of what the aide alone interprets as an implied suggestion.

The Ker against California case decided by the Supreme Court established the current common law rules regarding no-knock searches. According to the best interpretation of this ruling, only "exigent circumstances" are sufficient for a no-knock entry. Exigent circumstances by their very nature can only be determined at the place where the search is to be conducted.

Thus the officer has to be at the scene where the search is to be executed before he can know whether a no-knock entry is justified. The words of the bill before us do not reflect this interpretation of the Ker case.

Finally, the present no-knock proposal raises the serious question of offending the fourth amendment which guarantees the right of people "to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures." There is no more important right secured by the Constitution, and no one has more eloquently stated the case against no-knock entry than William Pitt in debate in the House of Lords 204 years ago, when he stated:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshhold of that ruined tenement."

As if this no-knock provision is not offensive enough, the conference bill also contains a preventive detention provision. This provision introduces a new element to be considered in the release on bail of a person accused of a crime. Traditionally, the single issue to be considered in setting bail release conditions is the likelihood that the accused criminal will not appear for trial. Under the preventive detention provision, there is to be further determination as to whether pretrial release in noncapital criminal cases will affect the "safety of any other person or the community." This new factor makes far-reaching changes in the purpose and intent of bail procedures.

This new consideration is an outgrowth of the great concern to keep violent criminals off the street, that is, to prevent further crimes of physical violence before a criminal is incarcerated. The language of the conference bill, however, makes preventive detention applicable to a wide range of persons accused of both nonviolent as well as violent crime. Under the bill, not only can accused murderers, rapists, arsonists, and other perpetrators of physical violence be detained, but so can those accused of "taking or attempting to take property from another by force or threat of force" and those accused of "unlawfully entering or attempting to enter any premises adapted for overnight accommodation of persons or for carrying on business with the intent to commit an offense therein." This broadens the concept of preventive detention far beyond an intent to prevent further physical violence before trial and destroys the primary intent of release on bail to insure appearance at trial. Although

preventive detention may have been intended to be limited to crimes of violence, under this bill it is subject to use as a catch-all street cleaning mechanism for those accused of antisocial behavior.

Reference is made in this bill to placing the case of a person preventively detained on an expedited court calendar so as to make a swift test of guilt or innocence of the original charge a part of the process, as in the English system. But there is no assurance that the accused will receive a speedy trial within the original 60-day detention period, as the British system provides. Since consecutive periods of 60-day detention are allowed under this bill, an accused person can be incarcerated for an extended period of time without either release or without trial.

Preventive detention is contradictory to the due process clause of the fifth amendment, since the arrested person is deprived of his liberty on the basis of a probability that he will commit a future crime. This detention is made before and without conviction for the first criminal charge.

Preventive detention also interferes with a person's right of access to counsel and participation in obtaining evidence and witnesses in his own defense as guaranteed by the sixth amendment.

It also violates the eighth amendment prohibition against the use of excessive bail. The historical purpose of the amendment was to make certain that bail is used to insure appearance and not to penalize the accused before conviction. Thus, by implication, the eighth amendment guarantees a right to reasonable bail for noncapital cases.

The arguments which I have considered concerning the issues of no-knock entry into private homes, the preventive detention of accused criminals who may cause further crime, and other provisions of this bill, lead me to the conclusion that there is certainly probable cause that the individual rights of citizens of the District are not only likely to be impaired, but they will be impaired. This constitutional infringement is unacceptable.

I should also like to voice my opposition to the wiretapping provision in this conference bill. With the possible exceptions of national security and organized crime, I am opposed to any use of wiretapping and the invasion of privacy that occurs in a formalized government effort to intercept wire or oral communications. The authority for electronic surveillance given in S. 2601 goes far beyond the limitations of these exceptions when the list of offenses for which wiretaps are permitted reads: arson, blackmail, bribery, burglary, destruction of property of value in excess of $200, gambling, grand larceny, kidnaping, murder, obstruction of justice, receiving stolen property of value in excess of $100, robbery, extortion, and offenses involving dealing in narcotic drugs, marihuana, and other dangerous drugs. This extends the Government's ear far too far.

Mr. President, the issue before the Senate is not whether to do something about crime. Nor is the issue one of preserving the rights of criminals. The issue is how to take strong law enforcement actions consistent with the constitutional guarantees of all citizens.

The no-knock, preventive detention, and wiretapping provisions are not only objectionable on constitutional grounds, but they are repugnant to American traditions and values. One freedom we have always honored is the freedom from repressive governmental action. Freedom from the fear that our life, our liberty, or our property may be arbitrarily taken from us by the State is a founding proposition of this country.

Millions of our citizens or their forefathers came to settle in America to escape the repressive practices in their homeland. They have known the terrible fear of "the knock at the door in the middle of the night." In contrast the United States symbolized a country where people could live in personal security and free from any threat to the security of their household.

I must cast my dissent to any possibility that this security may be compromised in any way. We have protected well against the specter of the "knock in the middle of the night"—we must defend even stronger against the fear of the unannounced breaking down of any man's door.

Nowadays, any legislation traveling the legislative route under the umbrella of "crime control" automatically receives wide public acclaim. No one wants to raise doubts or questions or vote against any such bill, because the public reaction will be adverse.

Grave doubts are being privately expressed by many who will vote for this bill because they view it as too difficult to explain to their constituents. Everyone here was elected to uphold the Constitution—not compromise it. I, therefore, register my opposition to this measure by voting against it.

Mr. President, the Senate has an even stronger alternate legislative plank to fight crime in the District of Columbia. My support is for the alternate bills to the conference report—S. 4080, S. 4081, and S. 3936, providing speedy trial for those accused of crime.

Mr. STENNIS. Mr. President, every Member of this body, I am sure, and the people of the Nation, owe a debt of gratitude to the Senator from North Carolina (Mr. ERVIN) for the very fine exposition he has made of this troublesome and far-reaching question.

I, too, would like to support a sound bill. I am not indifferent to conditions in the District of Columbia. In a small way. I am a property owner here—of a home, at least. A member of my family has been a victim of some of the lawlessness here. So I am not indifferent to that. I am not a total stranger to law enforcement here.

I spent 5 active years as a district attorney. In that office I did everything from investigating to serving a grand jury. My duties included preparing indictments, advising, and consulting with the grand jury, presenting the evidence, and making arguments to the jury, handled many hundreds of felony cases. I am not boasting, but I got it in the "raw." It was my privilege to serve 10 years on the trial court bench as a circuit judge, with all kinds of criminal cases and with unlimited civil jurisdiction. I have no outstanding record, but I am not a stranger to this field and the problems that go with it.

I think we are planting seeds of great disappointment in this bill. In the first place, almost everyone has doubts about its constitutionality. When those who doubt the constitutionality of statutes rely on the courts to overturn them, that does more to undermine our Constitution than anything else I know of. I refer to those who believe that the question of constitutionality is purely one for the courts and not for the Congress or State legislatures.

Passing on, Mr. President, because I do not have time to argue this question fully—and many of these very questions have been ably presented by the Senator from North Carolina—the principal argument is that we should pass the bill to help the District of Columbia. I do not think there is any doubt that we are making admissions and lowering the standards of the administration of justice if we pass this bill and it is upheld. We are lowering the standards and we are doing it because the standards have already been lowered in the District of Columbia to the point where there is little effective enforcement of our criminal law. But this bill is not the remedy, just because we have let these conditions build up. This is no excuse to desert constitutional standards. I believe that these conditions were largely caused by the unfortunate changes in the laws of criminal justice by the Supreme Court of the United States in its interpretation of the Bill of Rights, such as in the Mallory case, and many others. This bill will not bring about a remedy in that field. It does not touch, topside or bottom, the constitutional questions involved.

Another question is the general widespread permissiveness we have let come about in the District of Columbia and many other places in the country to which it has spread. For years there has been no real will to enforce the criminal law. There has been no positive determination on the part of many of the officials. Bandits walk the policemen's beats. The policeman is ridiculed. He is criticized and blasted in public day after day. Furthermore, there is a certain type of permissiveness that has almost gotten out of hand. We should not let it go on. My point is, that condition has to be met by will and determination. Putting more laws on the books is not going to do it.

There may be a need for more judges, but my feeling is that some of the judges could put in more hours a day than they seem to put in. They could do more to pursue cases and know more about the sentences that are going to attach to those criminals than using the system now in use under which someone files some kind of report.

So I believe we are looking in the wrong direction. We want to do something for the District of Columbia, certainly—we also want to do something for the whole country. But I believe we are going to have to reform ourselves first by law enforcement, and developing the will to enforce the law that we already have.

There is no breakdown of criminal procedure, as I see it. As I say, we may need more judges. We may need more law. But I strongly back the Senator from North Carolina (Mr. ERVIN) when he offers us a law that will give immediate relief and bring matters more up to date. His proposal skips all these very highly questionable constitutional matters that are in the bill before us. There are good motives behind those who worked on them. I would not suggest anything. I praise them for the work they have done. But I believe we are going to make the people think that paradise is at hand. We will lead the people of America to believe that we have found the remedy; that we are going to apply it to the District of Columbia first; and then apply it to the rest of the Nation. There is going to be a serious breakdown and a lot of hollering and disappointment.

I think we can take the laws we have, plus the proposals of the Senator from North Carolina, and get a strong public sentiment behind law enforcement officers, and a strong public sentiment behind enforcement of the law and support for the courts.

I remember the old days when public opinion was the basis for support of law enforcement. We must have that to have the juries in the right frame of mind.

I am really disappointed, in getting into this important matter—and it is highly important—to find so little of the things that really would, in my humble opinion, afford us an appreciable remedy.

So I have grave doubts about it, in fact, I just do not believe some of these provisions are constitutional, and if those of us who believe that way are going to surrender and say, "Let the courts decide everything," then who else will stand up for these basic principles?

Another thing I find here, and I have checked somewhat, is that there is no punishment passed out, no real punishment provided for these offenses. In the District of Columbia we do not have enough houses of correction or houses of punishment, or places where the offender may feel a penalty of some kind—I do not mean excessive penalties, but in order for the offender to feel

the sting for having committed a crime. I believe that is the necessary remedy. We have always believed that, until recently. But some way, we have slipped into the idea that a man's background, or some other far-off reason, is to control, and he must be more or less protected instead of really punished. I say that is simply contrary to commonsense.

We have purse snatching because it is not unprofitable to snatch purses; and we have these felonies of burglary and larceny and stealing because it is not unprofitable. There is no sting of real punishment.

The Senator from Louisiana has stated that only 5 percent of those who are charged with felonies are ever punished. My goodness alive, if that is correct—and I assume it is—are we going to use that as the justification for the no-knock provision? I think we already have, in practical effect, most of this no-knock provision anyway.

DRUG CONTROL ACT

Mr. NELSON. Mr. President, on January 28, 1970, I joined with my Senate colleagues in unanimously approving S. 3246, the Controlled Dangerous Substances Act, better known as the Drug Control Act. While recognizing the necessity for a coordinated and unified Federal approach to the serious national problem of narcotics and dangerous drug control, I expressed grave reservations in January about one section of this legislation—the authorization for "no knock" entries which would allow law enforcement officers to enter premises without notice. Before voting for final passage of that bill, I cast my dissent against inclusion of "no knock" authority in three separate rollcall votes.

At the time of the Senate debate on the Drug Control Act in January, it was my conviction that whatever "no knock" authority may be permissible under the Constitution should be settled by the courts on a case by case basis rather than codified by statute which would, I think, be subject to serious administrative abuse.

"No knock" authority was included in the District of Columbia crime bill that was before the Senate this July. Although grave doubts were expressed by many over the wisdom and the justice of including "no knock" in the District of Columbia crime bill, there was apparently the feeling that it would be too difficult to explain this opposition to constituents. Furthermore, there was no necessity for an explanation since the reach of the District of Columbia crime bill would not touch home. My vote against "no knock" for District of Columbia was in the minority.

There are, however, some important distinctions between the issue before the Senate today and the issue that the Senate faced in July with the D.C. crime bill. First of all, this authority will not be restricted to an isolated unrepresented jurisdiction but will pervade every State in this Union. Second, it will not be necessary to vote against an entire bill in order to oppose this provision. There is no conference report that could be totally frustrated as was the argument on the D.C. crime bill. There is instead a simple and direct amendment which will delete this "no-knock" authority in this legislation on a national level and preserve the valid and necessary provisions of a much needed bill.

So the issue is rather direct and straightforward.

The issue is not whether to do something about drug abuse and law enforcement. Nor is the issue one of coddling criminals. The issue is how to guarantee strong law enforcement actions consistent with the constitutional guarantees of all citizens.

The fourth amendment of the Constitution guarantees the right of people in this country "to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures." There is no more important right secured by our Constitution and valued by our society.

The case against "no-knock" was eloquently stated by William Pitt in debate in the House of Lords:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of that ruined tenement."

William Pitt's statement was made 204 years ago. Today the issue is the same. There is a need to reaffirm the validity of his statement and the freedom from repressive and arbitrary governmental action. For this reason, I will again vote against "no-knock" authority. At the same time I will give my support to the other provisions of this bill and work to strengthen title I so as to provide for a balanced and coordinated attack upon drug and narcotics abuse that itself does not abuse constitutional prerogatives.

[From the New York Times, June 25, 1973]

VIOLENT DRUG RAIDS AGAINST THE INNOCENT FOUND WIDESPREAD

(By Andrew H. Malcolm)

WASHINGTON, June 24.—Innocent Americans around the country have been subjected to dozens of mistaken, violent and often illegal police raids by local, state and Federal narcotics agents in search of illicit drugs and their dealers.

An eight-week investigation by The New York Times—consisting of interviews with victims of the raids, policemen and narcotics agents—has shown that, contrary to published reports and some Government assertions, the recent illegal drug raids on two Collinsville, Ill., families were not isolated incidents.

In fact, during the last three years, mistaken raids have been made by narcotics agents on all government levels, often acting on uncorroborated tips.

Such incidents have resulted in at least four deaths, including one policeman slain when a terror-stricken innocent woman shot through her bedroom door as it burst open. In California one innocent father was shot through the head as he sat in a living room cradling his infant son.

Details of each raid vary, but generally they involve heavily armed policemen, arriving at night, often unshaven and in slovenly "undercover" attire, bashing down the doors to a private home or apartment and holding the innocent residents at gunpoint while they ransack the house.

A raid victim in Long Island has settled a damage suit with the Federal Government for $160,000. Similar suits are pending.

Sometimes the agents have warrants and identify themselves. Sometimes they do not.

Frequently, the raiding party is rude, abusive and, as in Collinsville, shouts obscenities at its terrified victims.

In Los Angeles a veteran police officer says mistaken raids occur once or twice a month. In Miami, complaints of police harassment on drug searches are so frequent that the Legal Services of Greater Miami can no longer handle the caseload.

Taken individually, the raids have been little noticed nationally, apparently because they were believed to be isolated aberrations or unfortunate but understandable errors as hard-pressed police forces sought to combat drug addiction, which President Nixon has called "Public Enemy No. 1."

In addition, the raids occurred in widely scattered areas. Often they involved lower-class families with little access to the media or to advice on possible legal recourse.

Some believe many families kept quiet for fear of reprisals by the agents or perhaps because in their hatred for drugs they condoned the tactics but not the locale.

"NO-KNOCK" LAWS

But taken together the mistaken raids paint a picture of strong-arm police tactics, shoddy or nonexistent pre-raid police investigation and the pressures and brutalizing impact on the police of constant contact with what they call "society's scum," the drug pusher.

The incidents also underline what some view as an inherent danger in "no-knock" narcotics raids, which were authorized for Federal agents by Congress in 1970. Some states have similar statutes.

Under these laws the police may obtain a special no-knock search warrant authorizing them to break into homes unannounced if there is probable cause to believe that the property sought can be quickly destroyed or disposed of or if giving notice of police presence could endanger an officer or other person.

To some observers such mistaken raids are just that—mistakes caused by an understandable mounting police frustration with the growing drug problem. They say that members of the more vocal middle class are now being subjected to rigorous police techniques that some allege some officers have long used in black communities.

To others, however, the mistaken raids signal the emergence of a dangerous climate of repression.

The drug raids on the homes of Herbert Giglotto and Donald Askew in Collinsville, Ill., occurred the night of April 23. Mr. Giglotto was asleep with his wife in their apartment when more than 15 poorly dressed men broke down two doors, handcuffed the Giglottos, held them at gunpoint, emptied drawers and closets, shattered pottery, threw a television set on the floor and shouted obscenities.

A half-hour later a similar event occurred across town at the Askews' modest home.

"CAVEAT VENDOR"

In both cases the men were agents of the Office for Drug Abuse Law Enforcement, an umbrella agency established in January, 1972, by President Nixon. Its motto is "Caveat Vendor."

In both cases the men were at the wrong address.

In both cases they had no search or arrest warrants.

In both cases they had no authority from their superiors for the raids. In both cases they did not identify themselves until well into the raid.

The agents, one of whom had been involved previously in incidents involving questionable force, have been suspended with pay but continue to perform limited duties while a grand jury investigates and the families sue.

Three days before the Collinsville raids, at 10:45 P.M. Mrs. Laura Smith heard a tapping on a window of her home on Chicago's tough South Side. Seconds later a sledgehammer came through the back door, she said. It was followed by four armed men in civilian clothes who ran through the house, she continued. They were Chicago policemen.

"They were looking for marijuana and some man named Will," recalls Mrs. Smith, who noticed that the search warrant was originally issued for 9763 South Oglesby, one block away from the Smiths' home at 9763 South Crandon. The original address was scratched off and that of the Smiths written in.

Circuit Court Judge Irvin Kipnis, who signed the warrant, said such changes must be made in a judge's presence, but he handles so many warrants these days that he could not recall if that procedure had been followed.

The Chicago police offered no explanation for the raid, nor did they pay for the broken

door. "Every time I hear a noise at night now," says Mrs. Smith, "I live it all over again." Her husband, James, is a Cook County deputy sheriff.

On Jan. 26 this year, Mrs. Anna Majette was asleep in her apartment at 1420 Barbour Drive in Portsmouth, Va. She heard a noise as her door crashed in.

She rose from bed and, she says, Frank Bonnewell, chief of Portsmouth detectives, stepped in front of her with a gun. "We've heard a lot about this house," he said.

The officer produced a search warrant. His men searched for heroin.

Then Mrs. Majette noticed that the warrant was issued for Apartment A and hers was Apartment J.

"Sorry," said the officer. And they left.

PHILADELPHIA INCIDENT

At a hearing later officers got to talking. "I was on a raid one time," one policeman recalled, "and we got the wrong house. We broke in, went upstairs to a bedroom and found a half-deaf and blind couple that didn't even know we entered the house."

On Jan. 24 in Philadelphia three off-duty patrolmen—John Chopak, James Haney and Harry Herr—were drinking in a bar near 40th and Market Streets when, they say, a patron said they could find narcotics in a nearby house.

According to a police investigation, the three men went to the house on Wiota Street, ransacked the house and beat three occupants. Not finding any drugs, they forced a passerby into the house and beat him too.

Then the patron took the officers to another house on Baring Street where they beat three other occupants. They found no drugs there either.

The policemen were suspended and arrested.

On Jan. 9 at 10 A.M. in Winthrop, Mass., 15 burly men armed with shotguns broke down two doors and burst into the William Pine residence.

The men did not identify themselves and wore no uniforms. They pushed the family to a couch. "Please don't kill us, please don't kill us," screamed 13-year-old Melody Pine.

"Just don't move," came the reply.

Mr. Pine, a night worker, awakened upstairs to face several gun barrels. The men asked his name. "William Pine," he replied.

The men looked at each other and raced from the house. They were state and Federal narcotics agents, it was learned later. And they wanted the green house at 30 Underhill Avenue, not the Pines' green house at 32 Underhill.

"I didn't know police operated like that in America," said Mrs. Pine.

At 6 A.M. Sept. 20, 1972, the James R. Herman family of Rochester, N.Y., was awakening. Suddenly the door jamb splintered under the weight of four men.

They ordered Mrs. Herman from the bathtub, threatened the family's barking dogs and searched the house. "If I'd had a gun," said Mr. Herman, "I'd have fired. I thought they were burglars."

They were not. They were state troopers, part of a force executing 22 search warrants in a Monroe County drug round-up. But they were at the wrong house.

The police said they had overheard a telephone number during a wiretap and when they had called the Rochester Telephone Corporation to get an address for it, their service representative gave them 3 Audubon Street.

It was the Hermans' address but not their telephone. The police apparently never checked the address further.

Smashing into the wrong house, added Capt. Richard Bolan of the state police, was an "insignificant detail" in what was "one hell of a raid."

In Norfolk, Va., at 3 A.M. May 24, 1972, Mrs. Lillian Davidson, a previous burglary victim, heard someone breaking into her house at 812 Lancaster Street. Then someone began to batter down her locked bedroom door.

SHOT THROUGH DOOR

She grabbed a .32-caliber revolver and shot through the door.

The bullet pierced the chest of Patrolman Lewis W. Hurst, Jr., the 22-year-old son of the head of the Norfolk Police Department's narcotics squad. He died minutes later.

The police arrested Mrs. Davidson. They were looking for 2,400 parcels of heroin that an informer, a former drug addict, had said were there. They were not.

The police said it had been an error by the young informer and released Mrs. Davidson. The agents acted on an "immediate entry" clause added to the search warrant. The clause, said Lawrence Wallace, assistant commonwealth attorney, is unwritten common law that dates back to Virginia's founding.

On April 24, 1972, local policemen and agents of the Bureau of Narcotics and Dangerous Drugs moved on the mountain retreat of 24-year-old Dirk Dickenson near Eureka, Calif., to seize a "giant lab" producing drugs.

Arriving on foot with dogs and in a borrowed helicopter, the agents, who were not in uniform and did not identify themselves, assaulted the cabin with rifles and hand guns. Apparently frightened and baffled, Mr. Dickenson ran toward the woods.

An agent, Lloyd Clifton, shot him in the back as he fled. Mr. Dickenson died. It is a violation of bureau rules to shoot at fleeing suspects. No "giant lab" was found.

The United States Attorney in San Francisco said there had been no civil rights violations and the killing had been justifiable homicide.

On Feb. 5, 1973, Mr. Clifton was indicted by a Humboldt County grand jury for second-degree murder, and involuntary manslaughter. The Federal Government hired a special defense attorney for Mr. Clifton. The lawyer, James McKittrick, seeks to have the charges dismissed.

Mr. Clifton continues his duties.

SECOND CALIFORNIA DEATH

Mrs. Adelina Garcia has sued Los Angeles and Riverside County for $750,000 for the shooting death of her husband, Francisco, by the police on a drug raid at a ranch near Indio on May 12, 1971.

The police said Mr. Garcia had ignored commands to stop his truck. They shot him and wounded his wife. A substantial cache of marihuana was discovered on the ranch, but Mr. Garcia was never implicated in the narcotics operation.

Here in Washington on May 2, 1970, seven policemen, only one in uniform, broke into Miss Lauretta Whitney's home on Newton Street, knocked her down and ransacked the apartment in search of illegal narcotics. They found none.

The address on the warrant came from a trusted informant, the city police said, but now that Miss Whitney is suing for $100,000 damages, officials say they have no idea where the informer is.

"We're also considering a class action suit," said Mrs. Florence Isbell of the local American Civil Liberties Union as she leafed through files with more than 20 similar cases.

On Oct. 3, 1969, a number of state and local narcotics agents in Whittier, Calif., drank beer and highballs for two hours in a local bar as they awaited completion of search warrants for a drug raid on Apartments B and D at 8033 South Comstock.

However, they initially entered the apartment of Mrs. Florence Mehan at 8031 South Comstock. Realizing their mistake, the agents went upstairs to the correct address.

Drawn by the commotion, Mrs. Mehan's son-in-law, Heyward Henry Dyer, 22, and his 22-month-old son, Francis, went to the Mehan apartment.

Suddenly, a bullet crashed through the ceiling. It pierced Mr. Dyer's skull, killing him instantly.

The shot came from an AR–15 military rifle, which one of the agents upstairs, Sgt. Frank Sweeney, was not authorized to carry. He said it had fired accidentally.

No one in that upstairs apartment was arrested. A coroner's jury decided that Mr. Dyer died by criminal means, but the district attorney's office declined to prosecute.

Sergeant Sweeney, among others, was later suspended from duty without pay for a time.

Three weeks ago a court awarded the family $900,000 damages.

COMPLEX REASONS

The reasons behind these mistaken raids are varied and complex. But they are tied intimately to the veritable explosion of Government drug enforcement activities in recent years.

At its formation in 1968 the Bureau of Narcotics and Dangerous Drugs, the main Federal arm against drugs, had 615 agents and a $14-million budget. Now it has 1,568 domestic agents and a $74-million budget. On July 1, a new Drug Enforcement Administration will absorb most of the Federal efforts, including the bureau. These efforts cost about $245-million a year.

With its sudden growth, the bureau has had to do some fast recruiting. "A majority of our people come to us right out of college" said Richard Pirich, administrative officer for the National Training Institute, the bureau's training arm, "and some of them have law enforcement experience."

The institute runs a 10-week school for new agents and hundreds of local policemen, with 600 hours of instruction, including 26 hours on due process and the Constitution's Fourth Amendment, which prohibits "unreasonable searches and seizures." But apparently attendance is not required, some agents involved in mistaken raids had not taken the course.

The raids are frightening for both raided and raider. The tactics are based in part on the theory that a sudden, overwhelming display of police force will quash any thought of resistance and secure evidence before it can be disposed of.

"You have to go in with the idea that this guy is going to fight," said Clyde Charles, an agent who asked that his real name not be used. "He's always being shaken down by other pushers. So you figure you'll be staring down a gun barrel."

"I've been on 200 or so raids," he continued, "and the no-knock is the scariest. You ask yourself what would you do if your door came crashing down at 3 a.m. and you had a gun. You'd let go, right? Personally, I think the danger might outweigh the value."

Officials of the bureau, which works against big-time pushers, say they have executed "two or three" no-knock raids: officials for the Office of Drug Abuse Law Enforcement, which concentrates on smaller drug dealers, say they have done "about 100".

But the agents themselves admit to some "funny business" regarding the requirement to announce themselves on other than no-knock raids. "You might whisper, 'Open up! Police.' " one said, "or you could yell it the instant before you hit the door."

Another drug official added: "It's hard for outsiders to set a normal standard of behavior. You can't ask an agent to spend three months on a case and then expect him to announce himself politely and listen to every toilet on the floor flush away the evidence. You have to be a saint to do that."

Another agent said, "If you spend weeks undercover, living in a hole and dealing with drug people, your whole life-style changes

and perhaps your morals, too. Sometimes there's a thin line between the hunted and the hunter."

"This is dirty scummy work," said Myles J. Ambrose, head of the Office of Drug Abuse Law Enforcement. "You see these vermin selling drugs and what they do to people and our cities and you get sickened and angry and perhaps you take your hostilities and frustrations out on some guy's bookcase. It's not right. But how are you going to prevent it?"

S. 3280—EXPORT ADMINISTRATION ACT AMENDMENT

AMENDMENT NO. 1489

(Ordered to be printed, and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. PROXMIRE. Mr. President, today I am submitting an amendment to the Export Administration Act which will require a congressional vote on sending nuclear technology to any foreign country.

Under present law, the President's proposed agreements with any country involving the transfer of nuclear technology could go into effect without any vote in Congress. Only a 60-day waiting period is required.

The authority for such a transfer is provided in the Atomic Energy Act of 1954. Basically that law states that the Atomic Energy Commission must submit the proposed agreement with any foreign country to the President along with its conditions, terms, and guarantees. The President then must approve and authorize the execution of the proposed agreement for cooperation and determine that it will not constitute an unreasonable risk to the common defense and security of the United States.

The proposed agreement then is submitted to the Joint Committee on Atomic Energy for a period of 30 days while Congress is in session. The committee, however, may decide to waive the 30-day requirement and is authorized to do so.

The last requirement is that the proposed agreement for cooperation is submitted to the Congress, referred to the Joint Committee on Atomic Energy, and must remain here for a period of 60 days after which it goes into effect.

Only if both Houses of Congress pass a concurrent resolution stating, in substance, that they do not favor the proposed agreement, will the agreement die.

Under my amendment, no nuclear technology, nuclear materials, or associated equipment could be sent to any country until both Houses of Congress give approval in a vote.

This amendment will force Congress to deal with the extraordinary questions raised by proposed agreements such as with the recently announced negotiations with Egypt and Israel.

In that particular case there are a number of items that need to be explained in full to the Congress including:

The safeguards required by the United States and the International Atomic Energy Agency.

What provisions are made to prohibit the diversion of plutonium necessary for making nuclear weapons?

Why Egypt and Israel have not signed the Nuclear Non-Proliferation Treaty?

The possibilities of terrorist acquisition of radioactive materials in the volatile Middle East.

The pressures created for other Middle East countries to obtain similar technology.

Will Egypt and Israel agree not to establish plutonium reprocessing plants?

Are prior U.S. agreements with 29 countries for research and power reactors in jeopardy of unauthorized use?

How can the Nuclear Non-Proliferation Treaty be strengthened?

With such momentous issues as yet unresolved, the Congress cannot stand by and allow this proposed agreement to go into effect without an expression of support or denial.

At the present time Congress can take no action and the President's authority is unchecked. The Proxmire amendment will force Congress to take a positive action every time the President asks far authority to give nuclear technology to another country.

Right now, if the Senate voted againt a proposed agreement but the House of Representatives supported it or took no action, the agreement would go into effect. Or conversely, a handful of Senators could keep the Senate from voting on the issue after the House had disapproved it and the measure would become law. It takes a vote of both Houses in the negative now to stop the transfer of such technology.

It is much more prudent and consonant with the powers inherent in Congress if this legislative body took positive action by a required vote every time this situation came up. To legislate and give approval in foreign affairs by refusing to act or by a lack of attention is not only poor oversight but bad procedure.

Therefore I hope that the Senate will recognize the principle involved here of allowing each Member to express his view by his vote on the critical question of exporting nuclear technology.

Maybe there is a great merit in the proposal of the President. Certainly we will hear that argued.

Maybe there is great risk in the proposal. Some Members have expressed reservations along this line.

In any event to decide the merits of this issue by inaction is a perversion of our responsibilities. The burden of proof, the compelling arguments must be made for any such agreement and the Senate must be able to express its will in a positive, straightforward manner easily recognized by the people we represent back home.

This amendment is attached to the Export Administration Act since it is not only germane to the provisions of that bill governing exports but also will allow the Congress to begin debating the merits of the current proposals before us.

That bill, I expect, will be before the Senate within a few days.

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

Mr. PROXMIRE. I am pleased to yield to the distinguished Senator from Alaska.

Mr. GRAVEL. This amendment will require that Congress give approval before the export of this technology takes place?

Mr. PROXMIRE. The Senator from Alaska is correct.

Mr. GRAVEL. Mr. President, I would be honored to be a cosponsor of the amendment, if my colleague from Wisconsin would be willing to add my name.

Mr. PROXMIRE. I would be delighted and honored to do so.

Mr. GRAVEL. There is no question in my mind that this should be done. Up until the President's recent announcement, the proliferation of nuclear capability around the world was a "no-no." This was an integral part of our policy: that as a nation, we were opposed to the proliferation of nuclear capability.

Now, giving nuclear capability to the Arab world and to the Israeli community—an area where they have untold quantities of oil—is unnecessary. They do not need this capability to generate power. They have more capability for commercial power than any other place in the world.

What would be the reason for giving them this nuclear capability, other than to give them the ego trip of being a member of the nuclear club of the world? That ego trip is much too dangerous. The peace that may be wrought as a result of this process could be so flimsy that we could have only a respite before a holocaust.

I hope this subject will receive the dialog it should. The only device I know of now that can bring this about is the amendment of the Senator from Wisconsin.

I want to applaud the Senator from Wisconsin for his leadership in this area. I have been disappointed that the Senate has not acted before now. But this is a sound way to do it. I associate myself with his remarks. We in Congress either have the responsibility or we do not.

Mr. PROXMIRE. Mr. President, I thank the Senator from Alaska very much. He has put his finger exactly on the right point. I know that the administration is completely sincere and that they feel there are ample safeguards and no additional dangers on the basis of the agreement that they have, on the basis of present law. They may be right. But this kind of amendment will enable the Senate to debate the issue as to exactly what the safeguards are so that we will know and the public will know. There is an enormous amount of concern in the country about this, and it is an understandable concern. I feel very strongly that this kind of additional safeguard is necessary. I may be wrong, but at least it will give us the opportunity to determine precisely what the safeguards are.

Mr. ERVIN. Mr. President, I should like to commend the Senator from Wisconsin on the wisdom of his proposal and ask him to make me a cosponsor as well. I think we need to reclaim some of the powers which Congress has lost in this field. I have a bill which was reported by the Subcommittee on the Separation of Powers that deals with this incidentally but we have witnessed, in practice, of late

years, the President's making executive agreements all around the face of the Earth and they never come to Congress in the form of treaties.

I have a bill in the Judiciary Committee which I hope will be reported and passed by Congress to the effect that except in cases where the President is authorized by the Constitution or by a prior act of Congress, or a prior treaty which has been ratified by the Senate, the President must report all executive agreements that he makes to the Congress so that the agreements may be vetoed by either House of Congress within a 60-day period if necessary to do so.

I see no other way to reclaim the power of Congress, at least in foreign affairs, because, as a matter of fact, Congress, by reason of the power of the purse, is so frequently called upon to implement executive agreements which Congress has had no voice in making.

I, therefore, want to commend the Senator from Wisconsin for his proposal and to say that I think it certainly should be made into law.

Mr. PROXMIRE. I think the Senator for his remarks. I am delighted to have the chance to add his name as a cosponsor of my amendment.

Mr. HART. Mr. President, I would also ask that I be made a cosponsor of the Senator's amendment. Quite aside from the broad question of whether this is an area where appropriately the judgment of Congress should be exercised, this is the point the Senator from North Carolina (Mr. ERVIN) so long has insisted on.

I would ask the Senator from Wisconsin if a much narrower issue also is not involved, forgetting for a moment that we are proposing to introduce nuclear energy into areas, some of which, relatively, have very little technological skill. Is it not true that there is an increasing concern here at home, where we like to think that our technology is of a very high order and that the more we site nuclear energy plants, the greater is the risk that a mistake may destroy us all.

Is it not true that, right now, in developing and understanding the technology which we are supposed to export, even here in our own hands, where our scientific levels are relatively high, is an extremely risky undertaking indeed; but we are exporting that which is a greater risk than any society has ever undertaken in all of history. Are we not now proposing as a favor to give even less skilled nations this kind of exposure?

Mr. PROXMIRE. The Senator is absolutely correct. What we have done in the present law is to provide in the Price-Anderson legislation an insurance policy for those who establish nuclear plants which they could not get in the commercial market because the risk is so great that the commercial insurers would not provide it, they could not afford to provide it, it is too big a risk to provide it. By limiting the risk by law, we have instituted an artificial situation which has enabled the nuclear power people to move ahead and do so in a way which they could not do if we permitted the market to establish its own limits on risk.

The Senator from Alaska (Mr. GRAVEL) has taken the lead in this, as the distinguished Senator from Michigan knows. He has been on top of the Price-Anderson legislation for a long time.

Mr. GRAVEL. Mr. President, the Senator will remember that I sent a letter to all our colleagues covering a moratorium on development until we know that we can solve some of the critical problems, such as waste and safety. If we look at it with an objective eye, I would have to say, thus far, that the promise of commercial nuclear use or the peaceful use of the atom have not been so glorious. So it seems odd that we are all so taken by this.

We are exporting something that has not even worked well in the United States. We are just beginning to have a national reaction to what we have done.

Mr. PROXMIRE. That is why the Senator from Michigan's point is so well taken. With our technology and our sophisticated efforts to protect ourselves, that is one thing. Maybe we can and maybe we cannot. But to expect a country with a rudimentary technology to provide protection of the quality we can provide is expecting too much. These nuclear endeavors may seriously endanger the health and lives of those people. Maybe it will turn out that we may be doing them anything but a favor.

Mr. GRAVEL. It is like exporting the black plague. That is my personal view, of course. But this underscores the other point made, that the real need for this activity is not for peaceful purposes but for military purposes. It will be useful to develop these ideas in the dialog that will be brought about by the Senator's amendment.

Mr. PROXMIRE. Mr. President, I thank Senators GRAVEL, ERVIN, and HART, and yield the floor.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1371

At the request of Mr. HUDDLESTON, the Senator from Florida (Mr. CHILES) and the Senator from Maryland (Mr. BEALL) were added as cosponsors of amendment No. 1371, providing an automatic cost-of-living adjustment in the retirement income credit, intended to be proposed to the bill (H.R. 8217) to exempt from duty certain vessel equipment repairs and costs.

AMENDMENT NO. 1443

At the request of Mr. HUMPHREY, the Senator from Ohio (Mr. METZENBAUM) and the Senator from Kentucky (Mr. (HUDDLESTON) were added as cosponsors of amendment No. 1443 to H.R. 14832, an act to provide for a temporary increase in the public debt limit.

NOTICE OF HEARINGS ON BILLS TO CODIFY, REVISE, AND REFORM THE FEDERAL CRIMINAL LAWS

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members and the public that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will resume hearings on S. 1 and S. 1400, bills to codify, revise, and reform the Federal criminal laws on Monday, June 24, 1974. The hearings will begin at 10 a.m. in room 2228, Dirksen Senate Office Building. The testimony will primarily be directed to corporate offenses.

Further information on this and other hearings is available in room 2204, Dirksen Senate Office Building, telephone area code 202–225–3281.

NOTICE OF HEARING ON RURAL ENVIRONMENTAL ASSISTANCE PROGRAM AND RURAL ENVIRONMENTAL CONSERVATION PROGRAM

Mr. HUDDLESTON. Mr. President, I hereby announce the hearing scheduled for tomorrow, June 20, by the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices of the Committee on Agriculture and Forestry, on implementation of the rural environmental assistance program—REAP—and the rural environmental conservation program—RECP—has been postponed until Thursday, June 27. The hearing on that date will begin at 10 a.m. in room 324, Russell Office Building. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Evelyn K. Merker, of Virginia, to be Examiner-in-Chief of the U.S. Patent Office, vice Arthur H. Behrens, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, June 26, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON H.R. 10337—HOPI-NAVAJO LAND DISPUTE

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate that the Committee on Interior and Insular Affairs will conduct a hearing on July 9 to consider H.R. 10337 and other measures relating to the Hopi-Navajo land dispute.

The purpose of the hearing is to receive testimony from the two tribes as well as the Department of the Interior.

The hearing will commence at 10 a.m. in room 3110 of the Dirksen Senate Office Building and will be open to the public.

NOTICE OF HEARING ON S. 3234—SOLAR ENERGY BILL

Mr. JACKSON. Mr. President, I would like to announce a change in date for the Senate Committee on Interior and In-

sular Affairs to hear witnesses on S. 3234, the solar energy bill.

Originally, we had scheduled this hearing for June 24 and 25. It now has been rescheduled for June 27, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building.

Known as the Solar Energy Research Act of 1974, this very important legislation has been introduced by Senator HUMPHREY, and I am happy to be a cosponsor.

The hearing has attracted a list of impressive national and international experts in the field of solar energy. These include the following:

Dr. Peter Glaser, vice president of engineering sciences, Arthur D. Little Co., Cambridge, Mass.; The Honorable Cruz A. Matos, secretary, department of natural resources, Commonwealth of Puerto Rico, to be accompanied by Mr. William Beller, marine affairs coordinator, department of natural resources, Commonwealth of Puerto Rico; Dr. Harry Tabor director, National Physical Laboratory of Israel, Jerusalem, Israel; Dr. T. A. Lawand, director of field operations, Brace Research Institute, MacDonald College, Quebec, Canada; Dr. Kraft Ehricke, North American Space Operations, Rockwell International, El Segundo, Calif.; Dr. Joseph Lindmeyer, Solarex Corp., Rockville, Md.; Dr. George Szego, InterTechnology Corp., Warrenton, Va., to be accompanied by Dr. Charles Kemp, InterTechnology Corp.

ADDITIONAL STATEMENTS

POSSIBLE CRIMINAL VIOLATIONS BY THE WASHINGTON POST

Mr. GOLDWATER. Mr. President, when the American public begins to lose confidence in what it reads in the daily press and hears over the electronic media, I believe it is time for all of us to be concerned. In both the newspapers and the media everyone of us in public life, in private life, regardless of what we are doing, must hope and do what we can to see to it that the source of our news does not inadvertently destroy itself. You may wonder why one such as I who has received as much abuse at the hands of the press and media as anyone in public life should feel as I do and express myself as I am expressing myself today, but I have a deep concern for all American institutions and when I read my mail, when I travel across this country and listen to people, when I read polls that show the news media slipping to where it is just a fraction of a point above the Congress in public estimation, then I believe I am correct in speaking as I am today.

Frankly, I do not have the answer. I do not believe it lies necessarily on the editorial page because this is a private page of the editor and publisher, and he or she can do what they want with it. It is not to be found in the excellence or lack of excellence in any specific section of a newspaper but I believe I would be correct in saying that the quality of reporting and the emphasis of the selection of news will probably be at the root of these troubles.

Now I will admit Watergate has been a great story. I think the two gentlemen who originally reported it deserve the Pulitzer Prize if the prize still has any meaning but, Mr. President, when one cannot read anything but Watergate in the large Eastern press, when one knows that the country is in serious trouble in a number of domestic fields, and one wants to know about these areas, then there has to be something wrong. It may be a vendetta to get the President, I do not know; it may be that the publishers feel they need a good crime story to continue to sell newspapers. And I realize that newspapers must be sold or the press does not exist but, on the other hand, there is a responsibility to the public to publish a variety of news. As I say, this may or may not be the trouble, but at least it needs exploring.

Mr. President, I will place into the RECORD today a 38-page legal memorandum establishing that the Government could institute good-faith criminal prosecutions against the Washington Post under at least five provisions of the Federal Criminal Code. Each of these potential crimes are felonies and three of them are violations of the Espionage Act.

Specifically, these offenses are:

First. Communicating documents relating to the national defense.

Second. Retaining national defense documents.

Third. Conversion of property of the United States.

Fourth. Conspiracy to commit an offense against the United States.

Fifth. Conspiracy to impair, obstruct or defeat the lawful functions of the United States and the Secretary of State.

Probable cause for the Government to bring these criminal prosecutions against the Washington Post arises from the publication and retention by the Post of certain top secret FBI documents which it openly admits it has obtained. The Post published details about these documents on June the 12th and even printed a facsimile of one FBI memorandum clearly marked "Top Secret."

The Post asserted the documents were obtained by staff writers Bob Woodward and Carl Bernstein and the article was written by a third individual, Laurence Stern. This fact on its face raises the possibility of a conspiracy prosecution since it takes as few as two persons to constitute a conspiracy under the Federal Criminal Code.

Mr. President, I would point out that the possible criminality of the Post's activities lies not only in its disclosure and retention of Top Secret documents, but also in the use to which these documents were put, which was to challenge the credibility of the Secretary of State at a time when this country is engaged in negotiations of a monumental nature.

These breaks of Government security occurred only one day after Secretary Kissinger had warned that the selective leaking of classified documents is injuring the standing of the United States in the world. At his press conference of June the 11th, Secretary Kissinger stressed that leaks of State secrets cannot be assessed only by the content of the individual documents, or even by the effect on his own character and credibility as Secretary of State, "but they must also be analyzed in terms of the confidence other governments can have in a government that seems totally incapable of protecting its secrets."

Mr. President, I believe it is high time we find out if the Government of the United States can protect its Top Secret materials. It is time we learn whether this Nation can deal with other nations in an atmosphere where they can be assured that we will protect confidences. While we are at it, we should also determine whether the specific criminal laws Congress has passed to protect Government property and preserve Government secrets mean anything at all.

Congress has passed several such laws, and I believe it would be in the national interest if the Attorney General would ask the appropriate U.S. Attorney to immediately institute criminal proceedings against the Washington Post under the most relevant of these statutes in order that the courts of this land may get about the job of deciding their applicability to the facts of this case and their constitutionality.

Mr. President, at a press conference last Wednesday I used the word "treason" in relation to the activities of a newspaper. My attorneys and other legal advisers tell me that they doubt that the act I complained about would come under this term. However, there are other charges to which a newspaper which obtains Government secrets must answer, and the legal memorandum which I am making public today shows some of the hazards a newspaper must face if it publishes or retains protected materials.

Mr. President, in order to initiate a more full discussion of this subject, I ask unanimous consent that a "Legal Memorandum on Federal Criminal Offenses Relevant to the Publication and Unauthorized Retention by the Washington Post of Certain Top Secret Government Documents," be printed in the RECORD.

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

LEGAL MEMORANDUM ON FEDERAL CRIMINAL OFFENSES RELEVANT TO THE PUBLICATION AND UNAUTHORIZED RETENTION BY THE WASHINGTON POST OF CERTAIN TOP SECRET GOVERNMENT DOCUMENTS

(By J. Terry Emerson)

I. OFFENSES

The Washington Post may be subject to criminal prosecution under at least five provisions of the Federal Criminal Code, as follows:

Offense

One. Communicating Documents Relating to the National Defense.

Two. Retaining National Defense Documents.

Three. Conversion of Property of the United States.

Four. Conspiracy to Commit the Above Offenses.

Five. Conspiracy to Impair, Obstruct or Defeat the Lawful Functions of the United States and the Secretary of State.

II. STATUTES AND RULES INVOLVED

A. Statutes

1. Conspiracy Offense.

Title 18, United States Code, Section 371, provides:

"If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than $10,000 or imprisoned not more than five years, or both. . . ."

2. Conversion of Government Property.

Title 18, United States Code, Section 641, provides:

"Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or

"Whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, stolen, purloined or converted—

"Shall be fined not more than $10,000 or imprisoned not more than ten years, or both; but if the value of such property does not exceed the sum of $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"The word 'value' means face, par, or market value, or cost price, either wholesale or retail, whichever is greater."

3. Espionage Offenses.

Title 18, United States Code, Section 793 (e), provides:

"(e) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit or cause to be communicated, delivered, or transmitted the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it. . . .

"Shall be fined not more than $10,000 or imprisoned not more than ten years, or both. . . .

"(g) If two or more persons conspire to violate any of the foregoing provisions of this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy."

B. Orders and Regulations

1. Executive Order 11652, Dated March 8, 1972, 50 U.S.C. 401 note (1972 Supp.), states in pertinent part as follows:

"Within the Federal Government there is some official information and material which, because it bears directly on the effectiveness of our national defense and the conduct of our foreign relations, must be subject to some constraints for the security of our Nation and the safety of our people and our allies. To protect against actions hostile to the United States, of both an overt and covert nature, it is essential that such official information and material be given only limited dissemination.

"This official information or material, referred to as classified information or material in this order, is expressly exempted from public disclosure by Section 552(b)(1) of Title 5, United States Code. Wrongful disclosure of such information or materials is recognized in the Federal Criminal Code as providing a basis for prosecution. * * *

"Now, Therefore, by virtue of the authority vested in me by the Constitution and statutes of the United States, it is hereby ordered:

"Section 1. Security Classification Categories. Official information or material which requires protection against unauthorized disclosure in the interest of the national defense of foreign relations of the United States (hereinafter collectively termed 'national security') shall be classified in one of three categories, namely, 'Top Secret,' 'Secret,' or 'Confidential,' depending upon the degree of its significance to national security. No other categories shall be used to identify official information or material as requiring protection in the interest of national security, except as otherwise expressly provided by statute. These classification categories are defined as follows:

"(A) *'Top Secret.'* 'Top Secret' refers to that national security information or material which requires the highest degree of protection. The test for assigning 'Top Secret' classification shall be whether its unauthorized disclosure could reasonably be expected to cause exceptionally grave damage to the national security. Examples of 'exceptionally grave damage" include armed hostilities against the United States or its allies; disruption of foreign relations vitally affecting the national security; the compromise of vital national defense plans or complex cryptologic and communications intelligence systems; the revelation of sensitive intelligence operations; and the disclosure of scientific or technological developments vital to national security. This classification shall be used with the utmost restraint. * * *

* * * * *

"Sec. 4. Classification. * * *

"(A) *Documents in General.*

"Each classified document shall show on its face its classification and whether it is subject to or exempt from the General Declassification Schedule. * * *

* * * * *

"Sec. 5. Declassification and Downgrading.

"Classified information and material, unless declassified earlier by the original classifying authority, shall be declassified and downgraded in accordance with the following rules:

"(A) *General Declassification Schedule.*

"(1) 'Top Secret.' Information or material originally classified 'Top Secret' shall become automatically downgraded to 'Secret' at the end of the second full calendar year following the year in which it was originated, downgraded to 'Confidential' at the end of the fourth full calendar year following the year in which it was originated, and declassified at the end of the tenth full calendar year following the year in which it was originated * * *

"(B.) *Exemptions from General Declassification Schedule.* Certain classified information or material may warrant some degree of protection for a period exceeding that provided in the General Declassification Schedule. An official authorized to originally classify information or material 'Top Secret' may exempt from the General Declassification Schedule any level of classified information or material originated by him or under his supervision if it falls within one of the categories described below. * * *

"(2.) Classified information or material specifically covered by statute, or pertaining to cryptography, or disclosing intelligence sources or methods.

"(3.) Classified information or material disclosing a system, plan, installation, project or specific foreign relations matter continuing protection of which is essential to the national security. * * *

"(D.) *Applicability of the General Declassification Schedule to Previously Classified Material.* Information or material classified before the effective date or this order and which is assigned to Group 4 under Executive Order No. 10501, as amended by Executive Order No. 10964, shall be subject to the General Declassification Schedule. All other information or material classified before the effective date of this Order whether or not assigned to Groups 1, 2, or 3 of Executive Order No. 10501, as amended, shall be excluded from the General Declassification Schedule. * * *

[Executive Order No. 10501, in section 4, categorized classified information or material into the following groups:

"(1) *Group* 1. Information or material originated by foreign governments or international organizations and over which the United States Government has no jurisdiction, information or material provided for by statutes such as the Atomic Energy Act, and information or material requiring special handling, such as intelligence and cryptography. This information and material is excluded from automatic downgrading or declassification.

"(2) *Group* 2. Extremely sensitive information or material which the head of the agency or his designees exempt, on an individual basis, from automatic downgrading and declassification.

"(3) *Group* 3. Information or material which warrants some degree of classification for an indefinite period. Such information or material shall become automatically downgraded at 12-year intervals until the lowest classification is reached, but shall not become automatically declassified.

"(4) *Group* 4. Information or material which does not qualify for, or is not assigned to, one of the first three groups. Such information or material shall become automatically downgraded at three-year intervals until the lowest classification is reached, and shall be automatically declassified twelve years after date of issuance."]

"Sec. 6. Policy Directives on Access, Marking, Safekeeping, Accountability, Transmission, Disposition and Destruction of Classified Information and Material. The President acting through the National Security Council shall issue directives which shall be binding on all Departments to protect classified information from loss or compromise. Such directives shall conform to the following policies:

"(A) No person shall be given access to classified information or material unless such person has been determined to be trustworthy and unless access to such information is necessary for the performance of his duties.

(B) All classified information and material shall be appropriately and conspicuously marked to put all persons on clear notice of its classified contents.

"(C) Classified information and material shall be used, possessed, and stored only under conditions which will prevent access by unauthorized persons or dissemination to unauthorized persons. * * *

"Sec. 7. Implementation and Review Responsibilities. (A) The National Security Council shall monitor the implementation of this order." * * *

* * * * *

2. National Security Council Directive of May 17, 1972, 50 U.S.C. 401 note, provides in pertinent part:

"VI. ACCESS AND ACCOUNTABILITY

"A. General Access Requirements. Except as provided in B. and C. below, [relating to access by historical researchers and by former Presidential appointees] access to classified information shall be granted in accordance with the following:

"*(1) Determination of Trustworthiness.* No person shall be given access to classified information or meterial unless a favorable determination has been made as to his trustworthiness. The determination of eligibility,

referred to as a security clearance, shall be based on such investigations as the Department may require in accordance with the standards and criteria of E.O. 10450 and E.O. 10865 as appropriate.

"(2) *Determination of Need-to-Know.* In addition to a security clearance, a person must have a need for access to the particular classified information or materials sought in connection with the performance of his official duties or contractual obligations. The determination of that need shall be made by officials having responsibility for the classified information or material."

III. STATEMENT OF FACTS

The facts are as follows:

On June 12, 1974, the Washington Post published a news article concerning Secretary of State Henry A. Kissinger's role in efforts by the Government to identify the source, and prevent a recurrence, of a series of major leaks of National Security Council documents starting in early 1969 and continuing into 1971.

The Post article carried a banner headline, "FBI Records Dispute Stand By Kissinger."

The text of the article states that the story therein is based on "a series of FBI memoranda—some labeled 'top secret' obtained last night by the Washington Post."

The story was written under the byline of Laurence Stern and the documents were stated to have been "obtained by Washington Post staff writers Bob Woodward and Carl Bernstein."

Specifically identified in the article are a memorandum by the late J. Edgar Hoover, Director of the FBI, dated May 9, 1969, some "top secret memoranda from Hoover to (former Attorney General John N.) Mitchell;" and an "internal FBI memo, prepared by the FBI for acting bureau director William E. Ruckelshaus on May 13, 1973."

In addition, a facsimile of a memorandum marked "Top Secret," dated May 13, 1970, for Attorney General Mitchell by J. Edgar Hoover was printed in a three-column block accompanying the article. In the memorandum, it is stated that General Alexander M. Haig, then of the National Security Council staff, advised that Doctor Kissinger had requested a telephone surveillance be instituted on the home of a member of the National Security Council staff. The subject was identified only by the initial "K".

A portion of the Post article, at page A–4 discusses the code used for the purpose of disguising the identity of the subjects of surveillance as follows:

"In the FBI reports, as submitted to the Judiciary Committee, the White House aides and newsmen were referred to only by code letters—'N' and 'O' and 'G' and 'B'. It could be determined from descriptions of their roles on the staff that N is Morton Halperin, O is Daniel Davidson, G is Lt. Gen. Robert E. Pursley and B is Helmut Sonnenfeldt. . . ." Elsewhere in the article, another individual, John Sears, is identified as being referred to in the FBI memoranda by the initial "E".

The article argues the position, as stated in its opening sentence, that Secretary of State Kissinger's account of his role in the national security surveillance "is sharply contradicted" in the FBI memoranda.

In a related matter occurring a day earlier, on June 11, and the subject of a news story in the Washington Post of June 12, Secretary of State Kissinger had held a press conference at Salzburg, Austria, in which he announced:

"I do not believe that it is possible to conduct the foreign policy of the United States under these circumstances when the character and credibility of the Secretary of State is at issue."

At his news conference, Doctor Kissinger stated his belief that leaks of national security secrets "cannot be assessed only by analyzing the intrinsic merit of individual documents, but they must be also analyzed in terms of the confidence other governments can have in a government that seems totally incapable of protecting its secrets."

Speaking of the series of leaks in 1969, Secretary Kissinger also stressed: "Nor can my concern be explained away by calling to the intrinsic insignificance of the individual documents or maybe the whole body of documents."

Doctor Kissinger continued:

"My concern was at that time we were preparing the secret trip to China. I was engaged in secret negotiations with North Vietnam that ultimately led to the end of the American participation in Vietnam. We were also engaged in secret discussions on strategic arms limitation.

"I was profoundly concerned and so expressed my views to the President, that these initiatives might be aborted if other governments had the idea that the United States was not in a position to protect its secrets and that anybody could publish any document . . ."

In his press conference, Doctor Kissinger declared his belief that an attack on the character and credibility of the Secretary of State by the method of the selective leaking of documents outside of the appropriate investigative bodies, "affects the standing of the United States in the world. . . ." When asked a follow-up question on this statement, Doctor Kissinger added:

"I cannot conduct my office if I have to devote my energies to disproving allegations of perjury, nor do I believe the United States can conduct an effective foreign policy with a Secretary of State who is under such attack, and therefore I am simply stating a reality."

In a similar vein, Doctor Kissinger stated:

"It is impossible and incompatible with the dignity of the United States . . . to have its Secretary of State under this sort of attack in the face of the dangers we confront and the risks that may have to be run and the opportunities that may have to be seized. This is a fact."

Summing up the fundamental goal of his efforts as Secretary of State, Doctor Kissinger observed:

"I would rather like to think that when the record is written, one may remember that perhaps some lives were saved and that perhaps some mothers can rest more at ease, but I leave that to history."

On the date of publication of the article derived from top secret documents, President Nixon had embarked upon a tour of Middle East nations associated with United States negotiating efforts to achieve a lasting and stable peace in that area; President Nixon was scheduled to commence a visit to the Soviet Union and other nations in late June, 1974, related to the United States foreign policy program of achieving an improved relationship with the Soviet Union and an improved climate for world peace; and negotiations were underway by the United States and the Soviet Union in resumed nuclear strategic arms talks and were continuing between the opposing NATO and Warsaw Pact nations on the subject of a mutual reduction of armed forces in Europe; among other on-going negotiations directly involving the conduct of United States foreign policy and affecting the national security of the United States.

The underlying aim of the foreign policy initiatives of President Nixon and Secretary of State Kissinger is in the words of President Nixon, in his monumental Report to the Congress on February 9, 1972, "a generation of peace."

The Report concludes:

"There will always be conflict in the world, and turbulent change and international rivalries. But we can seek a new structure of global relationships in which all nations, friend and adversary, participate and have a stake. We can seek to build this into a world in which all nations, great and small, can live without fear that their security and survival are in danger, and without fear that every conflict contains for them the potential for Armageddon. In such a structure of peace, habits of moderation and compromise can be nurtured, and peoples and nations will find their fullest opportunities for social progress, justice, and freedom.

"This is what we mean by a generation of peace." (*U.S. Foreign Policy For the 1970's—The Emerging Structure of Peace.*)

IV. PERTINENT LAW

A. Conspiracy violations

1. Conspiracy to Commit Offenses Against the United States.

a. As noted in *Nye & Hissen* v. *United States,* 168 F. 2nd, 846, 850 (9th Cir. 1948), *aff'd.* 336 U.S. 613 (1949):

"A single conspiracy may embrace several related conspiracies. And the rule is settled that a single conspiracy may have as its object two or more wrongful acts, and that an indictment charging such a conspiracy is not duplicitous for that reason. Braverman v. United States, 317 U.S. 49, 63 S. Ct. 99, 87 L.Ed. 23."

b. The elements of the crime of conspiracy may be established by circumstantial evidence. *Davenport* v. *United States,* 260 F.2d 591 (9th Cir. 1958); *Jordan* v. *United States,* 370 F.2d 126 (10th Cir. 1966), *cert. den.* 386 U.S. 1033; *Johnson* v. *United States,* 380 F.2d 810 (10th Cir. 1967); *United States* v. *Chambers,* 382 F.2d 510 (6th Cir. 1967).

A conspiracy may be shown to exist among several persons without the necessity of showing that each person had actual knowledge of the identity and functions of all his alleged co-conspirators. *Daily* v. *United States,* 282 F.2d 818 (9th Cir. 1960); *Marino* v. *United States,* 91 F.2d 691 (9th Cir. 1937); *Wood* v. *United States,* 283 F. 2d 4 (5th Cir. 1960); *Nassif* v. *United States,* 370 F.2d 147 (8th Cir. 1966); *United States* v. *Battaglia,* 394 F. 2d 304 (7th Cir. 1968).

c. Declarations of one conspirator made during the period of the conspiracy may be used against another conspirator who was not present at the time of the declaration. This is a standard exception to the hearsay rule, based upon the theory that the declarant is an agent of the other conspirator. This, of course, presupposes independent evidence that the conspiracy in fact existed. *Lutwak* v. *United States,* 344 U.S. 604 (1953); *Carbo* v. *United States,* 314 F.2d 718 (9th Cir. 1963).

2. Conspiracy to Defraud the United States.

a. Conspiracy to defraud the United States covers any conspiracy to impair, obstruct or defeat the lawful function of any department of government.

In *Dennis* v. *United States,* 384 U.S. 855 (1966), a conspiracy fraudulently by false affidavits to obtain the services of the NLRB on behalf of a union was held to constitute a violation of the prohibition of section 371, title 18, United States Code, against conspiracies "to defraud the United States, or any agency thereof in any manner or for any purpose." The Court said:

"It has long been established that this statutory language is not confined to fraud as that term has been defined in the common law. It reaches 'any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of Government,' *Haas* v. *Hankel,* 216 U.S. 462, 479, quoted in *United States* v. *Johnson,* 383 U.S. 169, 172. See also, *Lutwak* v. *United States,* 344 U.S. 604; *Glasser* v. *United States,* 315 U.S. 60 66; *Hammerschmidt* v. *United States,* 265 U.S. 182, 188. Cf. Goldstein, Con-

spiracy to Defraud the United States, 68 Yale L.J. 405, 414–441, 455–458 (1959)." (861)

In *United States* v. *Johnson*, 383 U.S. 169 (1966), an allegation that the defendants conspired to defraud the United States by influencing the Department of Justice was upheld although they were not charged with any false statement, misrepresentation or deceit. The Court said: "18 U.S.C. § 371 has long been held to encompass not only conspiracies that might involve loss of government funds, but also 'any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of government.' *Haas* v. *Hankel*, 216 U.S. 462, 479." (172)

In *Haas* v. *Hankel*, 216 U.S. 462 (1910), an indictment charged that Haas and Price conspired to obtain from Holmes, an employee of the Agriculture Department's Bureau of Statistics, advance information on the contents of official crop reports. The Court found that the indictment charged an offense. It said:

"The statute is broad enough in its terms to include any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of Government . . . [I]t must follow that any conspiracy which is calculated to obstruct or impair its efficiency and destroy the value of its operations and reports as fair, impartial and reasonably accurate, would be to defraud the United States by depriving it of its lawful right and duty of promulgating or diffusing the information so officially acquired in the way and at the time required by law or departmental regulation." (pp. 479–480).

b. Alleged defects in performance of a governmental function are no defense to a charge of conspiracy to defraud the United States by impairing such function.

i. In *Dennis* v. *United States*, 384 U.S. 855 (1966), an effort was made to raise as a defense a claim that the statutory scheme the defendants sought to impair was constitutionally defective. The Court held:

"We need not reach this question, for petitioners are in no position to attack the constitutionality of § 9(b). They were indicted for an alleged conspiracy, cynical and fraudulent, to circumvent the statute. Whatever might be the result where the constitutionality of a statute is challenged by those who of necessity violate its provisions and seek releif in the courts is not relevant here. This is not such a case. The indictment here alleges an effort to circumvent the law and not to challenge it—a purported compliance with the statute designed to avoid the courts, not to invoke their jurisdiction. (p. 865) * * *

". . . The governing principle is that a claim of unconstitutionality will not be heard to excuse a voluntary, deliberate and calculated course of fraud and deceit. One who elects such a course as a means of self-help may not escape the consequences by urging that his conduct be excused because the statute which he sought to evade is unconstitutional. This is a prosecution directed at petitioners' fraud. It is not an action to enforce the statute claimed to be unconstitutional." (p. 867).

ii. As the constitutionality of a statute cannot be challenged by those prosecuted for conspiring to impair its operation, so it has been held that defendants charged with conspiring to impair a governmental function are not permitted to claim that such function was being incorrectly carried out. Specifically, this rule holds that defendants charged with impairing the governmental function of controlling the dissemination of classified government materials cannot raise the defense of a claim that the materials were not correctly classified.

A similar situation was faced in *Scarbeck* v. *United States*, 317 F.2d 546, 560 (D.C. Cir. 1963), in which the defendant was convicted of communicating classified Government documents to foreign agents in violation of 50 U.S.C. § 783(b). The defendant attempted to claim that the documents were not properly classified. The Court held:

[A]ppellant is urging that after such an employee has obtained and delivered a classified document to an agent of a foreign power, knowing the document to be classified, he can present proof that his superior officer had no justification for classifying the document, and can obtain an instruction from the court to the jury that one of their duties is to determine whether the document, admittedly classified, was of such a nature that the superior was justified in classifying it. The trial of the employee would be converted into a trial of the superior. . . .

"We conclude that it is the intent of the statute to make the superior's classification binding on the employee. In this case, if the Government's evidence be believed, appellant knew perfectly well what he was about: the Polish agents were demanding classified (i.e., valuable and secret) information, and he tried to satisfy their demands. He cannot now claim that the Government is required to prove that the documents he gave were in fact properly classified. The factual determination required for purposes of Section 783(b) is whether the information has been classified and whether the employee knew or had reason to know it was classified. *Neither the employee nor the jury is permitted to ignore the classification given under Presidential authority.*" (emphasis added)

c. The Protection of National Security Secrets From Unauthorized Disclosure is a Lawful Function of the United States.

i. Pertinent to an analysis of the lawful functions of the United States is not only the obvious requirement of the Department of State to effectively administer and conduct the foreign policy of the United States, but also the ability and need of the United States to protect against the unauthorized disclosure of certain official information and documents bearing on the national security.

In 1971, a Library of Congress report on security classification stated: "The use of markings such as 'Confidential,' 'Secret,' or 'Private' on communications from the military and naval or other public officials can be traced back almost continuously into the War of 1812." *Security Classification as a Problem in the Congressional Role in Foreign Policy*, Comm. Print of the Comm. on Foreign Relations, U.S. Senate, Dec. 1971, at 3.

The Library of Congress report notes several Federal statutes which would provide a basis for withholding information from the public, including the espionage laws, national Security Act, Internal Security Act, Atomic Energy Act, Freedom of Information Act, and certain other laws pertaining to foreign relations, mutual security, and arms control and disarmament. (pp. 5–13)

The report finds:

"'Through legislation such as this Congress has on occasion given recognition to the classification system although it has made no overall attempt to regulate it. To this extent it has sanctioned keeping information secret in the interest of national defense or foreign policy." (p. 13).

In 1973, the Supreme Court held that Congress had by law conferred total Executive discretion over classification of national security secrets. *Environmental Protection Agency* v. *Mink*, 409 U.S. 73.

ii. Executive Order 11652 relies both on "the Constitution and statutes of the United States."

The independent Constitutional authority of the President to "take care that the laws be faithfully executed," Article II, sec. 3, would clearly encompass the proper administration of the laws referred to above regarding espionage, national security, foreign policy, and related matters.

The President also is vested with all the "executive power" of the United States as a sovereign nation. Article II, sec. 1. Moreover, he is specially designated as "Commander in Chief of the Army and Navy of the United States." Article II, sec. 2.

These provisions endow the President, in the words of Justice Stewart, "with enormous power in the two related areas of national defense and international relations." (Concurring opinion of Stewart, J., joined by White, J., *New York Times Co.* v. *United States*, 403 U.S. 713, 727 (1971).)

Discussing the basis of Executive regulations protecting the confidentiality of national security data, Justice Stewart continued:

"[I]t is elementary that the successful conduct of international diplomacy and the maintenance of an effective national defense require both confidentiality and secrecy. Other nations can hardly deal with this Nation in an atmosphere of mutual trust unless they can be assured that their confidences will be kept. And within our own executive departments, the development of considered and intelligent international policies would be impossible if those charged with their formulation could not communicate with each other freely, frankly, and in confidence. In the area of basic national defense the frequent need for absolute secrecy is, of course, self-evident.

"I think there can be but one answer to this [First Amendment] dilemma, if dilemma it be. The responsibility must be where the power is. If the Constitution gives the Executive a large degree of unshared power in the conduct of foreign affairs and the maintenance of our national defense, then under the Constitution the Executive must have the largely unshared duty to determine and preserve the degree of internal security necessary to exercise that power successfully. . . . it is clear to me that *it is the constitutional duty of the Executive—as a matter of sovereign prerogative and not as a matter of law as the courts know law—through the promulgation and enforcement of executive regulations, to protect the confidentiality necessary to carry out its responsibilities in the fields of international relations and national defense.* (Emphasis added.) (pp. 728–730)

The underlying rationale of Justices Stewart and White that the President is endowed with inherent Constitutional prerogatives in the areas of national defense and international relations is shared by at least four other Members of the present Supreme Court, a clear majority of six.

Justice Blackmun has written:

"Article II of the great document vests in the Executive Branch primary power over the conduct of foreign affairs and places in that branch the responsibility for the Nation's safety." (*New York Times Co.* v. *United States*, *supra*, at 761.)

Justice Marshall has stated that "it is beyond cavil that the President has broad powers by virtue of his primary responsibility for the conduct of our foreign affairs and his position as Commander-in-Chief." *Id.*, at 741.

Chief Justice Burger has written: "With respect to the question of inherent power of the Executive to classify papers, records, and documents as secret, or otherwise unavailable for public exposure, and to secure aid of the courts for enforcement, there may be an analogy with respect to this Court. No statute gives this Court express power to establish and enforce the utmost security measures for the secrecy of our deliberations and records. Yet I have little doubt as to the inherent power of the Court to protect the confidentiality of its internal operations by whatever judicial measures may be required." *Id.*, at 752.

Justice Rehnquist has written an opinion

of the Court which is grounded upon the "primacy of the Executive in the conduct of foreign relations" and "the lead role of the Executive in foreign policy." *First National City Bank v. Banco Nacional De Cuba*, 406 U.S. 759, 767 (1972).

iii. Executive Orders Have the Force and effect of Law.

See *Greene v. McElroy*, 360 U.S. 474 (1959); *United States v. Boris*, 191 F. Supp. 563 (D. Guam, 1961).

iii. From the foregoing, it is clear:

1. A majority of the presently constituted membership of the Supreme Court recognizes the authority of the Government to protect the confidentiality of documents and information in the interest of national security.

2. This Executive authority is grounded both upon specific statutes and the Constitution itself.

3. The retention and publication of top secret documents and information by a newspaper, with unauthorized possession of such materials, contrary to the constraints of legally promulgated rules protecting such materials, impairs, obstructs, or defeats the efficient and successful functioning of the Government's classification system.

4. Whatever the application of the First Amendment to a situation of prior restraint upon the publication of secret materials, a lesser standard applies to criminal prosecutions by the Government after publication.

5. If newspapers insist on publishing secret documents in violation of specific Government rules protecting the confidentiality of such material and criminal laws enacted by the Congress to protect government property and preserve government secrets, the First Amendment is no incantation conferring immunity from such criminal action. (See the related discussion of statements by five sitting Members of the Supreme Court assuming that criminal prosecution of newspapers would be consistent with the First Amendment, *infra*, at pp. 37–38.)

d. The Ability of the Secretary of State to Conduct an Effective Foreign Policy is a Lawful Function of the United States.

i. It is a generally recognized fact that Secretary of State Kissinger is the highest negotiating official of the United States, under the President.

As Secretary of State, Dr. Kissinger is charged with heading the Department of the Government responsible for the day-to-day management of the Nation's foreign relations. In this capacity he is the President's principal adviser in the area of foreign policy and the Nation's spokesman, under the President, on American foreign policy.

Dr. Kissinger also occupies the office of Special Assistant to the President for National Security Affairs. In this capacity, he serves as Director of the National Security Council staff, the agency of Government specifically established by Act of Congress, to assist the President in planning, integrating, and implementing national security policy. The National Security Act of 1947.

The National Security Council, under the direction of Dr. Kissinger, has played a preeminent role in national security planning. The NSC process developed by President Nixon uses the National Security Council as the principal forum for the consideration of policy issues confronting the nation. The Council now functions in fact as the Chief Executive's principal arm for examining, formulating, and coordinating military and international policies. *The National Security Structure*, S. Falk and T. Bauer, Revised Ed. 1972, Chapters III and IV.

ii. From the foregoing, it is clear:

1. Dr. Kissinger holds official offices, and enjoys a position of Presidential trust, which places him at the fore-front, second only to the President, of the planning, coordination, and implementation of the Nation's foreign policy and national security programs.

2. Dr. Kissinger himself one of the most authoritative sources available on the subject, believes that attacks on the character and credibility of the Secretary of State by the selective leaking of documents outside of the appropriate Constitutional forums "affects the standing of the United States in the world" and creates a situation in which the United States cannot "conduct an effective foreign policy."

3. Dr. Kissinger also has stated his belief that aside from the effect on the conduct of foreign policy because of attacks on the character and credibility of the Secretary of State, leaks of national security secrets impair "the confidence other governments can have in a government that seems totally incapable of protecting its secrets."

4. Accordingly, the publication of these particular Government secrets, and retention of such secret materials, by a newspaper having unauthorized possession of such materials, unquestionably could impair, obstruct, or defeat the lawful function of the Department of State and the United States Government to conduct foreign policy and could harm the value of its operations in the field of foreign policy by impairing the assurance of other nations that their confidences will be kept.

5. Whether or not the newspaper's behavior was actually intended to so impair, obstruct or defeat any lawful function of the Department of State or the United States, in the circumstances of this case the newspaper should have known as any person standing in like circumstances should reasonably expect, that its activity would have the prohibited result. For a newspaper to act in reckless disregard or indifference of the likely and natural consequences of its behavior is sufficient culpability to constitute a violation of the statute.

Screws v. United States, 325 U.S. 91, 105 (1945).

United States v. Price, 464 F. 2d 1217 (8th Cir. 1972); cert den., 409 U.S. 1040 (1972);

United States v. General Motors Corp., 121 F. 2d 376, 402 (7th Cir. 1941); cert. den., 314 U.S. 618 (1941); rehearing den., 314 U.S. 710 (1941);

United States v. Schneiderman, 102 F. Supp. 87, 93 (S.D. Cal. 1951).

3. *General Principles of Conspiracy.*

a. A conspiracy is complete upon the forming of the criminal agreement and the performance of at least one overt act in furtherance thereof.

Pinkerton v. *United States*, 151 F.2d 499 (5th Cir. 1945), aff'd. 328 U.S. 640 (1946).

Roberts v. *United States*, 416 F.2d 1216 (5th Cir. 1969);

Romontio v. *United States*, 400 F.2d 618 (10th Cir. 1968);

Miller v. *United States*, 382 F.2d 583 (9th Cir. 1967);

Jordan v. *United States*, 370 F.2d 126 (10th Cir. 1966).

b. The state of mind (intent) required to render an agreement and furthering act an unlawful conspiracy is knowledge of the agreement's unlawful object.

United States v. *Gallishaw*, 428 F.2d 760 (2d Cir. 1970);

United States v. *Mingsig*, 424 F.2d 710 (2d Cir. 1970);

Doty v. *United States*, 416 F.2d 887 (10th Cir. 1969);

United States v. *Hallahorn*, 408 F.2d 220 (7th Cir. 1969);

Jacobs v. *United States*, 395 F.2d 469 (8th Cir. 1968);

Miller v. *United States*, 382 F.2d 583 (9th Cir. 1967).

c. An express or formal agreement is not necessary to constitute conspiracy; such agreement may be established by acts of conspirators and inferences to be drawn therefrom.

United States v. *Schroeder*, 433 F.2d 846 (8th Cir. 1970); *cert. den.* 400 U.S. 1024 (1971), 401 U.S. 943 (1971).

United States v. *Varelli*, 407 F.2d 735 (7th Cir. 1969).

Dennis v. *United States*, 302 F.2d 5 (10th Cir. 1962).

United States v. *Frank*, 290 F.2d 1951 (3rd Cir. 1961); *cert. den*; 368 U.S. 821 (1961).

Jones v. *United States*, 251 F.2d 288 (10th Cir. 1958); *cert. den*, 356 U.S. 919 (1958).

B. Government Property Offenses

1. *Government Property.*

Under Executive Order 11652, documents bearing a security classification are within the exclusive ownership or control of the Government, and are protected against unauthorized disclosure or dissemination to unauthorized persons. *Adams* v. *Laird* 420 F.2d 230 (U.S. App. D.C. 1969); cert. denied 397 U.S. 1039.

Both the documents and their content are the property of the United States and remain its property until they are declassified and released by the Government. The content of such classified documents is itself government property quite apart from the government's ownership of the sheets of paper on which the content is recorded. See *United States* v. *Friedman*, 445 F.2d 106 (9th cir. 1971); *United States* v. *Bottone*, 365 F.2d 389, 393 (2d Cir. 1966), *cert. doc.* 385 U.S. 974 (1966).

2. *Value.*

a. The value of the stolen property is an element of the offense and proof of value must be introduced at trial. *United States* v. *Wilson*, 284 F.2d 407, 408 (4th Cir. 1960); *Cartwright* v. *United States*, 146 F.2d 133, 135 (5th Cir. 1944).

b. Section 641 of title 18, United States Code, defines value as "face, par, or market value, or cost price, either wholesale or retail, whichever is greater." The *face value* can be virtually nothing, as in *Keller* v. *United States*, 168 Fed. 697 (7th Cir. 1909), where the stolen property consisted of six blank checks worth one cent each. The *market value* is not limited to the legitimate resale price of the property, but may also be the price fences might pay on the "thieves' market." As applied to this case, the market value may be the price reporters, newsmen, or publishers might be willing to pay to obtain the series of top secret documents involved. *Churder* v. *United States*, 387 F.2d 825, 833 (8th Cir. 1969); *Jalbert* v. *United States*, 375 F.2d 125, 126 (5th Cir. 1967); *United States* v. *Bottone*, 365 F.2d 393.

c. The "whichever is greater" rule is applicable regardless of the disparity between the retail cost price and the market value. *O'Malley* v. *United States*, 227 F. 2d 332, 336 (1st Cir. 1953), *cert. denied* 350 U.S. 966 (1956). In *Fulks* v. *United States*, 283 F. 2d 259, 261 (9th Cir. 1960), *cert. denied* 365 U.S. 812 (1961), the court upheld a felony conviction based on the theft of eighty gyro horizon indicators with a cost price of $205 each, but a scrap value of only $.76 cash.

d. The prosecution does not have to prove the exact or approximate value of the stolen property, but to prove a felony offense merely has to show that it is in excess of $100. *Jalbert, supra*, at 126.

3. *Specific Offenses.*

a. Embezzles, steals, or knowingly converts.

i. At common law, offenses involving the loss of property were categorized on the basis of the nature of the "taking," the intent of the owner and the intent of the defendant. These distinctions were difficult to prove. Section 641 of title 18, United States Code, eliminates many of these problems: first, by permitting an indictment to set forth all the above offenses in the conjunctive; and secondly, by attempting to reach all possible offenses involving the loss or misuse of Government property.

The Supreme Court has held:

"It is not surprising if there is considerable overlapping in the embezzlement, stealing, purloining and knowing conversion grouped in this statute. What has concerned codifiers of the larceny-type offense is that gaps or crevices have separated particular crimes of this general class and guilty men have escaped through the breaches. The books contain a surfeit of cases drawing fine distinctions between slightly different circumstances under which one may obtain wrongful advantages from another's property. The codifiers wanted to reach all such instances." *Moriasette* v. *United States*, 342 U.S. 246, 271 (1952).

ii. As to the offenses included under 18 U.S.C. 641:

"Stealing, having no common law definition to restrict its meaning as an offense, is commonly used to denote any dishonest transaction whereby one person obtains that which rightfully belongs to another, and deprives the owner of the rights and benefits of ownership, but may or may not involve the element of stealth attributed to the word *purloin*." *Crabb* v. *Zerbst*, 99 F. 2d 562, 565 (5th Cir. 1938).

iii. Knowing conversion completes the picture of Section 641 by covering every other situation in which an individual might obtain "wrongful advantages" from Government property:

"Conversion . . . may be consummated without any intent to keep and without any wrongful taking, where the initial possession by the converter was entirely lawful. *Conversion may include misuse or abuse of property.* It may reach use in an unauthorized manner as to an unauthorized extent of property placed in one's custody for limited use. Money rightfully taken into one's custody may be converted without any intent to keep or embezzle it merely by commingling it with the custodian's own, if he was under a duty to keep it separate and intact. It is not difficult to think of intentional and knowing abuses and unauthorized use of government property that might be knowing conversions but which could not be reached as embezzlement, stealing or purloining. Knowing conversion adds significantly to the range of protection of government property without interpreting it to punish unwitting conversions." *Moriasetta, supra*, 342 U.S. at 271, 272. (Emphasis added.)

C. Espionage offenses involving classified documents or information

1. Section 793(e) of Chapter 37, of the United States Espionage Code, applies to the communication of documents and information "relating to the national defense."

The leading Supreme Court decision interpreting this phase, as used in the predecessor of section 793, is *Gorin* v. *United States*, 312 U.S. 19, 28 (1941), where the Court said:

"National defense, the Government maintains, is a generic concept of broad connotations, referring to the military and naval establishments and the related activities of national preparedness.

We agree that the words 'national defense' in the Espionage Act carry that meaning." (Emphasis added.)

The materials involved in the *Gorin* case were Naval Intelligence reports which were described in the court below as follows:

"None of the reports contained any information regarding the army, the navy, and part thereof, their equipment, munitions, supplies or aircraft or anything pertaining thereto . . .

"Most of them, on their face, appear innocuous, there being no way to connect them with other material which the Naval Intelligence may have, so that the importance of the reports does not appear." *Gorin* v. *United States*, 111 F.2d 712, 716 (9th Cir. 1940).

The defendants in *Gorin* thus claimed that because of their innocuous character, the reports could not relate to the national defense. The Court of Appeals rejected this claim, stating:

"It is urged that the Naval Intelligence reports show on their face that they do not relate to the national defense. We think the contention cannot be sustained." (p. 721)

The Supreme Court affirmed the ruling by the Court of Appeals. *Gorin, supra*, 312 U.S. at 33. The High Court also construed the predecessor of section 793 in its broadest sense by holding that whether a document or report is covered by the statute "depends upon its relation to the national defense, as so defined [generically], not upon its connection with places specified in [the statute]." (p. 28)

Referring to instructions given the jury by the trial court, the Supreme Court ruled:

"Instructions can, of course, go no farther than to say the connection must be reasonable, direct and natural . . . The question of the connection of the information with national defense is a question of fact to be determined by the jury as negligence upon undisputed facts is determined." (p. 32)

Based upon the foregoing, it is clear:

1. The term "national defense" is a generic concept of broad connotations.

2. Documents and information are connected with the national defense if they relate to the usefulness, efficiency, availability, or conduct of any of the military establishments and the related activities of national preparedness.

3. The term "national defense" includes diplomatic as well as military and all other matters having a reasonable and direct bearing on the defense of the United States.

4. The link between national defense and foreign relations is the relationship both bear to national security. The ability of the Government to function effectively and in a climate of trust for its Secretary of State bears directly and naturally upon the maintenance of an effective national defense.

5. When the character and credibility of the Secretary of State is attacked by the unauthorized disclosure and dissemination of secret documents and information, this creates a situation in which the ability of the United States to conduct foreign policy is significantly impaired, obstructed, and to some degree defeated.

6. In particular, at a time when the United States is engaged in major departures of policy for the purposes of building new relationships between this country and its potential adversaries, is conducting ongoing negotiations leading toward the building of a stable and lasting peace in certain present crisis areas of the world, and is holding current negotiations for reaching agreements of mutual arms and troops limitations and reductions, any impairment or obstruction of the functions of the Nation's highest negotiating official under the President has a serious, detrimental effect upon matters which have a direct, reasonable, and natural relation to national defense. Such behavior increases the risks to the security of the nation and decreases the opportunities the nation has of achieving its goal of creating a generation of peace.

7. To the foregoing may be added the nature of the secret documents obtained and published by the Washington Post, which originate from the files of the FBI. These documents pertain to the lawful efforts of the Government to identify the source of leaks, and prevent the continued disclosure and dissemination, to unauthorized persons of documents and information directly relating to secret American negotiating positions in international talks of the most serious character dealing with the American military posture and affecting the future security of our country. It further appears that the secret documents and information being leaked during the period covered by the FBI materials obtained by the Washington Post are of a type relating to the United States strategic position on, and plans to deal with, certain major foreign military-governmental crises having a direct relationship to the future security of our Nation. The leaks which are the subject of the Government's investigation involved in the FBI memoranda obtained by the Post also appear to include secret information about actual military activities of the United States during our participation in the Vietnam War. Obviously, any wrongful obtaining, retention, or publication of secret documents and information directly bearing on these vital security matters has a direct and natural relationship to the national defense, not only because of the subject matter of such material, but also because of the effect such wrongful activities may have in undermining now and in the future the lawful purpose of the Government in protecting the confidentiality of such material.

2. Section 793(e) punishes the disclosure or dissemination of "guarded" documents or information.

The Supreme Court in *Gorin* v. *United States* noted that, "The evil which the statute punishes is the obtaining or furnishing of this guarded information. . . ." (312 U.S. 30)

This holding has since been interpreted by the Court of Appeals for the Second Circuit as meaning that information coming from sources that are lawfully accessible to anyone throughout the country is not protected by the statute. *United States* v. *Heine*, 151 F.2d 813 (2nd Cir. 1945).

The same court has characterized its decision in *Heine* as an interpretation of the espionage statute "as to make it inapplicable to information which our armed forces had consented to have made public." *United States* v. *Rosenberg*, 195 F.2d 583, 591 (2nd Cir. 1952).

In *United States* v. *Soblen*, 301 F.2d 238, 239 (2d Cir. 1962), the same Court of Appeals held, in a related case, that:

"The fact that the source of the information was classified as secret distinguishes this case from United States v. Heine. . . ."

So in *Slack* v. *United States*, 203 F.2d 152, 155 (6th Cir. 1953); the Court of Appeals for the Sixth Circuit held that the rule of *Heine* did not apply as a defense because what the defendant had acquired "was secret information not obtained from public domain of knowledge."

Thus, the *Heine* case in no way furnishes an exception from 18 U.S.C. 793(e) for the publication of documents and information which are admittedly marked "top secret." Instead the rule of the Supreme Court in *Gorin* is controlling that "national defense" is a generic concept of broad connotations."

Nor can the very act of violating section 793(e) by the unauthorized publication of classified documents raise an immunity to the offense. Any such claim would be an absurdity because it would permit anyone with unauthorized access to guarded documents or information to destroy their protection at will, thereby negating the whole purpose of the statute to safeguard such material from unauthorized disclosure or dissemination.

3. In prosecuting for communicating or withholding a "document," the Government need not prove an intent to injure the United States or to benefit a foreign nation.

Subsection (e) of section 793 of the Espionage Laws was added by the Subversive Activities Control Act of 1950. 64 Stat. 987. The report of the Senate Judiciary Committee explains the purpose of the change, as follows:

"Section 18 of the bill amends section 793 of title 18 of the United States Code (espionage statute). The several paragraphs of sec-

tion 793 of title 18 are designated as subsections (a) through (g) for purposes of convenient reference. The significant changes which would be made in section 793 of title 18 are as follows:

"(1) Amends the fourth paragraph of section 793, title 18 (subsec. (d)), to cover the unlawful dissemination of 'information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation.' *The phrase 'which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation' would modify only 'information relating to the national defense' and not the other items enumerated in the subsection.* The fourth paragraph of section 793 is also amended to provide that only those with lawful possession of the items relating to national defense enumerated therein may retain them subject to demand therefor. Those who have unauthorized possession of such items are treated in a separate subsection.

"(2) Amends section 793, title 18 (subsec. (e)), to provide that unauthorized possessors of items enumerated in paragraph 4 of section 793 must surrender possession thereof to the proper authorities without demand. Existing laws provide no penalty for the unauthorized possession of such items unless a demand for them is made by the person entitled to receive them. The dangers surrounding the unauthorized possession of such items are self-evident, and it is deemed advisable to require their surrender in such a case, regardless of demand, especially since their unauthorized possession may be unknown to the authorities who would otherwise make the demand. *The only difference between subsection (d) and subsection (e) of section 793 is that a demand by the person entitled to receive the items would be a necessary element of an offense under subsection (d) where the possession is lawful, whereas such a demand would not be a necessary element of an offense under subsection (e) where the possession is unauthorized.*" S. Rep. No. 2369, 81st Cong., 2d Sess., 8–9 (1950) (emphasis added).

In an analysis of section 793 (e) by Justice White, joined by Justice Stewart, and favorably noted by both Chief Justice Burger and Justice Blackmun, the foregoing legislative history is taken as conclusive on the issue of the applicable standard of proof:

"It seems clear from the foregoing, contrary to the intimations of the District Court for the Southern District of New York in this case, that in prosecuting for communicating or withholding a 'document' as contrasted with similar action with respect to 'information' the Government need not prove an intent to injure the United States or to benefit a foreign nation but only willful and knowing conduct. The District Court relied on *Gorin* v. *United States*, 312 U.S. 19 (1941). But that case arose under other parts of the predecessor to § 793, see 312 U.S., at 21–22—parts that imposed different intent standards not repeated in § 793 (d) or § 793 (e). Cf. 18 U.S.C. §§ 793 (a), (b), (c)." *New York Times Co.* v. *United States*, 403 at 739 note 9, concurring opinion of White, J.

4. The First Amendment Does Not Confer Any Immunity On Newspapers to Publish or Retain Government Secrets Of a Type Which Congress Has Protected by the Enactment of Criminal Statutes.

In determining whether a good-faith prosecution could have been instituted by the Government against the New York Times for publication of certain of the documents known as the Pentagon Papers, a determination necessary to his opinion in the case, Justice Marshall stated that: "At least one of the many statutes in this area seems relevant to this case . . . 18 U.S.C. § 793(e)." *New York Times Co.* v. *United States*, 403 U.S. 745.

In the same case, Justice Stewart wrote: "Undoubtedly Congress has the power to enact specific and appropriate criminal laws to protect government property and preserve government secrets." *Id.*, at 730.

Distinguishing a ban on publication from the separate matter of criminal prosecution, Justice White wrote: "Prior restraints require an unusually heavy justification under the First Amendment; but failure by the Government to justify prior restraints does not measure its constitutional entitlement to a conviction for criminal publication." *Id.* at 733.

Referring to certain of the espionage laws, Justice White, joined by Justice Stewart declared: "I would have no difficulty in sustaining convictions under these sections on facts that would not justify the intervention of equity and the imposition of a prior restraint." *Id.*, at 737.

Justice White added: "The same would be true under those sections of the Criminal Code casting a wider net to protect the national defense. Section 793(e) makes it a criminal act for any unauthorized possessor of a document 'relating to national defense' either (1) willfully to communicate or cause to be communicated that document to any person not entitled to receive it or (2) willfully to retain the document and fail to deliver it to an officer of the United States entitled to receive it." *Id.*, at 737.

Justice White further described the application of section 793(e) to a newspaper, as follows: "Also, from the face of subsection (e) and from the context of the act of which it was a part, it seems undeniable that a newspaper, as well as others unconnected with the Government, are vulnerable to prosecution under § 793(e) if they communicate or withhold the materials covered by that section." *Id.*, at page 739 note 9.

Chief Justice Burger appears to agree: "I should add that I am in general agreement with much of what Mr. Justice White has expressed with respect to penal sanctions concerning communication or retention of documents or information relating to the national defense." *Id.*, at 752.

Justice Blackmun also appears to share this view of section 793(e): "I also am in substantial accord with much that Mr. Justice White says, by way of admonition, in the latter part of his opinion." *Id.*, at 759.

Thus, at least five sitting Members of the Supreme Court have indicated, as recently as June 30 of 1971, that the Government could bring criminal prosecutions against newspapers under existing statutes. Where a prior restraint is not involved and Congress has passed specific laws to protect the national interest and the security of the country, a majority of the present Supreme Court has made it clear that the First Amendment is no bar to a successful criminal prosecution.

FOOD AND THE FUTURE

Mr. TALMADGE. Mr. President, for a number of years, consumers have generally ignored American agriculture because food was always available in plentiful supply at cheap prices.

In past months, however, because of a series of economic dislocations, there have been spot shortages of some food items, and food is no longer cheap to the consumer.

Neither is it cheap for the farmer to produce it. Inflation is sucking the life blood out of American agriculture. Farmers are caught in an inexorable price squeeze so that even with farm prices at much higher levels, inflation has stolen away their gains.

Overseas it is estimated that two-thirds of the 800 million children born in Asia, Africa, and Latin America suffer some form of mental retardation as a result of malnutrition.

Therefore, whether we are discussing food prcies at home or the prospects for famine overseas, the subject of food has suddenly become very important.

The renewable resources of food, fiber and timber are going to be glamour items for some time in the future.

As I have said previously, it is imperative that we move ahead to make maximum use of all of our renewable resources in an environmentally sound manner.

Dr. Gerald F. Combs of the Department of Foods and Nutrition at the University of Georgia has put the question of food and the future in excellent perspective in a presentation he made at the 1974 convention of the American Feed Manufacturers Association in Chicago on May 28. An internationally known nutritionist, Dr. Combs has served as food safety coordinator for the U.S. Department of Agriculture.

I ask unanimous consent that Dr. Combs' speech be printed in the RECORD.

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

FEED, FOOD, AND THE FUTURE

(By Dr. Gerald F. Combs)

Man's ability to supply sufficient food for people in all countries is perhaps the most important prerequisite to peace on this planet with its exploding population, its increasing pollution, its approaching fuel shortage and its better communication. Only recently has it been necessary in the U.S. to face up to some of the realities which lie ahead, as we continue our policy of food abundance in the midst of a world in which ⅔ of its people have been struggling to feed themselves. It is estimated that ⅔ of the 800 million children born each year in Asia, Africa and Latin America suffer some degree of physical or mental retardation directly or indirectly from malnutrition (See Durnin et al, 1973)

In contrast to the approximately 2,000 calories, 56 gm. of protein and 7 gm. of animal protein available per person annually in India, we are blessed with an average of 3,110 calories and 101 gm. of protein, 66 gm. of which is of animal origin. In India the average annual per capita of intake of cereals is 400 lb., while 1,800 lb. of cereals are available per person in the U.S. Of this, we use 150 lb. in foods for direct consumption and cycle 1,650 lb. through animals to develop more palatable, more nutritious and, of course, more expensive foods.

FOOD NEEDS AND RESOURCES

Population growth is still skyrocketing at a rate sufficient to double its population every thirty years. It is anticipated that the world's population will jump from the present 3.7 billion to 5.0 billion by 1985 and at least 6.2 billion by the year 2000, despite efforts for its control. FAO estimates of increases in food needs from 1965 to 1985 average 52% for the world, but 108, 146 and 104% for India, Pakistan and Brazil, respectively. Even with a 30% reduction in birth rates these countries would require 88%, 118% and 91% more food, respectively, to maintain present levels of consumption over that short period. Yes, requirements to meet projected food needs are indeed alarming.

But there's little question that the world could feed itself with its doubled population; and feed them well, at least through the end of this century with proper planning and use of technology. The extent to which this is done, however, will depend to a large part upon the social and political, as well as economic changes that may emerge. To do this, intensive agriculture would be required, which brings with it heavy demands for inputs of energy, fertilizers, pesticides and water. These in turn contribute significantly to environmental pollution.

In considering the world food problem of the future, there are several key points which should be stressed. First, we must learn to control population numbers. If this is not done voluntarily by man, it obviously will take care of itself in time. Next, the increased affluency of so-called "developing" countries has led to an increased demand of certain foods, especially animal products. This trend can be expected to continue as countries continue to improve their economic status. Third, most of the increase in production of food will need to result from improved technology rather than increased tillable acreage. Of the world's 33.3 billion acres, only 9.7 billion are considered suitable as agricultural land. Of this, only 3.5 are arable. By the end of the century, the land per person would have dropped from approximately 1 to ½ acre of tillable land per person.

(In contrast, there's approximately 350 million acres of tillable land in the U.S., 50 million of which were held out of production until last year. In 1973, many of the restraints of the planting of wheat and feed grains were removed and some 30 million additional acres were cultivated. It is anticipated that the increases in production efficiency in this country and the opportunity to add additional acreage to cultivation by draining swamp lands and using some timbered areas, will be quite sufficient in the U.S. for several years.)

The development of dwarf varieties of rice and wheat which were responsive to fertilizer, higher yielding and less restricted by day length has provided some additional time in the battle between population control and food supply. These improved dwarf varieties were capable of producing twice the yield of traditional varieties with proper fertilizer, water, pest control and management. From 1966 through 1971, the world cereal production steadily increased giving temporary relief to the severe problems of hunger throughout the world.

THE FREE WORLD MARKET

Then in 1972, several unpredictable things happened. It was a poor crop year in Eastern Europe, India, China, Australia, Argentina and U.S.S.R. The U.S. dollar was devaluated. The U.S. produced a bumber crop, but had a wet season which led to late harvest, with drying problems due to reduced availability of fuel and transport. U.S.S.R. purchased 26 million tons of grain from the world market, 16 million of which were purchased from the U.S. Other countries, whose affluency had steadily increased, also were purchasing more grains. For example, Japan's additional grain purchases from the U.S. exceeded that sold to Russia.

All of a sudden there was a free world market. Prices of feed grains, soybeans and other feedstuffs exploded with resulting sharp increases in food and feed prices.

The demand for cereals and feed grains continued strong in 1973, up approximately 6%. The 1973 growing season though good was not sufficient to replenish the previously dwindled stocks and price continued high. With the additional acreage under cultivation, a record crop is expected this year, if we have a good growing season, even with present fertilizer and fuel levels. Despite this, continued high levels of export are expected to result in further depletion of the low grain reserves. Wheat stocks are expected to be down 40% and feed grain stocks 13% from 1973 levels.

FOOD IN THE UNITED STATES

The cost of food in 1973 averaged 16% over the previous year, while red meats increased 22%. In 1973, consumption of red meats dropped 6% below its previous 116 lb. per capita/annual consumption. This higher cost of food probably is more nearly equitable to consumers in relation to other prices, as part of the cost of food production in the U.S. was offset by farm subsidies. These had reached a high of $7 billion in 1972 and account for the continued over production of feed grains and cereals in face of the surplus. This kept the price of feed grains low and made it possible to produce animal food products at relatively low cost.

The higher food costs which we have recently experienced in the U.S. can be expected to be with us for some time. They reflect increased demand of food and feed grains from other countries, a depletion of stockpiles, higher farm prices, more expensive labor and higher processing and marketing costs.

In 1973, consumers in the U.S. spent $139 billion for food according to USDA (The Farm Index). Based on 1973 data, only about 28% or $36 billion went to U.S. farmers. But today's food industry includes approximately 23,000 food processors, 30,000 wholesalers and 208,000 retail food stores in addition to the 3 million farmers (Report of the National Commission on Productivity).

Of each dollar spent for food last year at the retail level, 56.5 cents was spent for animal products. This breaks down as followed: red meats 32.2 cents, dairy products 17.5 cents, poultry 3.9 cents and eggs 2.9 cents. The Economic Research Service, USDA, has predicted that annual beef and veal consumption per person will increase to a record of 140 lb. per capita average by 1985. This contrasts with 47 lb. in 1932, 62 lb. in 1952 and 116 lb. in 1972.

Similarly, the Farm Index (USDA) predicts that 1985 production levels (as a percent of 1970–72 base) will increase as follows: cattle and calves 138%, hogs 124%, sheep and lamb 39%, chicken (excluding broilers) 124%, turkeys 147%, eggs 109% and milk 100%. Similarly, they predict levels of corn, wheat and soybeans to increase 130%, 102% and 151%.

ENERGY—A NEW PROBLEM

This past winter has baptized us with still another shortage, that of fossil fuel. As the U.S. has moved to improve efficiency of agricultural production, there has been a marked increase in the need for heavy energy inputs. Pimenthal et al. (1973) estimated the energy inputs in corn production to be 80 gal. of gasoline per acre with our present intensive production methods. They further estimated, based on energy need of corn, that we use approximately 112 gal. of gasoline in food crop production per person per year in the U.S. To illustrate the potential shortages in world reserves of fossil fuel, they calculated that the present known reserves of petroleum (546 billion barrels) would be depleted in a mere 29 years if a population of 4 billion were to use it at the present U.S. rate for food production alone. Of course this is not likely to happen, and it is anticipated that coal will become the primary energy source of the next century. However, this should strongly suggest to us the need for conserving energy in future planning.

But energy input in food production represents an average of only 18% of all energy inputs in the U.S. food system. Food processing and the energy uses in the home each account for approximately ⅓ of the total energy-requirements related to food according to Hirst (1974). He estimates that we are now expending 39.3 million B.T.U./per capita annually for food. Ratios of primary energy input to food energy output show that sugars, cereals and fresh vegetables are the most efficient. However, animal products are equally as efficient as fresh fruit and considerably more efficient than processed fruits and vegetables in this regard. Also, the ratio of primary energy required per unit of food protein is comparable for fish, eggs, poultry, red meat, milk, cereals and fresh vegetables, but much higher for fruits and processed vegetables.

Steinhart and Steinhart (1974) also have compared the Calories invested per food Calorie realized. Their data show that low intensive crop production can return from 5 to 50 food Calories per Calorie invested as contrasted to intensive feedlot beef or long distance fishing which require approximately 11 Calories per food Calorie obtained. Milk from grass fed cows, low intensity egg production and range-fed beef returned 1, 1.7 and 2.0 food Calories per Calorie invested, as contrasted with considerably lower yields when more intensive methods are employed.

ANIMAL AGRICULTURE IN DEVELOPING COUNTRIES

There's little question that transplantation of animal agriculture, as we know it in the U.S., is not the way to maximize the food resources of countries with limited ability to produce cereals.

Little effort has been given to improving the efficiency of animal production in developing countries because of limited feed grain resources and the much lower over-all efficiency of cycling man's energy or protein foods through animals. This is true especially for swine and poultry as they are not able to utilize roughages as efficiently as are ruminants; and they compete more directly with man for his food supply. The estimated percent of energy and protein retained in swine and poultry products range from 10 to 50% for energy and 20 to 25% for protein. (Byerly, 1971)

Ruminant animals are not necessarily competitive with man for their food. (Van Horn et al, 1972) Indeed the wise use of ruminants, not only can improve the quality of the food supply, but it can significantly increase the total amount of food available. For example, Moore et al. (1967) has calculated the protein input and output of a cow producing 5,295 kilograms of milk annually with usual feeding practices of the U.S. He found that the recovery of protein in the milk was comparable in amount to the protein consumed as grain and oil seed concentrates. However, when urea was used to partially replace protein concentrates, the protein in the milk averaged 47 lb. more per cow per year than was consumed in cereals and legumes.

Despite the marked reduction in efficiency when foodstuffs suitable for direct consumption by man are fed to productive animals, there is still a sound basis for efficient animal production in every country even if only on a limited scale. First, every country has some cereal byproducts or waste materials which are not suitable for man. These would include cereal, distillers and animal byproducts, vegetable wastes etc. Many potentially suitable foods for man may not be safe for direct consumption. Fish meals, cottonseed meal and some of the peanut meal fall in this category. Recycling of processed animal wastes in animal feeds is another example.

In many countries the green revolution has already resulted in some feed grains being made available for productive animals. If this cannot be done and if the country is economically unable to obtain its feed grain supply from imports, it is clear that available cereals suitable for human consumption should be used prudently. Over-all land use should be considered. The type and extent of animal industries should be determined carefully in relation to total resources and food needs of the specific country.

At present many farm herds and poultry flocks in developing countries are poorly fed and poorly managed. These consequently are poor, inefficient producers. With proper genetic stock, nutritionally complete feeds, better management, and disease control, the efficiency of even small production units could be markedly improved. At the same time the animal industry provides income opportunities and a cash market for feed grains which can materially contribute to economic development.

U.S. AGRICULTURE IN THE FUTURE

As we attempt to better identify the future role of U.S. animal agriculture, we can be reasonably certain of the following: (1) Population growth will continue for some time at essentially its present rate, (2) there will be an increasing need to conserve energy and especially fossil fuel from which most of our energy for agriculture production is derived, (3) there will be a growing concern about prevention of environmental pollution, (4) competition for food resources in a free world market will continue to exert growing demands for cereals and legumes, (5) higher prices of food generally and especially for animal products, can be expected, (6) there will be a steady trend to increased consumption of plant food products directly for economic reasons, (7) genetically improved varieties of cereals with higher levels and improved quality of protein will gain widespread use, (8) improved ways to fix nitrogen, including the use of rhizobium and free living organisms are likely to be developed, and (9) single cell protein and leaf protein will become economical for general use in animal and human foods.

Pimental et al. (1973) have suggested ways of reducing energy input in food production, including the reduced use of chemical fertilizers, pesticides, mechanical equipment, truck transport, and irrigated lands. In their place they suggest increasing the use of animal and green manures, crop rotation, manpower, train transportation and the development and use of more disease and pest-resistant varieties. Energy inputs at other points in the food system would suggest that corresponding concern should be given to the area of food processing. To what extent is processing necessary to insure appropriate storage and safety? Also, how much can the use of high requiring energy equipment used in food distribution and in the home be reduced?

ANIMAL AGRICULTURE—WHAT CAN IT DO?

Data from various countries, summarized by Byerly (1966), clearly show that the per capita intake of animal protein is a direct function of income. Undoubtedly, this trend will continue and with an increase in demand for highly palatable, nutritious animal protein foods in developing countries as economic improvement is achieved. Any attempt to transplant technology to meet this demand should recognize the need to develop opportunities for labor income and to improve marketing at the same time. Also, technical advisors should help the country identify the appropriate types and numbers of animals of productive animal units compatable with the objective of maximizing total food resources to man. Country governments should consider this in the development of national food and nutrition policies.

The maximal use of ruminant animals deserves additional attention, especially in tropical countries where there is an abundance of roughage, and where new protein sources could be developed with new technology. For example, sugar cane plus urea, fed to milk cows or beef animals can provide a very high food return in tropical areas. Recent studies suggest also that leaf protein and single cell protein (yeast grown on petroleum wastes) may be economically produced and used for animal feeding. In addition, studies with the recycling of fermented or processed animal wastes show considerable economic promise for extending food resources while alleviating environmental pollution.

Despite the marked improvement in production efficiency of farm animals in the past years, there still is considerable opportunity for further improvement even in the U.S. (Combs, 1972). Some research areas which can be expected to yield important improvements in production efficiency include the adaptation of present technology to other environmental conditions, and the development of improved breeds and strains with higher reproductive performance, improved disease resistance, and reduced fat content of the carcass. Better feeding, disease control and management of improved breeds could do much to increase animal production offering in developing countries.

ANIMAL PRODUCTION IN THE FUTURE

The real hope of man for meeting the world food problem must depend on his ability to apply science and technology to meet both economic and social needs. With best use of technology and the curtailment of population growth, it should be possible to meet the world's food needs far into the future without unduly polluting the environment. The extent to which this is achieved remains uncertain. But, as world population continues to increase, economic and social forces will require that considerably better use be made of available resources. In developing countries, animal production, if efficient and of the type and level appropriate to the locale, can be helpful in maximizing the full food production potentials of a country.

In more affluent countries such as the U.S. animal products will become more and more expensive to produce as world demands for cereals and protein supplements increase. More concern will be required to cope with the environmental pollution problems associated with intensive animal agriculture.

There will be increasing competition from modified or engineered foods (such as textured vegetable protein analogues) which simulate animal food products in appearance, taste, and nutritive value. Catron (1967) predicted the use of simulated foods of plant origin versus animal food products, pointing out that the preference gap is closing, the nutritional gap has closed, and the cost gap is rapidly widening. This area offers promise in extending food resources while meeting established food habits in this country. Of course, food habits themselves can and will be changed as food costs, availability and social habits differ over time.

In the meantime, the present strong demand for animal food products can be expected to continue even at relatively higher prices, particularly in industrialized countries. Catron also predicted that the next two generations of Americans will continue to enjoy the products of animal agriculture. He indicated that, of necessity, these will need to be produced on a more efficient basis, eventually sold at prices approaching the luxury level.

CONVERTING WASTE TO ENERGY

Mr. MATHIAS. Mr. President, it has recently come to my attention that the people of the Netherlands have for some time converted their garbage to significant amounts of electric power. This is an undertaking of tremendous importance to all of us. Only the most tentative beginnings have been made in this country to produce energy in this fashion. Our increasing problems in disposing of solid waste and current energy shortages both dictate that increased efforts be made to convert waste to energy.

I ask unanimous consent that an article in the Baltimore News American be printed in the RECORD.

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

GARBAGE: AS A FUEL IT IS PLENTIFUL, CHEAP

AMSTERDAM.—As a fuel, it has no equal for being plentiful, cheap and always available. It is so cheap that the average Dutch family discards ten pounds a day, and so plentiful that it can be found in abundance anywhere in the world.

The fuel is garbage—ordinary household garbage—and the Dutch have been using it to produce steam heat and electricity for more than 50 years.

Only now is the idea of obtaining energy from garbage coming into its own in other parts of Europe and the United States, where experts estimated that enough solid waste exists in big cities to light every home and commercial establishment throughout the year.

Here in Amsterdam, virtually all trash—some 1,500 tons a day—generated by the city and surrounding suburbs is burned under pressure through high-temperature turbines to generate 5 per cent of the region's electricity, an amount sufficient for an American city the size of Santa Barbara, Calif., or Princeton, N.J.

The "garbage power" system is financially self-supporting. The municipal Garbage Department ("Stadsreiniging") collects the trash twice a week, hauling half of it by barge along Amsterdam's interconnecting canals and the other half by truck to the municipal incinerator, where the garbage is burned and converted into electricity at a cost of 10 dollars a day.

According to Tony Pingen, assistant director of Amsterdam's department, the system produced 150 million kilowatt hours of electricity last year—an output equivalent to 300,000 tons of residual fuel oil.

In addition, the burning of trash is accompanied by the recovery of metals for recycling. The value of scrap metal has more than tripled in the last year, and its sale to German steelmakers has become a major asset for Amsterdam's collection system.

Such resource recovery is solving a number of other critical problems, including the scarcity of land for dumps and the high cost of fuel for electric power plants. There are also clean air benefits, as trash is low in sulphur (0.1 per cent).

The Amsterdam system has been producing steam heat and electric power since 1917. Such other cities as Rotterdam, Copenhagen and Paris have been using similar systems almost as long; but it wasn't until recently that the skyrocketing cost of oil and coal made it economical for most cities to produce electricity from household garbage.

Most major West European cities are adopting garbage power for their electricity. By next year, West Germany expects 25 per cent of its total population to get electricity derived from garbage.

By 1977, the first major garbage-fueled system to produce power in the United States will reach full operation in St. Louis, where two coal-fired plants are being converted to burn 7,500 tons of trash a day.

Here in Amsterdam the Dutch have provided convincing evidence that a large, virtually untapped energy source—household garbage—can play a crucial role in meeting urban power demands at a time when other fuels are becoming increasingly scarce.

MEMORIAL DAY SERVICES AT HYDE PARK, N.Y.

Mr. MONDALE. Mr. President, on May 27, 1974, at Memorial Day services held

at Hyde Park, N.Y., Mr. Joseph P. Lash delivered a truly beautiful, truly inspirational, truly thoughtful memorial address. I have the honor of placing the text of that address in the CONGRESSIONAL RECORD today so that my colleagues may share Mr. Lash's remarks.

As you know, Mr. President, Joseph Lash is the author of "Eleanor and Franklin" and "Eleanor: the Years Alone." For his biographies of Eleanor Roosevelt, he has received a Pulitzer Prize, the National Book Award, and the Francis Parkman Prize. President Harry Truman once called Mrs. Roosevelt "The First Lady of the World." Adlai Stevenson wrote of her, "What other single human being has touched and transformed the existence of so many others?" Mrs. Roosevelt was surely one of the most remarkable human beings ever to live, and Mr. Joseph Lash's books provide a rare insight into her character, her interests, her concerns, and her compassion.

In his memorial address at Hyde Park, Mr. Lash again turns to the lives of President and Mrs. Roosevelt and reflects on their reaction to the 1933 assassination attempt, the President's moral leadership, President Roosevelt's approach to the Presidency, and the empathy and the courage of the Roosevelts.

Mr. Lash's comments bear careful reading, for they are particularly pertinent at this time in our history. They represent the thoughtful insights of a brilliant author into the lives, leadership qualities, and values of two great Americans.

I ask unanimous consent that the program from the memorial services at Hyde Park, N.Y., followed by the address delivered by Mr. Joseph P. Lash, be printed in the RECORD.

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

MEMORIAL SERVICES

Under auspices of National Park Service; assisted by Hyde Park Historical Association; continuing a tradition begun by the Roosevelt Home Club, Hyde Park, N.Y., May 27, 1974, 11:30 a.m.

Welcome: Warren H. Hill, Superintendent—National Historic Sites.

Invocation: Rev. Gordon L. Kidd, Rector Emeritus—St. James' Church.

Choral Music: "If We Only Have Love," New Frontier.

Remarks: Bernard Kessler, President—Roosevelt Home Club.

Choral Music: "Less of Me," New Frontier.

Memorial Address: Joseph P. Lash, Pulitzer Prize Winning Author.

Laying of Wreaths: American Legion Post 1303—William Reynolds and Roosevelt Home Club—Art Smith.

Taps.

REMARKS BY JOSEPH P. LASH AT MEMORIAL DAY SERVICES IN THE ROSE GARDEN, HYDE PARK, MAY 27, 1974

How bracing and reassuring it is in this moment of national travail and moral squalor to stand here in these lovely but unpretentious surroundings where Eleanor and Franklin Roosevelt lie buried. This simple slab of marble, the hemlock hedge, the trees that he planted, for he was a conservationist from his youth on, the roses that she tended, the modest fieldstone library to which he planned to retire after leaving the Presidency in order to give us his version of the Roosevelt years, and over beyond the fields and across Violet Avenue, the rambling cottage at Val Kill where Eleanor Roosevelt lived and worked after her husband's death—where Melly Johansson had her looms, Otto Berge his workshop and Moses Smith his farm—what strikes one about these surroundings, is their human dimension. There is no gargantuism here—style, yes, taste, yes, but no trappings for the sake of display, no panoply to proclaim power, none of the cosmetics and pomp of leadership that lesser men and women need to surround themselves with in order to prove to themselves and to those around them that they are Mr. and Mrs. Big. Eleanor and Franklin Roosevelt did not need such artifacts—in their presence you sensed large purposes, courage, compassion; you immediately sensed greatness.

They have been gone now, the President for almost 30 years, Eleanor Roosevelt for more than ten, and as the momentous years in which they lived and played so important a part recede, we think less of the specific programs that they advocated than of the spirit and attitudes that they embodied as national leaders.

Consider that day in February 1933, three weeks before Inauguration when Roosevelt, then President-elect, landed in Miami after an 11-day cruise on Vincent Astor's yacht, the *Nourmahal*. Twenty thousand people were there to greet him. They pressed around his open car as it proceeded to the bandstand where he was to say a few words. Suddenly a man standing on a park bench drew a revolver and emptied its five cartridges in Roosevelt's direction. Mayor Cermak of Chicago who had just spoken with Roosevelt, and three other bystanders were felled. Secret Service men shouted orders to Roosevelt's chauffeur to get the car out of the crowd immediately. But Roosevelt who had sat through the fusillade without flinching, took command of the situation. He countermanded the orders of the Secret Service and directed that Cermak be placed in the back of his car. He cradled the mortally wounded mayor in his arms and as the car sped to the hospital talked to him nearly all the way. "Tony—keep quiet—don't move. It won't hurt if you keep quiet."

Only after Cermak was in the hospital did Roosevelt permit his car to return to the *Nourmahal* where he was to spend the night. His companions who had been amazed by his coolness and self-possession thought that now there would be a letdown and reaction. Not at all, noted Raymond Moley, he was "simply himself, easy, confident, poised."

Eleanor Roosevelt in New York was not at home when the news broke and the reporters descended upon the 65th Street House. She was at a meeting, speaking. It is worth quoting some of the things she said that evening. It was the very bottom of the depression and her every speech, it seemed, was aimed at assuring people that she and the President-elect were moving into the White House to serve them. "We in this country feel that we can tell our public servants what has happened to us and what we would like them to do," she said. "And, somehow, I think perhaps that is going to be our salvation because if you can keep close to your leaders and feel that they belong to you and that they are working, not only for you, but with you, then nothing is too hard, and we will all win through to the goal that we desire."

She arrived home at 10:30 to hear the news about the assassination attempt. Her reaction, like the President's, was calm and poised. "These things are to be expected," she said and immediately called her husband whom she reached at the bedside of Mayor Cermak.

"He's all right," she said to her daughter Anna. "He's not the least bit excited." Her next thought was how to break the news to the President's mother. She left the packing to others—she was to take the midnight train to Ithaca—and went into the adjoining house and told Mama herself, assuring her there was no cause for alarm. "The only thing you can do is just to go along and not think about such things," she said to reporters the next day, and explaining why she, nevertheless, would refuse to have Secret Service protection in her travels about the country, said, "As far as I am concerned, I cannot imagine living in possible fear of death."

Roosevelt's coolness under an assassin's fire, capped a few weeks later by his ringing inaugural promise of ". . . action, and action now," his face-to-face meetings twice a week with a press corps that the dour Herbert Hoover had avoided, his "fireside chats" and numberless other manifestations of an open presidency accomplished precisely that restoration of public confidence that was the indispensable pathway to recovery and reform.

The presidency, Roosevelt told Anne O'Hare McCormick of the *New York Times*, "is not merely an administrative office. That's the least of it. It's more than an engineering job, efficient or inefficient. It's predominantly a place of moral leadership . . . T. R. and Wilson were both moral leaders, each in his own way and his own time, who used the Presidency as a pulpit.

"Isn't that what the office is—a superb opportunity for reapplying, applying in new conditions, the simple rules of human conduct we always go back to?"

The simple rules of human conduct . . ." how refreshing and exalted those words sound now. Last Tuesday Jeb Magruder, the deputy director of President Nixon's re-election campaign made a statement to the Court before sentencing that I found quite moving. "Somewhere between my ambition and my ideals I lost my ethical compass," he said. "I found myself on a path that had not been intended for me by my parents or my principles or by my own ethical instincts." Compare Magruder and the other attractive young men like Porter, Sloan, Krogh, who are ending up in a courtroom with the young men who hurried to Washington in the Thirties to serve Roosevelt and the New Deal and does not the critical difference lie in the fact that President Roosevelt recognized the presidency as preeminently a place of moral leadership?

Moral leadership is not moralizing and one of the differences between the two is that a President should himself exemplify, as Roosevelt did, the rules of human conduct he recommends to others.

There was, incidentally, an instructive sequel to the assassination attempt, Moley, a criminologist, took part in the cross examination of the assassin, Joseph Zangara. The nation was teeming with unrest—hunger marchers, bonus marchers, revolt in the farmlands. Everywhere communists and socialists were busy. What a chance the assassination provided to throw the radicals on the defensive by linking them with Zangara. The incoming Administration could not have been less interested. "He didn't manifest any interest in political ideas," reported Moley. He was neither socialist nor anarchist, he just didn't like presidents or kings. Imagine what the "plumbers" and their sponsors would have done with the latter.

A few weeks after Roosevelt took office the Secret Service wanted to throw up a wire fence around Roosevelt's cottage in Warm Springs. The President vetoed the idea. There was no fear of the people in his make-up.

The way to deal with radical discontent, Roosevelt believed, was to eliminate the social and political grievances which gave rise to it. Eleanor Roosevelt had been appalled when Herbert Hoover the year before had turned the military loose upon the bonus marchers. It was an example of what fear could do to even so well-intentioned a man as Hoover, she said. When the bonus marchers returned to Washington a few weeks after Roosevelt's assumption of office, he ordered the Veterans' Administration to house and feed them, even to provide a military band, and in May, when the Administration was seeking to persuade the veterans to go home or to enroll in the newly established CCC, Louis Howe took Eleanor Roosevelt to the bonus encampment in order to demonstrate the Administration's concern with the plight of the veteran. "Hoover sent the army. Roosevelt sends his wife," said one left-wing veteran chagrined over the communists' loss of influence.

Another exemplary aspect of Roosevelt's approach to the Presidency was that he considered himself president of all the people. He had political allies, chief among them labor, but he also had a conception of the public interest, of the presidency as an expression of American sovereignty and unity. It should be responsive to labor, agriculture, business, the consumer, but also independent of them, expressive of what united rather than divided the nation.

Who that was alive at the time will ever forget Roosevelt's exasperated reaction when labor in the sitdown strikes seemed to him to overreach itself and he pronounced a plague of "both your houses." It was the beginning of the breach with John L. Lewis, but it is noteworthy that in the 1940 elections when Lewis called on members of the CIO to vote for Wendell Willkie, not even his miners followed him.

In the final analysis Americans have a sound sense that the public interest must prevail over private interests. What is required is a confidence in the national leadership and Roosevelt had earned that confidence on the part of the underpriviliged by his constant efforts on their behalf.

For he was President of all the people in the profound, compassionate sense of using the powers of the presidential office not on behalf of the rich and exalted but of the deprived and neglected, the poor and the weak. Roosevelt was concerned, as he put it, with the forgotten man at the bottom of the economic pyramid, with the one-third of a nation that was ill-housed, ill-clothed and ill-fed. As he explained to Esther Lape, Eleanor Roosevelt's friend, who was discussing health care for all Americans with him, "Esther, my interest is in getting some kind of medical care for the submerged third that now has practically none." And if in the heat of political combat he was sometimes tempted to compromise with his conscience and to postpone the claims of the submerged third, there was Eleanor standing at his side, tugging at his sleeve, with her gentle but insistent, "But Franklin . . ." Eleanor and Franklin made a remarkable team because in the final analysis he shared her concern for the victimized and downtrodden and she had an astute understanding of his political necessities.

The Roosevelts had another quality that was characteristic of their style and leadership—empathy—the ability to put themselves in another's shoes, an intuitive feeling for another man's troubles, a sympathy that extended not just to the members of their family or to the social group in which they had been raised, but embraced the poor, the victimized, the downtrodden. I remember a scene in the President's oval study on the second floor. It was cocktail time, just before the guests led by Mrs. Roosevelt proceeded down to the family dining room. The President was seated by his desk, that desk which was so marvelously littered with gadgets and curiosities and donkeys of all sizes and hues, on which, also, that particular evening rested a copy of a little book called "Address Unknown" which it turned out both he and Mrs. Roosevelt had read. The book consisted of an exchange of letters between an American Jew living in California, an art dealer, and his erstwhile friend and partner, a man of German descent, who had returned to Germany just before Hitler's accession to power. The letters chronicle the German's surrender to the blandishments and pressures of the Nazis ending in the craven betrayal of his friend's daughter. The President and Mrs. Roosevelt talked about the pressures to conform, about the brutalities of totalitarian dictatorship, and Mrs. Roosevelt wondered whether she wouldn't under the same circumstances have caved in. "I really am a coward," this bravest and most non-conforming of women remarked. The President wouldn't hear of this. He was absolutely sure she would have done the right thing whatever the consequences. It was a theme to which Mrs. Roosevelt returned often. Was she standing up firmly enough for what she believed in, she would ask. How would she behave if put to the test of torture and death for her convictions?

How rare to have people at the pinnacle of power identifying with the victims of oppression. Who today in the White House, I wonder, identifies with the Valery Panovs and Sakharovs, with the heroes and heroines rotting in the jails of the Athenian and Santiago juntas, not to mention a few other dictatorships with which we are allied.

One trait was preeminently Eleanor Roosevelt's. Because she was in the White House, she felt a special obligation to make people feel they knew her, had a right to tell her about themselves, to ask for her help. Every letter was answered. She carried on an incredibly voluminous personal correspondence, especially during the war, when any GI who wrote, received a chatty letter full of news. One young man asked her to recommend a small list of books that constituted essential reading. She promptly turned to Justice Felix Frankfurter, Vice-President Wallace, and the Library of Congress, to suggest, as she put it, "the contents of a library for a young man of intellectual eagerness." All three responded and off the letter went. I won't read all of the lists, but will give you Justice Frankfurter's:

The Bible.
Shakespeare's works in a single volume.
The Oxford Book of English Verse.
Random House edition of the Greek Historians.
Montaigne's Essays.
Bacon's Essays.
Tolstoi's War and Peace.
The Federalist.
The Heritage of America—an anthology edited by Commager and Nevins.
Life and Writings of Abraham Lincoln, edited by Philip Van Doren Stern.
The Complete Jefferson, edited by Saul K. Padover a little heavy for a knapsack, but a good list indeed.

In closing, I want to return to the basic Roosevelt trait, the one that had such an enormous impact on his countrymen—his courage.

I am reminded of it whenever I go through the marvelous exhibits in the Roosevelt Library. The curator has placed on display a letter that Roosevelt, then Governor of New York, wrote in 1929 in reply to a question soliciting his favorite poem. "Invictus" by William Ernest Henley came back the reply and Roosevelt quoted the stirring stanzas:

"In the fell clutch of circumstance,
I have not winced nor cried out loud,
And under the bludgeonings of chance
My head is bloody but unbowed.

"It matters not how straight the gait,
How charged with punishment the scroll,
I am the master of my fate,
I am the captain of my soul."

The lines are redeemed from the commonplace by the spirit of the man who quoted them as his favorites. He had triumphed over polio by an effort of will and spirit. He had turned tragedy into a strengthening thing. He never whined, never complained, as these surroundings can bear personal witness. And when he came into the White House his example infected the nation. We felt ourselves in those great years of the Roosevelt presidency to be the captains of our souls. America was master of its fate.

It is no wonder that Eleanor Roosevelt, writing after the President's death, could say, despite the hurt she had suffered in her personal life, "I have never known a man who gave one a greater sense of security."

AN OPINION ON POLITICS IN POST-WATERGATE AMERICA

Mr. TOWER. Mr. President, a recent article by Mary Nimmo in the May 1974 issue of Mademoiselle brings much-needed perspective to the political climate engulfing us today. In "An Opinion on Politics in Post-Watergate America", Ms. Nimmo defends our much-abused profession by pointing out that—

We have embarked on a nationwide witch-hunt for a victim at whose door to lay the blame for America's problems. The searched-for victims are politicians, either as individuals or as a class.

Ms. Nimmo goes on to suggest that—

The entire Watergate saga is only a symptom and not the disease itself. Watergate happened not because a handful of politicians were unprincipled, but because we, as a people, are not being true to the principles we profess.

She continues:

We, as a people, have ceased to look upon our laws as principles and have come to view them as rules in a game where everyone plays to the limits, cheating wherever possible. When the speed limit was 65, most of us drove at 69; since it's been lowered to 55, most of us drive at least 59. Be it income tax deductions, traffic regulations or campaign reporting laws, the game is always the same: stretch the rules as far as you can without getting caught breaking them.

After examining the symptoms and identifying the disease currently afflicting our society, Ms. Nimmo examines the remedies available. She dismissed as ill-advised suggestions that we seek to legislate morality for political candidates and officeholders at its heavy cost to personal freedom and privacy. She also dismisses the attitudes of those who would opt out of their involvement in our political processes. Instead she wisely suggests that—

The only cure for America's current political ills is increased involvement. As perhaps never before, we need individuals of high moral purpose and strong commitment in our public offices at all levels of our political parties. We need people who care enough to seek candidates of uncompromising moral rectitude and to work untiringly to

get them elected. We need more investigative reporting to cover the specific abuses, making them exceptions rather than the rule. We need, as a people, to foster respect for the spirit of the law and for the principles behind it.

Mr. President, I commend Ms. Nimmo for her perceptive article and ask unanimous consent that it be printed in its entirety in the RECORD.

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

[From Mademoiselle for May 1974]

ON POLITICS IN POST-WATERGATE AMERICA

(By Mary Nimmo)

"Why don't you get a respectable job?" my friends ask. When I mention my profession at parties, people tend to back away. Sometimes I begin to wonder if there's a letter emblazoned on my chest—the scarlet "P" for politics.

I wasn't always open about my associations. On the Stanford campus in '69, I was a closet conservative. In the midst of student strikes, off-ROTC vandalism, riots and arson, I "came out" and when the tear gas cleared, I found myself committed to the conservative cause. I began working for Republican candidates, most notably as campus chairman for Ronald Reagan's re-election campaign.

My involvement with Republican politics might have been forgiven as an undergraduate aberration had I abandoned it on graduation day. Instead, I joined the party staff for the state legislature and became a full-time paid political hack. The involvement became total when my father was elected to the state legislature and I joined his staff.

In the post-Watergate era, I am now part of what some pollsters claim is the least respected profession in America. The daily mail brings letters attacking all politicians as corrupt, declaring that special interests have bought the legislature, suggesting that all incumbents must go, and calling for radical changes in our political system.

As a member of the state and local Republican party organizations, as a full time political staffer and as the daughter of an elected politician, I have very strong personal reactions to such generalized attacks on the political profession and my concern for the future of politics in America is a very immediate one.

For more than a year now, Watergate has been a national disease wracking our body politic. Out of it has grown an increasing lack of confidence in our political and governmental institutions. There has also grown an assumption that all, or nearly all, of our elected officials are corrupt and that a handful of unprincipled politicians are to blame for the fuel shortage, rising food prices, unemployment, and virtually every evil except the common cold. Some suggest that only if the President goes now—regardless of innocence or guilt—can the country be saved from these myriad evils.

In short, we have embarked on a nationwide witchhunt for a victim at whose door to lay the blame for America's problems. The searched-for victims are politicians, either as individuals or as a class.

Now I'm not suggesting that there is no corruption in political offices. On the contrary, I have seen a fair amount of it at firsthand. Any reporter willing to stalk the halls and ask tough questions could uncover enough scandals in Sacramento alone to make headlines from now until '76. But I also know first hand that there are a great many people in politics who are honest, open and uncompromising. By painting all politicians with the same brush of corruption, we slander moral men while failing to uncover specific evils.

Nor do I suggest that wrongdoing should go unpunished. On the contrary, I'm convinced that wrongdoing has increased precisely because it has not met with sure, swift and substantial punishment.

What I *am* suggesting is that the entire Watergate saga is only a symptom and not the disease itself. Watergate happened not because a handful of politicians were unprincipled, but because we, as a people, are not being true to the principles we profess. We declare our faith in the principles upon which our nation was founded nearly two centuries ago, the ideals set forth in the Declaration of Independence and the Constitution of the United States. But our institutions will reflect those principles only when those same principles are also reflected in the daily lives of all of our citizens.

We, as a people, have ceased to look upon our laws as principles and have come to view them as rules in a game where everyone plays to the limits, cheating wherever possible. When the speed limit was 65, most of us drove at 69; since it's been lowered to 55, most of us drive at least 59. Be it income tax deductions, traffic regulations or campaign reporting laws, the game is always the same: stretch the rules as far as you can without getting caught breaking them.

Come September, I'll be taking a three-year leave from full-time politics to study law. One friend, after counting the number of lawyers involved in the White House scandals, claimed I was simply planning to move upstairs in the whorehouse. I disagree—lawyers, like politicians, are no more guilty than the American people. The participation of so many lawyers in illegal activities is only further evidence that law is viewed as a game. Rather than teaching the legal system as a moral social structure, too many law schools have educated students to playing the game of law, no holds barred, for one's client!

Since Watergate, we have discovered that those to whom we entrusted the law, including some of our highest elected officials, are no truer to principle than are most members of middle-class America. The tragedy is not that they were found immoral, but that they so accurately reflected the national morality. We, as a nation, stand convicted as surely as do the Watergate conspirators. A sense, of that shared guilt, I suspect, has prompted the scapegoating efforts and the most violent attacks upon politicians as a class.

At this point, I think the real question confronting America is not so much "Where do we stand?" but rather "In what direction are we going?" Out of this year of Watergate has come increasing pressure for some sort of legislative cure for political immorality. In California a variety of laws have been introduced, and a few passed, which seek to legislate morality for political candidates and office holders. Unfortunately, most of these laws either 1) violate the personal freedom and privacy of people not politically connected with a candidate, such as the clients of a candidate's spouse; 2) discourage qualified and capable people from serving in elected or appointed office; or 3) provide a smokescreen for those few legislators who would take credit for clean campaign laws while simplifying their abuse.

The passage of such laws might, at best, control the most blatant political excesses, but only at fearful cost to our citizens and institutions, the simple truth is that political morality cannot be legislated because politicians as a group, will always be as moral or immoral as the people they represent. The attempt to find a legislative cure would be a futile and unfortunate course for American politics.

The other ill-advised course available to us is increased nonparticipation in the political process. On the local level, I have already talked to a number of previous campaign workers who now express disinterest in, or distaste for, political involvement. If this attitude becomes a trend, it bodes ill for the country's future. I deplore the generalized attacks on politicians particularly because they foster this attitude.

If we come to view politics as a calling only slightly more respectable than prostitution, our best and brightest will choose other careers, our volunteers will find other causes, the average person will disdain the polls, and democracy will be doomed. The only cure for America's current political ills is increased involvement. As perhaps never before, we need individuals of high moral purpose and strong commitment in our public offices and at all levels of our political parties. We need people who care enough to seek out candidates of uncompromising moral rectitude and to work untiringly to get them elected. We need more investigative reporting to cover the specific abuses, making them exceptions rather than the rule. We need, as a people, to foster respect for the spirit of the law and for the principles behind it.

These are not easy times in which to be a lawyer, a politician or a Republican. But they are challenging times. I'm going to stick with all three commitments because I have a personal stake in the direction this country takes. We can make our politicians, our parties and our government more moral only by raising the moral level of our entire society. The challenge faces us collectively and individually and it offers the only positive course for America. If you're willing to answer that challenge, you might begin by asking yourself how fast you drive.

(Mary Nimmo is a 1972 graduate of Stanford University and was MLLE's guest beauty editor that June. She is currently working in the office of her father who is a California state senator. She describes her current political involvement as "a total commitment" and hopes to study law in the future.)

PROPER SALARY LEVELS FOR GOVERNMENT EXECUTIVE PERSONNEL

Mr. McGEE. Mr. President, the Committee on Post Office and Civil Service has today begun a new round of hearings on the question of proper salary levels and pay-setting machinery for the Government's executive personnel and those in comparable posts in the legislative and judicial branches.

Among the agencies deeply concerned with the present inequitable situation is the Library of Congress, which is feeling the impact on its ability to recruit and retain the varied specialists needed if it is to serve the information needs of the Congress and fulfill its role as the national library of the United States.

Mr. President, I ask unanimous consent that a letter addressed to me by L. Quincy Mumford, the Librarian of Congress, be printed in the RECORD so that Senators may benefit from Mr. Mumford's cogent observations.

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

THE LIBRARY OF CONGRESS,
Washington, D.C., June 11, 1974.

Hon. GALE W. MCGEE,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGEE: It is my understanding that your Committee will be holding hearings on S. 3049, S. 3550, and S. 3551, bills to provide for a unified system of pay for

civilian officers and employees of the U.S. Government, or to provide for salary increases at Levels III, IV, and V of the Federal Executive Pay Schedule. The Library of Congress is most concerned about the impact of the inequitable pay system that now exists on its executive and research positions, in grades 16, 17, and 18, and Levels IV and V. Currently the Library has 71 persons locked into the $36,000 pay category. This disparity is found in positions of varying degrees of accountability and responsibility ranging from the Deputy Librarian of Congress to subordinate GS–15 positions. The Deputy Librarian and Assistant Librarian of Congress, along with the Library's six department directors are supervising persons who, with lesser responsibilities, are being compensated at the same out-dated ceiling of $36,000. This, of course, is a serious morale situation.

Even more grave is the effect this ceiling is having on the recruitment and retention of the varied subject specialists the Library must obtain and hold in order to serve the information needs of the Congress and to serve as the national library of the United States.

As you know, the Legislative Reorganization Act of 1970 provides that the pay of Senior Specialists in the Congressional Research Service "shall not be less than the highest grade in the executive branch of the Government to which research analysts and consultants, with supervisory responsibility, are currently assigned." The Congressional Research Service has been severely hampered in obtaining and retaining such specialists in recent months. Specifically, during this year, several candidates for a senior specialist position in agriculture were interviewed. Two applicants, a research firm executive and a foundation official, expressed concern over the salary level. The research firm executive withdrew his application. Within the last 10 days, a very highly talented scientist who had planned to join the CRS staff declined the offer because his university offered him $42,000 if he would stay.

A Senior Specialist in Energy retired immediately upon becoming eligible for retirement although he had expressed his intention to work an additional 5 years. He changed his mind because of an offer of a high paying position by a major electrical corporation. Another Senior Specialist in Environmental Policy retired upon reaching age 55 with 30 years of service in order to accept an offer of part-time employment by two research firms and a university. He has also entered into a number of part-time consulting agreements. The Service has been particularly hard hit by these retirements because of the limited number of specialists in these fields and because of the intense competition for such expertise by private enterprise, which, of course, can pay much higher salaries. Obviously, if there were some incentive or hope for higher pay within the Federal GS structure, our ability to keep and recruit such talented personnel might well be more successful.

Although the Library of Congress is in fact, though not in name, the national library of the United States and the largest library in the world, the salary of the Librarian of Congress ($38,000), not to mention the top managerial staff, is below that paid to directors of numerous university and large municipal libraries.

The information science industry is in a much more favorable position to recruit experienced information scientists than the Library of Congress. This is particularly unfortunate at a time when the Library is attempting to apply computer techniques to Congressional operations and when it has taken the leadership in applying automation to bibliographic operations.

The enactment of S. 3049, S. 3550, or S. 3551 should at least give encouragement to persons presently on the Library staff who have been without a pay increase for nearly 5 years and should assist us in recruiting and retaining the top talent necessary to provide effective service to the Congress and effective leadership in general library operations.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

COMBATING RETINITIS PIGMENTOSA

Mr. MATHIAS. Mr. President, Mr. Ted Venetoulis, of Baltimore, Mr., has been selected to serve as chairman of the legislative committee of the National Retinitis Pigmentosa Foundation. Retinitis pigmentosa is an inherited disease which affects sight and afflicts nearly 100,000 people in America. Progress in research to combat this disease is progressing, and the foundation is pledged to furthering these efforts.

In order for my colleagues to become more aware of this disease and the efforts of the foundation, I ask unanimous consent that a recent article about retinitis pigmentosa be printed in the RECORD.

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

FOUNDATION ESTABLISHED TO FIND A CURE FOR RETINITIS PIGMENTOSA

Retinitis pigmentosa is an inherited disease that affects nearly one hundred thousand people in this country. One can estimate that one out of eighty Americans, most unknowingly, is a carrier of this disease. The inheritance pattern in retinitis pigmentosa varies widely; that is, some types are dominant, and some are sex-linked, but almost ninety percent of the cases are autosomal recessive. The latter type usually strikes without warning since there is rarely a previous history of the disease in the afflicted person's family.

The first symptoms of retinitis pigmentosa frequently appear in children and adolescents and are night blindness and stumbling. Stumbling occurs since the victim's degree of vision is narrowing and he cannot see things ahead and beneath him simultaneously. Over a lifetime, the disease gradually decreases a person's ability to see at night and cuts down on the amount of side vision, resulting in "gun barrel vision." The loss is caused by changes in the retina, the innermost layer of the eye, which receives light and generates nerve impulses to the brain.

To date there is no known treatment that can halt the progress of retinitis pigmentosa in a person who has the gene for the disease. In many cases, however, retinitis pigmentosa does not progress to complete blindness. Many patients keep their reading vision throughout their lives, although it may be restricted to a small central part of the visual field. It should also be noted that the symptom of night blindness does not necessarily indicate retinitis pigmentosa.

The disease can be diagnosed in more advanced stages by an ophthalmoscope. Looking into the interior of the eye, if the disease is present, the ophthalmologist can see many black pigment deposits scattered throughout the retina, but particularly around its edges. This extra pigment is characteristic of the disease, as the name retinitis pigmentosa suggests, but in rare cases the pigment may be absent.

Retinal research has been hampered by the location of the retina since it and the optic nerve through which its signals are carried to the brain are part of the central nervous system. Research involving the retina has accelerated recently; however, due to the development of new techniques to study this highly inaccessible part of the central nervous system. These new methods allow one to detect the minute signals produced by retinal nerve cells when struck by light. The strength and timing of these signals is measured by electronic computers; when retinitis is present, the signals are very weak. In this way, retinitis pigmentosa can be distinguished from other diseases and can be diagnosed and analyzed in young children before ophthalmoscopic examination reveals any convincing abnormalities. Scientists can then study the earliest phases of the disease and test hypotheses on treatment. Currently therapeutic trials of light deprivation in young children with retinitis pigmentosa are under consideration.

Many scientists are conducting research to find out how retinitis pigmentosa affects retinal tissue. They have observed that in this disease, the rods and cones, which are the specialized light-receiving cells of the retina, become less active. The rods and cones used for peripheral or side vision are particularly affected. Because there is greater damage to the rods, which are also used to detect shades of black and white in dim light, night vision is also damaged. The deteriorated light-receptor cells no longer respond to stimuli and gradually the blood supply to the retina decreases.

Rats also have retinitis pigmentosa and offer medical scientists a rare opportunity to study it in an experimental animal. The first retinitis pigmentosa of rats was discovered in England, but this disease has a very violent onset early in life and produces total blindness rapidly. Recently new forms of retinitis pigmentosa have been discovered in rats that mimic the human variety much more closely. It is hoped that important clues can be obtained from the application of modern biochemical and electrophysiological techniques to such forms of retinitis pigmentosa in these animals which will bear on the human disease.

One of the important clues to the defect appears to lie in the chemical rhodopsin which is the part of the rod cell that actually catches the light that enters the eye which is then perceived by the brain. Rhodopsin is a molecule composed of a protein and vitamin A. It is known that when vitamin A is removed from the diet, rhodopsin will not be formed and the entire photoreceptor cell slowly dies, leading to blindness. Human subjects who cannot absorb vitamin A develop the symptoms of retinitis pigmentosa, though when treated with massive amounts of this vitamin, sight is restored. Most patients with retinitis pigmentosa do not have any such obvious abnormality of vitamin A in their bloodstream and do not improve when given large amounts of this vitamin.

Vitamin A is carried through the bloodstream by a recently identified protein called the vitamin A binding protein. Scientists feel there may be a problem of some kind in retinitis pigmentosa patients that does not permit vitamin A to color the eye. Another important development has been the discovery that the photoreceptor cells are continuously growing and are constantly trimmed by the pigment cells that surround them. In rats, the inability to perform this function by pigment cells leads to retinitis pigmentosa. A third clue in evaluating this disease is the adverse effect of light. Rats with retinitis pigmentosa become blind faster if exposed to continuous illumination, of conversely, they retain their sight longer if deprived of light. Light seems to interfere in some way with the vitamin A cycle in the photoreceptors.

People who have retinitis pigmentosa know therapy to arrest this disease is vital. Even a peephole of sight is cherished, and that is threatened since typically retinal deterioration has indefinite periods of remission.

Until about two years ago, there was no concentrated effort to put money into a re-

search program devoted exclusively to the study of retinitis pigmentosa. Sporadic work was done in various laboratories across the country but none correlated.

Eliot L. Berson, M.D., Assistant Professor of Ophthalmology at Harvard University and the Massachusetts Eye and Ear Infirmary, was the leader in the field, having done research for six years on retinal disorders including RP.

Yet it took a personal tragedy in the life of a Baltimore County family to spur the establishing of the National Retinitis Pigmentosa Foundation. The story has been given national publicity—the vacation trip when one daughter complained of not being able to see in a semi-dark cave—visits to ophthalmologists, with the eventual diagnosis of RP—the discovery that another daughter, showing no symptoms, was similarly afflicted—and the final pragmatic advice from a physician, "go home and teach your children Braille."

The parents rebelled. No cure? Then why not find one! The father felt that a clinical ophthalmologist working alone would never find a cure for the disease. A multidisciplined approach would have the best chance . . . biochemists, anatomists, electrophysiologists, geneticists . . . all working together under one roof, and correlating their finds . . . they could find the answer.

Embarking upon a personal search for information on the disease, the father eventually reaches Dr. Berson in Massachusetts. His selfless dedication so impressed this distinguished specialist, as well as the Board of the Harvard Medical School, that he was promised a laboratory equipped with the best of modern technological equipment, and operated by highly qualified researchers to work on this dreaded eye disease . . . to seek its cause, cure, and treatment.

However, there was one stipulation. The father had to raise the monies required to equip this special section of the Massachusetts Eye and Ear Infirmary. The initial goal was $300,000. This was in September 1971, and by December 31, 1971, the goal must be met.

Personal anguish was transmitted into devotion to the cause. Working tirelessly, the couple began raising the money to assure the beginning of the laboratory . . . philanthropic foundations were approached, and they responded with substantial grants. Friends and relatives helped, offering their time and personal encouragement.

The $300,000 goal was met, and the National Retinitis Pigmentosa Foundation was born. The Laboratory for the Study of Retinal Degenerations at the Massachusetts Eye and Ear Infirmary will open in April 1974. A dream became a reality.

What Dr. Berson's work already has shown is that the retina appears to be overactive in this disease. He has hypothesized that exposure to daylight may therefore drive the tissue to destruction faster. Thus, he is beginning trial studies in which one of the patient's eyes would be completely shielded from the light by means of an opaque lens to cover the front of the eye.

"If light deprivation will stop or markedly delay the degeneration in patients in early stages of retinitis pigmentosa, then it may be possible to double the patient's visual lifetime." He cautions, however, that the degeneration wrought by retinitis pigmentosa usually advances slowly over a long period of time and, consequently, there can be no quick answers from the therapeutic trial recently begun. Any such attempts to preserve vision for these patients will require the passage of extensive time before any benefits become discernible.

In the meantime, the Laboratory for the Study of Retinal Degenerations will be exploring the basic mechanisms underlying these eye diseases. The work of the National Foundation, however, is only beginning. An additional $1,500,000 is needed to fund the laboratory research for a period of five years.

The objectives of the Foundation are: (1) To inform the public of the magnitude of RP and its symptoms; (2) To inform RP victims nationwide of the existence of and progress from a laboratory for the multi-disciplined research on RP and allied diseases; and (3) To solicit funds for the construction and operation of the laboratory, to coordinate fragmented research efforts throughout the country and abroad and to underwrite other research proposals to find a cure and/or a method to retard RP.

Additional information may be obtained by contacting the National Retinitis Pigmentosa Foundation, 8331 Mindale Circle, Rolling Park Building, Baltimore, Md. 21133, (301) 655-1011.

TEN YEARS OF THE ECONOMIC OPPORTUNITY ACT

Mr. MONDALE. Mr. President, a recent article in the New York Times by Roger Wilkins gives us all an accurate and incisive assessment of the 10 years of the Economic Opportunity Act and the likely future of the poverty program.

These 10 years have been difficult ones in the fight to give the poor the rights which others in our society have long enjoyed. In particular, the past 5 years have seen one attempt after another to cripple and even destroy the progress which had been made during the mid-1960's. Yet, as Mr. Wilkins states, the legacy of the antipoverty program is real—"the poor are a little stronger, considerably more self-aware, and somewhat more self-sufficient."

I commend this article to my colleagues, and ask unanimous consent that the text of the article be printed in the RECORD.

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

THE WAR ON POVERTY: 10 YEARS LATER

(By Roger Wilkins)

The House of Representatives voted the other day to repeal the Economic Opportunity Act of 1964 and to let the Office of Economic Opportunity die next month. The Senate is likely to follow suit. The Times reported that "few members . . . rose to mourn the end of the agency," which had been intended by President Johnson to bring "total victory" in the war against poverty.

The mind ran back ten years to the spring of 1964 when Bill Moyers turned from a visitor in his White House office, punched his telephone console with the heel of his shoe and took a call from a Congressman who wasn't sure what he thought about the poverty proposals. There was Texas oil in Mr. Moyers' voice but steel in the political turkey he was talking. When he was through, the man's vote was firm.

The White House heat was on. Though incubated under John F. Kennedy, the poverty program was to be Lyndon B. Johnsons' first major legislative effort. He wanted a win badly, and he got it.

The field was brand new, and idealists, visionaries, politicians, hustlers—bureaucratic and otherwise—and, ultimately, the poor all rushed in. Sargent Shriver donned a new hat and soon his intense driving brand of structed chaos turned O.E.O. into the hottest shop in Washington. In the countryside, the booklet of community action guidelines became, for a time, a new Bible. An instant body of Talmudic scholarshp sprang up around the words "maximum feasible participation of the poor."

Congressmen and mayors quickly became leery. The voiceless poor were becoming a loud unmanageable rabble—containing, incidentally, the seedbeds of viable new power rivalries—with which they had to contend. Horror stories about mismanagement, discourtesy, radicalism and thievery were soon being fed back to gleeful conservatives in Congress. Beneath all the clamor, however, real change began to occur. New programs were developed out of community action. Among them: Headstart, Legal Services, innovative manpower efforts and new health-delivery programs. But the main development was that groups of hitherto powerless people had, for the first time, the opportunity to handle sufficient amounts of money to generate for themsevles the beginnings of some power. They also developed government management skills and new community services opportunities for people who needed jobs.

It was not a neat and tidy process, and hostility grew. President Johnson became disenchanted and left office without fully comprehending the real accomplishments of the program. Over time, Richard M. Nixon became a determined foe of O.E.O. He succeeded in dismantling it and in scattering the programs all over the domestic side of the Government. The idea of a focal point for poverty in the Government—a place where advocacy, evaluation planning and governmental oversight could come together—is dead.

But the legacy is real. Legal Services—thought by many to be the most effective and economical tool in the effort to empower the poor—seems fairly sure to win its perilous two-year fight for survival. Headstart appears to be a permanent $500-million Federal effort. Community action—supported by a broad coalition of governors and mayors, including George C. Wallace—seems destied to continue in some form or another as a kind of ombudsman for those who need governmental services. The House bill would send it to Health, Education and Welfare. Senator Jacob K. Javits intends to try to set up a new independent Community Action—Community Development Administration. Whichever form finally emerges, barring a veto, Mr. Nixon seems to have lost his fight to destroy the heart of the anti-poverty effort.

The principal legacy is that the poor are a little stronger, considerably more self-aware and somewhat more self-sufficient. In many instances, their vision of their own potential has been enlarged. There is around the country a network of poor people and their advocates who know something about manipulating the system in order to alleviate poverty. That network did not exist in 1964. Citizen participation has become a part of our legislative landscape. The "invisible poor" have become visible and have entered the nation's consciousness. A foundation has been laid to await the next cycle of legislative creativity.

It wasn't "total victory" but it was a good beginning. And it was far from the total failure and the untmitigated mess is detractors claimed it to be.

FEDERAL SUPPORT FOR THE ARTS: A CONVERSATION WITH SENATOR PERCY

Mr. PERCY. Mr. President, several weeks ago I had the pleasure of appearing with Irma Lazarus of WCET–TV in Cincinnati, Ohio, on the "Conversation with Irma" program. Ms. Lazarus and I discussed the past, present, and future of Federal involvement with and support for the arts and humanities in this country. Since we shall soon be discussing this subject in the context of appropriations for fiscal year 1975, I believe the transcript of the broadcast might be of in-

terest to my colleagues, and to the public as well.

I ask unanimous consent that WCET's transcript of the "Conversation with Irma" segment be printed in the RECORD.

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

CONVERSATION WITH IRMA

OPENING BY IRMA LAZARUS. Good evening everyone. Tonight I have the privilege of introducing to you someone that I have unbounded admiration for and known for a long time. He shares some of my passions with me. I have chased him down the mountain skiing in Vail and not being able to catch up with him. He has my admiration for The Kennedy Center and the arts. And, he holds a very distinguished position there as Vice-Chairman of The Kennedy Center. I am the Ohio Representative. But more than that, he is the kind of politician that I wish the world was made up of. He is just the kind of person who has integrity and humanity and a breath of understanding of political problems that we sorely need. His name is Senator Percy of Illinois, and I welcome him here today after many, many years of wanting to have the opportunity to talk to him. Not about politics really, but about the arts and about television because these are two other things that he seems to have a lot of knowledge and cares a lot about.

Chuck, I know that mostly people are talking about Watergate to you and the energy crisis so I want to break through all that and talk about something I care a lot about and I know you care a lot about.

IRMA LAZARUS. I know that you are the Vice-Chairman of the Kennedy Center, and I would like to ask you how you got to be that.

Senator PERCY. It was really when Saltenstal left the Senate. Everett Dirksen, the Minority Leader, came to me and said, "The United States Senate has two representatives on the Kennedy Center; one is a republican. Saltenstal was on it. Will you be the republican representative?" And, that began an activity in my life as a Trustee of The Kennedy Center that has enriched my life so tremendously.

IRMA LAZARUS. Could you explain why, as a political figure, you were even put into this role because usually we think of this kind of an institution as being a business man's role, perhaps, or just an art dilettante.

Senator PERCY. The United States Government has a great stake in The Kennedy Center because it is a national memorial. Now, it didn't start that way, Irma, as you know. It was started under the Eisenhower Administration, with the idea that there should be a national center for the performing arts. That Washington, in a sense, was a cultural void, and we should be a showcase for the world in many things, and the arts are a tremendous part of humanity and civilization really. And, why not then have the nation's capital as a great center. But, it was having a tremendous time financing itself and getting enough private donations. And then the tragedy of John F. Kennedy's assassination came and Roger Stevens, the gifted, brilliant Chairman of the Center on the Board, conceived of the idea of having the Center designated as a National Memorial. This then enabled Congress to appropriate funds and match part of the public money and foundation money coming in. As a result of those matching funds, we were finally able to complete the Kennedy Center.

IRMA LAZARUS. Having completed the Center, I think it is about two years, maybe a little more, do you feel it has accomplished what you hoped it would, as far as the City of Washington is concerned?

Senator PERCY. Really far exceeded it. Outside of the White House, it is the biggest, and the Capitol the third, I might say, largest tourist attraction.

IRMA LAZARUS. Is it really?

Senator PERCY. People pour through. And, we had a tough decision to make as to whether or not we should open it year round; every day so that every visitor to Washington could come through. . . . because, it does cost a great deal of money.

IRAMA LAZARUS. Do you mean the maintenance costs a great deal of money?

Senator PERCY. Maintenance cost and even vandalism. We had a problem at the beginning—we have beautiful crystal chandeliers in the elevators, and they would start to take the beads off. And we were very discouraged by this. Then we began to realize they wanted something they could take home, and opened up little souvenir shops and the vandalism stopped.

IRMA LAZARUS. That solved the problem?

Senator PERCY. We sold a little bust or some other momento of The Kennedy Center and the vandalism stopped. And, we have been very gratified as it brings in a source of income that helps finance and pay for the guided tours.

IRMA LAZARUS. You know very well, I had great misgivings about The Kennedy Center and the kind of attendance it would get when they were starting to build it. I didn't feel the Washingtonians basically were culturally oriented. They hadn't shown themseves to be in former years. They do not have a great symphony, a really great symphony, and they never had much live theatre there except touring theatre. And, suddenly it is all exploding! Can you account for this as part of The Kennedy Center sort of mystique?

Senator PERCY. Despite the fact that Loraine, my wife, and I have worked with The Chicago Symphony Orchestra, and with the Lyric Opera, and have seen the tremendous success of those through the years in Chicago, I shared your skepticism.

IRMA LAZARUS. Did you?

Senator PERCY. The diplomatic core, the busy life and schedule that everyone leads, and would the tourist come and watch them, and would they want to come to The Kennedy Center to see a play, an opera or the ballet. But our skepticism was unfounded and unwarranted. People have come in droves. And, in fact, at the last Board meeting, Irma, the operating budget showed that with the assistance and help of the friends, with the contributions that they make, we have a balanced budget.

IRMA LAZARUS. That is unusual.

Senator PERCY. The Kennedy Center has no government underwriting, not a penny of federal funds go into underwriting our operating expenses. And, this has really been a miracle. We are jammed virtually every night—in the Opera House, in the Concert Center, the Eisenhower Theatre, and in the American film festival theatre, so there are four productions going on simultaneously night in and night out.

IRMA LAZARUS. And, you mean to say with the amount of money that comes from friends' support plus admission tickets at the moment that is really supporting the Center without any further . . .

Senator PERCY. Yes, it is absolutely unbelievable.

IRMA LAZARUS. It is a miracle. Really, a miracle.

Senator PERCY. But, there is no endowment and look at the endowment that saved the Metropolitan. Their operating budget, I understand, this year will be seven million dollars in deficit. And, here we are virtually breaking even. Well, actually we are in the black with the help of the friends. I mean dollar bills coming, hundred dollars, ten dollars, thousands, ten thousand, from a corporation. Gifts come from all across the country because this is the nation's cultural center. It is owned by all the people and obviously now millions are going through it every year and hundreds of thousands are coming to Washington sending for their tickets ahead of time to be certain that they see a production or matinee.

IRMA LAZARUS. And, they keep it open in the summer time as well as in the winter?

Senator PERCY. Oh, yes. It is fully air conditioned. Right on the Potomac River. Should we give up river space for a memorial, but the decision was right. It is in the right place and there is good parking and the parking concession. Here you park right underneath the theatre and you can take an elevator right straight up. Much more convenient than any theatre I have been in in the world. And, the parking concession helps us pay and underwrite a part of our operating costs.

IRMA LAZARUS. There has been some criticism in various newspapers that the Center is too far away from the poor. Not in the sense of the enjoyment but the accessibility. Is that a fact?

Senator PERCY. Not at all. 25 percent of the tickets are underwritten. Even with that kind of an underwriting, so that school children, so that low income people can enjoy the Kennedy Center, with that underwriting we are still breaking even, with the help of the friends.

IRMA LAZARUS. Who does the underwriting for these 25%?

Senator PERCY. The operating expenses. In other words, everyone who attends helps participate a little bit.

IRMA LAZARUS. Oh, it comes out of the budget.

Senator PERCY. At every single performance you and I see when we pay, and the trustees pay the full cost of every ticket, when we go and attend, a small part of our ticket cost . . . is to help low income people, school children enjoy the benefits of the Kennedy Center. And, I think that is a rather good feeling to make the arts available to all Americans.

IRMA LAZARUS. Oh, I think that is marvelous. You know it is really interesting to me because I have some children who live in Washington and they have told me that since the opening of the Kennedy Center, there has been a proliferation of other art forms in the City that probably wouldn't have existed if people hadn't suddenly become very culture or art orientated, which I think is what Washington is really about. I was reading a very nice litle quotation from Henry James who said that businessmen felt that arts were the concern of women, foreigners and other impractical people. And, I can say now that we have certainly come a long way from that. It's amazing.

Senator PERCY. Well, Loraine and I were in New York last weekend and saw a preshowing of the "Great Gatsby." The next morning we went to the Metropolitan to see "The Tapestry." Magnificent and the new system now of voluntary contributions . . .

IRMA LAZARUS At the door?

Senator PERCY. At the Metropolitan, at the door. Not required, but they have a suggested $1.50 for adults and maybe $.50 for children. It was jammed.

IRMA LAZARUS. Was it?

Senator PERCY. And, to see across the country that people would realize we have more symphony orchestras in the United States than all the rest of the world combined. We do not just have a nation of economists and industrialists and so forth. We are really tremendously pursuing the humanities and the arts in this country. Educational television alone is a miracle in America for what it has accomplished.

IRMA LAZARUS. Let me talk to you a moment about the National Endowment because as you know the National Endowment is now seeking $80 million to support the arts of the United States. Are you happy about

this? How far do you think the responsibility of government to the arts must go and can go?

Senator PERCY. I think it is a function of government because of our progressive income tax system. The federal government pre-empts 90% of the federal graduated income tax. We have taken that away really from municipalities and states. And, therefore, this is the only fair and equitable way. We pay per capita in the United States less for the arts and humanities than any modern industrialized nation that I know both communist and free. And, for the fraction of a cent that we really put in, out of our taxes, when we consider how much West Germany, hard headed, practical people, but their contribution of federal government to the arts far exceeds that of the United States. So a mere $80 million to encourage and be seed money for young struggling American artists, to encourage American productions, to match grants. A hundred thousand dollars is all we give to the great symphony orchestras. And, that is not much. But, it is a symbol for all of America in the arts. It encourages the private contributions of foundations and support and help. Irma, my mother has been a violinist, concert violinist, all her life.

IRMA LAZARUS. I didn't know that.

Senator PERCY. She started, well she is 39 like Jack Benny still and she has been that for forty and some years. But, she still plays in the Symphony Orchestra, the largest civic orchestra in America.

IRMA LAZARUS. Does she really? How wonderful.

Senator PERCY. And, she is a little over 80 I guess, and she loves her music. It has enriched her life, and all her life she has been playing for schoolchildren. She spends a good deal of her spare time now going to nursing homes and elderly homes. She and an accompanist go out occasionally and put on concerts. Music really has made a tremendous contribution to the quality of life in every civilized nation and particularly in America now as we are devoting more and more of our resources to the humanities and the arts.

IRMA LAZARUS. I think you are saying something that is very close to my heart and this whole approach that you have for humanizing our world in, as you say, a very inexpensive way when you figure the cost of other things. I think you are right. Let's get to the other great subject that has to do with the amount of government support that should or shouldn't be given and that is public television. How do you feel about that?

Senator PERCY. Oh, I very strongly support it. We are now sitting in the studio of the first licensed television station in America. And, a great educational outlet. But, I felt so strongly that when I went on the Ford Foundation Fund for Adult Education Board, and subsequently became Chairman of that Board, we simply decided at one board meeting, I remember Milton Eisenhower sitting opposite me when we said this board should try to become the Carnegie of educational television. So, we started with the idea that we should petition the government to set aside channels exclusively for education. Leaving it to the various cities, the great universities to decide in each locality what they wanted, but to give them the option. And, to their everlasting credit ABC, NBC, CBS mutual, Westinghouse all supported this concert.

IRMA LAZARUS. It's amazing.

Senator PERCY. We spent about 22 million dollars of Ford Foundation money. Got this whole idea started. Now, as you know, with the help of the public and with the help of our great universities, with corporation assistance and support this concept is now a self-liquidating, self financing concept and obviously the big foundation grants are no longer needed. Local communities are carrying their share of the load now.

IRMA LAZARUS. Well they all do and yet I spent some time with a mutual friend of ours, Tom Watson, and Tom said after his illness he suddenly was aware for the first time of the enormous impact of television on the average family. Well, if this is the case. (This is a loaded question), but, don't you feel we are not really at the government level. We really haven't begun to help public television in the way that we could if we really wanted to get the great benefits that we could?

Senator PERCY. Well, the federal government is putting in, obviously, into the network end of it still sustaining and supporting it and I deeply believe in that. I think it is a very modest sum of money compared to what any single commercial network and its advertisers would actually spend. But it is that seed money that does help them with production costs, does provide programming for network and we have, I'm not sure what the figures are, but I think it is better than 200 educational television stations.

IRMA LAZARUS. But, the point I was going to make is that after all if you realize alone what the "Sesame Street" and "The Electric Company" have done in the terms of elevating the educational potential of children all over America and you realize the money we put into public libraries aren't we being a little cowardly in terms of what we could accomplish if we really wanted to do the job properly?

Senator PERCY. Obviously, those of us who are in government are concerned about getting government itself so deeply involved that it might begin establishing policy. We would rather have a minority role and have preponderance of support in the private sector so that we could never become like French television, an instrument of the government for propaganda purposes.

IRMA LAZARUS. Is it that way in France? I didn't know that.

Senator PERCY. Oh, very much so. It is an arm of the government.

IRMA LAZARUS. As it is in Russia?

Senator PERCY. It is used by the government for its own self preservation and promotion and propaganda. That would not be tolerated in this country.

IRMA LAZARUS. You know this is reasoning that I do not think has been as evident as perhaps as it should have been because I have never heard that argument before. And I have read a great deal about public support of public television. I think maybe it should have been stressed a little more than it has been. Have you found any effort on the part of politicians to use both public television and the arts to their own ends? You know . . .

Senator PERCY. Oh . . . George Elliot said, "Leave us not enquire the motivation of man." All politicians can rationalize what they do in public affairs, appearances, as furthering the public education, but it does get into the area of self promotion, of course it does.

IRMA LAZARUS. No, I didn't mean that. I meant do you see a corruption in terms of saying this is art or this isn't; this I will permit on the show and this I will not. Has there been an effort on the part of many legislators to really influence the kind of things that television does and the kind of things that the National Endowment supports?

Senator PERCY. There was some concern a couple of years ago. That there was an attempt to rid public television of the "radical lib type" of programming and in order to do so because public television, I think, had been eminently fair, and after all Bill Buckley had his program on, which I felt was an outstanding program, no one ever accused him of being a radical lib, they eliminated his program. And, in order to get those on what they considered the other side. I felt this was a great mistake.

IRMA LAZARUS. Oh, you mean in order to do the radical lib they wanted to make a point of saying they were going to do it on both ends of the spectrum.

Senator PERCY. Oh, yes. So they were just on principle eliminating such programs that may tend to influence thought and I felt that was being rather extreme. I consider the American public quite discerning. I would consider that if local programming became slanted there would be enough public pressure, locally enough outcry and protest, to bring it back into line and objectivity. But, for the most part, the educational television has been extremely objective, has been fair, and has tried to do an unbiased job. And it has been relatively free of criticism.

IRMA LAZARUS. What about the endowment? Have you heard? I remember in the very early days when the endowment bill was first passed, there were many people who felt that government support of the arts would eventually turn out to be government chosen art and have you seen any indications of this?

Senator PERCY. Not under Nancy Hanks. She has been a brilliant head of it and though I have not agreed with everything the Nixon administration has done, as you know, in the field of the arts, the Nixon administration has been magnificent.

IRMA LAZARUS. They certainly have.

Senator PERCY. First in the selection of Nancy Hanks. And, second, in doubling and doubling again the budget. When other things have been cut, scientific areas and so forth and some research, at the outcry of scientist and doctors, the humanities have really moved dramatically ahead. And, just as in the recognition of Red China and the detente of the Soviet Union and the SALT talks possibly it does take something of a more conservative image in an administration in order to get by.

IRMA LAZARUS. You mean more acceptable?

Senator PERCY. With some of the things that they might not otherwise and there has virtually been no criticism of these tremendous budgets and they have been virtually approved by Congress intact.

IRMA LAZARUS. Do you think that this go round, which is going to be a difficult one I know, because I think all of Congress is a little bit jittery about what is going to happen in the next election. Do you think this will influence in any way their willingness to increase the appropriations for the arts?

Senator PERCY. No, I do not. I see rather solid support for it.

IRMA LAZARUS. That is very encouraging because Mike Streight told me that Nancy Hanks was very, very concerned for fear that the climate in Washington might be against the arts this time.

Senator PERCY. No, I really do not detect that. I think she should be professionally concerned, always anxious, working hard, as she does, but I served on the Interior Department Appropriations Committee which handles this matter, and the ranking Republican on it, Senator Bible, has been very progressive in this area.

IRMA LAZARUS. Explain this to me. The bill under the Interior Department?

Senator PERCY. Yes. Under the appropriations sub-committee that handles the Interior Department appropriations.

IRMA LAZARUS. Why would that be?

Senator PERCY. Oh, it is just assigned. That is where it is. And the bureau of the budget decides that is probably the area of closest interest. And, it just happens to be in that one. And, it is certainly better than on the Defense budget sub-committee. It could logically go under probably one or two other categories, but that's the area it happened to be assigned to.

IRMA LAZARUS. You know, Chuck, we have

been talking about the quality of life really, which is certainly what public television is about, and what the arts are about. You have been in Washington a long time, where do you see us going now? Do you think we had a good shaking up in connection with the energy crisis and so forth. Are we going to start putting our emphasis other places or do you think it is going to be a very impermanent results?

Senator PERCY. I was very discouraged this week when I heard that the bidding price for large automobiles and 8 cylinder cars had gone up.

IRMA LAZARUS. It's gone up?

Senator PERCY. It's gone up. Just because it looks like the embargo is going to be lifted.

And, I hope we will not make that mistake. I hope we will not go back to the gas guzzling dinosaur.

I hope we won't go back to the unnecessarily large automobiles and I hope we won't go back to the practice of squandering and wasting our resources. I hope this experience we have gone through will be a permanent change in our outlook and our attitude. I hope it will emphasize things like recycling, and I hope that we will not let our standards go down, on air and water quality. But it is our job to keep the standards high and to keep the pressure on because the energy crisis is not a short term thing. We have a long run shortage now of many things, including energy and we should start to conserve rather than find ways to use up and consume.

IRMA LAZARUS. How can we do that? You can't continue to cry wolf? How do you keep in front of the American public the need to basically change their way of life?

Senator PERCY. Oh, I think about the quality of life; what does it do? For instance, if we continue the 5% annual increase compounded every year, for petroleum products, we are going to need a great many more refineries. Do you know of a community that would like to have a big refinery?

IRMA LAZARUS. Not in New Hampshire.

Senator PERCY. We have just had more states in New England turn them down. They are hollering for more oil, but they do not want the refineries. Santa Barbara is not about to start to put their derricks again right off shore. But, we are probably going to have to do some off shore drilling. You love the hills of Colorado, but you know we are going now into shale oil, and crumbling the rock and squeezing the oil out of it.

We are going to have to do a great many of these things. And these are the alternative we have to weigh. And, I would say starting to find ways to reduce consumption. Not to do without, not to bring suffering or anything like that, but a little sacrifice will go a long way towards conserving and making our quality of life much better in America.

IRMA LAZARUS. Well, you know the reason I question this is that most people are, I think, somewhat pessimistic in terms of the American people's memories. The minute the gas comes back I am so afraid the whole thing will be forgotten. And, I must say that I was so joyous myself at the gas shortage because I abhor these big cars. I don't feel, I think they don't serve any purpose, I think what has happened as far as our public transportation in this country has been shocking. Do you think there is any hope that we are now going to avoid making all these enormous concessions you know to asphalt and do something about transportation?

Senator PERCY. Well, I think it is a basic national decision now on national priorities. We should bust the highway trust fund. We should create a transportation trust fund. Our railroads are bankrupt, our mass transit are bankrupt. They are trying to increase rates which always cuts the number of passengers and, yet, we have 3½ billion dollars of unspent funds in the highway trust fund because all that money pours into one thing to just keep paving, just keep pouring concrete. If each area, each state, each region could be given its own choice: do you want to use it for more roads and highways, expressways, do you want to use it for subsidizing mass transit and giving them an operation subsidy so more people can use it to improve the safety and swiftness and efficiency and air condition those cars and make it pleasant to be on mass transit. We are putting a tremendous amount of money into underground subway systems in Washington. You will be able to leave for Maryland or over across the river in Virginia and get off right at the Kennedy Center in safe, swift, efficient cars adapted and designed so that the elderly and the handicapped can use those cars. Now, this is what I think we should do.

IRMA LAZARUS. What about other cities though? Is it going to be government money for that?

Senator PERCY. Well, look at Los Angeles. It is just based on the automobile and that is why life really is injurious to the health of the people. Life is becoming less pleasant every year. It will become horrendous if we don't do something. We have got to develop in Los Angeles a mass transit system. San Francisco has done it with Bart. It is a miracle with Bart.

IRMA LAZARUS. Is it working?

Senator PERCY. I've not been out to use it. But, from what I've seen it has had problems obviously. It is a dramatic new system. But, how fortunate they are to have it.

IRMA LAZARUS. Right.

Senator PERCY. How tragic it would be if they were just now starting to acquire the land and beginning the construction. Inflation alone would have cost more than the investment they now have in it.

IRMA LAZARUS. Never have we had a half hour go so fast and I am so reluctant to have to say goodbye to Senator Percy as you can see he is a great man. And, he has a great deal of vision. And, America needs him. Thank you for being with me. Good evening.

Senator PERCY. Thank you, Irma.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in attempting to consider the merits of the Genocide Convention, I believe it is instructive to review the statements of three of the administrations which have endorsed this treaty.

In submitting the convention to the Senate in 1949, President Truman made several points which still hold true:

By giving its advice and consent to my ratification of this convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

President Kennedy also made several important points when he submitted three human rights treaties to the Senate:

The day-to-day unfolding of events makes it ever clearer that our own welfare is interrelated with the rights and freedoms assured the other peoples of the world. . . . There is no society so advanced that it no longer needs periodic recommitment to human rights. The United States cannot afford to renounce responsibility for the support of the very fundamentals which distinguish our concept of government from all forms of tyranny.

And, finally, we have the words of President Nixon when he resubmitted the Genocide Convention for ratification:

I believe we should delay no longer in taking the final convincing step which would reaffirm that the United States remains as strongly opposed to the crime of genocide as ever.

Despite these urgings, the U.S. Senate still has not acted. Indeed, it has been a full quarter century since the treaty was first submitted to this Chamber. A full generation has grown to manhood during these years of procrastination. But we cannot continue in this manner.

The time is right for ratification. I urge my colleagues to join with me in seeking ratification before another session of the Congress goes by.

INVESTMENT, CAPITAL GAINS, AND TAXES

Mr. MATHIAS. Mr. President, economists, businessmen, and bankers agree that one of the serious problems America will face in the remaining years of this decade is the accumulation of sufficient capital for the enormous investments in plant, new technology, and new industrial processes that will be required to continue our industrial leadership and our standard of living.

One serious concern expressd is that our current capital gains tax structure discourages new private investment and discourages the flow of funds from outdated projects to the frontiers of industrial science.

The Chicago Tribune recently contained an impressive editorial on this subject in which it pointed out that the tax on long-term capital gains must be considered in light of the enormous increase in the monetary price of any good which is caused over the years by inflation.

As the editorial stated:

Inflation has made the capital gains tax confiscatory. It devoured 27 percent of any profit acquired over a period of ten years and nearly 50 per cent of the profit earned on an investment held for 25 years. Add the tax and there is very little left.

In order for my colleagues to be aware of the information in this editorial as they prepare for the debate on tax policy, 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:

CAPITAL GAINS TAX REFORM

American industry will need about $1.4 trillion in new capital by 1980 and $4 trillion by 1985 to finance industrial expansion, create new jobs, and meet future energy needs from new sources.

Unless the U.S. tax laws—particularly the tax on long term capital gains—are liberalized to encourage investments, the nation could fall short of its capital requirements. The penalty for this failure would be a lower standard of living for all Americans.

Capital gains taxes are paid on the increase in the value of an asset, such as stock or real estate, between the time it is purchased and when it is sold. At the present time, short term capital gains—on investments held for six months or less—are taxed at the same rate as ordinary income. Long term gains, those held more than six months, are taxed

at half the ordinary rate up to a maximum of 35 per cent.

Investment capital traditionally has come from the savings that individuals invest in American business by buying securities. Because of low stock prices, unstable economic conditions, government crises, and high yields on savings and other fixed-income investments, investors—large or small—are staying out of the stock market, and corporations are finding it difficult to raise the money they need.

The Securities Industry Association, made up of investment bankers and stock brokers, cites what it terms a "capital drought." The number of new stock issues has dropped from 1,460 in 1972 to 440 last year. The number of new bond issues slipped from 470 to 248 in the same period.

Moreover, hundreds of billions of dollars in capital are "locked in" because stock holders are reluctant to sell them and thus become liable for the capital gains tax. The Treasury Department believes that between $233 and $558 billion in long term investments are thus immobilized. This, in turn, reduces federal revenue because investors would rather hold on to their securities than face a tax that could amount to more than one-third of their profit.

There have been a number of suggestions for liberalizing the capital gains tax. One has caught the attention of some members of Congress and is being pushed by Chairman Wilbur Mills of the House Ways and Means Committee. It calls for a sliding scale: The longer an investment was held, the lower the tax rate would be.

Mr. Mills has offered no specific figures. The Securities Industry Association, however, has suggested a scale ranging from 100 per cent when assets had been held for three months to 10 per cent for assets held 20 years or more.

S.I.A. estimates that for every billion dollars in securities unlocked by the sliding scale, the treasury would realize $200 million in additional tax revenues. More important, however, the lower tax rates would encourage investors to shift their assets, thus making money available to new industries.

Inflation has made the present capital gains tax confiscatory. It devoured 27 per cent of any profit acquired over a period of 10 years and nearly 50 per cent of the profit earned on an investment held for 25 years. Add the tax and there is very little left. Many family businesses have to be sold when the owner dies merely to pay the capital gains tax.

Some self-styled reformers would do away with the capital gains tax entirely, and tax investment profits at the higher rate applied to ordinary income. This, they contend, would enable government to redistribute the nation's wealth from the haves to the have-nots.

This is the sort of nonsense that appeals to economic illiterates. Such a tax would destroy any incentive to invest risk capital. It would invite industrial stagnation, jeopardize our standard of living, and inevitably lead toward socialism.

The sliding-scale proposal for capital gains is the most promising we've seen. We also like a proposal by Mr. Mills to exempt from taxation the first $10,000 in capital earned over a taxpayer's lifetime. This, we believe, would encourage lower income groups such as wage earners to participate in the free enterprise system and help provide the capital that will be needed in the years ahead.

WHAT HAPPENED TO THE COP WHO ARRESTED THE WATERGATE 5?

Mr. MONDALE. Mr. President, there can be no doubt that when the Watergate history is written, one of the most interesting—and bizarre—footnotes will concern the fact that, were it not for a series of fortuitous accidents, the complete story may never have come to light. We may never have learned of the most scandalous episode in our Nation's political history, and the American people may never have realized how close we came to losing our freedom.

However, because a few individuals pursued their regular responsibilities with diligence, the full dimensions of what originally looked like an ordinary burglary have become clear.

Sgt. Paul Leeper of the Washington Police Department is one such individual, whose routine duties led to the unraveling of the Watergate scandals.

In an excellent account of the part Leeper played in arresting the Watergate burglars, Fred Blumenthal, of Parade magazine, examines what he calls the "flukes" leading to Leeper's arrest of the original Watergate burglars. Reading Blumenthal's article brings home the realization that the American people are, indeed, fortunate that men like Paul Leeper were on the job.

I ask unanimous consent that the full text of Fred Blumenthal's article entitled "What Happened to the Cop Who Arrested the Watergate 5?" be printed in the RECORD.

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

WHAT HAPPENED TO THE COP WHO ARRESTED THE WATERGATE 5?

(By Fred Blumenthal)

WASHINGTON, D.C.—In the two incredible years since five burglars were arrested in the Democratic National Committee's headquarters in the Watergate Office Building, hundreds of lives have been irrevocably changed by that seemingly small event.

Men of power and prestige have been disgraced; some have gone to jail, others may well follow. Some men have become rich—lawyers for example, and the folk who sell things like Watergate Bourbon, or bumper stickers reading "Free the Watergate 500."

But for the key man life has gone on unchanged.

That man is Sgt. Paul Leeper of the Washington Police Department.

It was Leeper who, in the line of duty, pushed the rock that tipped the boulders that started the avalanche that filled the valley. With two officers under his command, John B. Barrett and Carl M. Shoffler, he searched the Watergate Building at 2 a.m., June 17, 1972, after a night watchman became suspicious of a taped door latch.

BEYOND EXPECTATIONS

At the command, "Put up your hands and lean against the wall," Leeper and his comrades expected to see two grubby hands attached to a burglar in search of a typewriter or adding machine he might peddle for $150 or so.

What they got were 10 hands, gloved in rubber, and attached to men in expensive suits with rolls of $100 bills in their pockets. They were also carrying notebooks that connected them to men in the White House and the Committee for the Re-Election of the President, to be known ever after as CREEP.

The revelations that followed shook the White House, the Republican Party, both Houses of Congress, the country as a whole. As the avalanche grew, it ground down men who had been at the pinnacle of power: Haldeman, Ehrlichman. It brought notoriety to heretofore nameless toilers in the White House back corridors—E. Howard Hunt, Egil Krogh and the rest. It threw up an instant folk hero (Senator Ervin), created overnight a Presidential possibility (Senator Baker).

But the man who started it all goes on as before, like a catalyst in a chemical reaction—a chemical entirely necessary to the reaction, but entirely unchanged by it.

SAME AS BEFORE

Leeper is still a sergeant, still second in command of the old clothes detail, or "bum squad," in Northwest Washington, going about in a beat-up car, wearing his old jacket with "George Washington University" written across it, and his go-to-hell gold hat, still protecting the lives and property of the citizens.

It was this very un-copish look, coupled with a very copish dedication to doing things right, that insured that Watergate would become a crucial event in American history. A point in time from which other events can be dated. "That was before Watergate, of course," someone will say, or "Well, since Watergate the political situation . . .

Leeper is 35 years old, a 12-year veteran of the D.C. Police who served as a scout-car man and detective before moving over to the tactical squad. There, by the nature of his assignment, his specialty has been street robberies, muggings and burglaries.

"Our old clothes and ordinary cars make us blend into the background," Leeper told Parade. "When somebody's about to pull off a crime, he generally takes a last look around. If he sees us he doesn't see anyone he's particularly afraid of; it gives us that extra step on him. We have a very high percentage of arrests."

One of the very first "victims of Watergate" was Leeper's wife Donna. She missed her birthday celebration. At 2 a.m., June 17, 1972, Leeper had already put in two hours of overtime and was about to call it a night. His plan was to go home, get some sleep, and then celebrate Donna's birthday by taking her out to dinner. A baby-sitter had already been hired to care for the three Leeper daughters, Stephanie, 7; Tracy, 5, and Marsha 3 months.

Then came the burglary call to proceed to Watergate.

Donna might still have had her birthday party—and Watergate remained only the name of an office-hotel-apartment complex on the banks of the Potomac, except for several flukes. The first was the Squad Car 80, which would normally have responded to the call, was out of service temporarily. If Car 80, with "police" written all over it, had pulled up, the lookout across the street would have warned the five men via walkie-talkie, and they would have vanished.

But Leeper and his men drove up quietly in their unmarked car, found a legal parking spot, and walked casually into the building. The lookout (a former FBI man) watched them carefully—and decided that they were harmless civilians—probably repairmen.

The first time he realized there was trouble was when he saw Leeper's team, with drawn guns, searching the eighth floor, balconies and all. But by then, the inside men who were afraid its static would betray them, had turned off their walkie-talkie, and the lookout's warning went unheard.

Through the seventh floor and down to the sixth came the police, and the Watergate Five were trapped. Officer Barrett spotted an elbow behind a desk and the illegal entry was over.

But for Leeper, Barrett and Shoffler—and Donna waiting at home—the long night had just begun.

"Police work is mostly cut and dried anyway," says Leeper modestly. "A well-trained officer does what he must do automatically; any fear or questioning comes later.

"But I must admit that when I saw those 10 hands go up, I thought, 'Well, I expected one and I've got five; how do I know there

isn't a sixth one behind me with a .45 aimed at my skull?' I turned around ve-ry slowly. But there wasn't."

Then the careful procedures began to pay off. Even though none of the officers knew what they had gotten hold of, they knew it was no ordinary $150 typewriter snatch.

While the well-dressed burglars looked with some disbelief at the ragtag trio which had them under arrest, Leeper read each man his rights as he was frisked. Later, Leeper read all five the same statement of rights, including the right to contact an attorney.

"ON TO SOMETHING"

Considering the ramifications of the case, the powers who were involved and the kind of attorney who showed up (without any of the five bothering to call him), any imperfection in the arrest routine might have ended the affair very quickly. ("I knew we were really on to something when I saw that lawyer arrive to represent them wearing a $300 suit," said another policeman later.)

The 2d District Police Station began to fill up. The FBI arrived. Higher ranking policemen rolled in, up to an assistant chief, who read the suspects their rights all over again. Everything moved very slowly as the routine took control.

THOSE $100 BILLS

Each piece of property on the defendants was carefully logged in—including the now-famous $100 bills and the notebooks that were to lead to higher places.

A United States Attorney arrived to get a search warrant for the two hotel rooms four of the five were occupying, and to find a judge to sign it. Then all the property in the hotel rooms had to be logged in with care.

Every few hours Leeper would call his wife and explain that he'd be home "soon." That "soon" stretched into all night and most of Saturday. When Leeper finally made it home at 8 o'clock Saturday night—28 hours after going on duty—he was too bushed to take anyone anywhere.

Since that long night, Leeper's life has gone back to the old, comfortable routine. His captain put him in for a citation, but the Awards Committee never issued one. He did appear briefly on television as a witness at the Senate hearings, and got a few letters.

Some were from old friends from his hometown, Fairmont, W. Va., now scattered around the country. There were a few requests for autographs, and a series of letters from someone in Kentucky urging him to read the Bible and fight corruption in government. (Leeper, as it happens, is, and always has been, a member of the Church of Christ.)

A CRYING SHAME

Around the station house, even the kidding from his fellow officers has quieted down, or shifted to the topic of why his team in the police softball league finished only second in the city championship.

But when Leeper is not around, his fellow cops feel rather strongly about what they consider his lack of recognition. "It's a crying shame that he wasn't named Policeman of the Year, not only for the city but for the whole country," says Detective Sgt. Anthony Rogers of the 2d District.

A NEW HOME

Leeper, since the Watergate night, has received an $800 yearly raise—but he was due that anyway. He has moved to a new home in suburban Maryland (as planned) and fights an endless war against the dandelions (not foreseen). He goes about his work happily, as he always has, proud to be a policeman.

He has had to explain to his older daughters what Watergate is—they had pictured it as an enormous gate with water pouring out.

And there came a point in time when the anonymous hero of Watergate was helping take his daughter's kindergarten class to the Smithsonian Institution's museums.

As the bus passed the Watergate complex, the teacher pointed it out and explained, "That's where it all began." Little Tracy Leeper looked up at her father and grinned. He smiled down at her, as the bus, like his life, rolled quietly on.

KGB: THE SOVIET SECRET POLICE

Mr. BUCKLEY. Mr. President, Human Events recently published an exclusive interview with John Barron, a senior editor of Reader's Digest and author of "KGB: The Secret Work of Soviet Secret Agents." Mr. Barron dedicated 6 years of research and writing to this informative and important study of the Soviet secret police. I think that particularly at this time when, in the name of détente, there are so many efforts made in our own country to ignore or conveniently forget the KGB, the Human Events interview is especially noteworthy. It is my hope that the Congress and the President will study and learn from Mr. Barron's definitive study of this sinister organization.

Mr. President, I ask unanimous consent that the full text of the interview with Mr. Barron be printed in the RECORD.

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

INSIDE THE SOVIET SECRET POLICE

(By John Barron)

The following questions and answers are from a recent, exclusive Human Events interview with John Barron, a senior editor of Reader's Digest. Mr. Barron, a former Naval intelligence officer and a specialist in the Russian language, is the author of the critically acclaimed new book "KGB: The Secret Work of Soviet Secret Agents." In addition to being acknowledged Kremlinologist, Mr. Barron has received several top journalistic honors, including the Raymond Clapper Award, the George Polk Memorial Award, the Washington Newspaper Guild Front Page Award and the Newspaper Guild's grand award. With "KGB," Mr. Barron has focused a long overdue spotlight on the devious workings of the Soviet Secret police. As he states in the book's preface, ". . . it is impossible to understand the Soviet Union without understanding the KGB."

Q. How long did you work on the book?

A. More than six years. Commencing in April 1967, Reader's Digest colleagues and I spent some 20 months trying to determine whether we could amass enough original, verifiable data to justify a major book about the KGB. I began to devote myself entirely to research and writing in February 1969. The basic manuscript was completed early in 1973. Editorial revisions along with the documentation process by our Research and Legal Departments continued until August 1973.

Q. How did you go about gathering your information on defectors, foreign intelligence, and so forth?

A. We compiled a list of all former personnel of the KGB and its satellite services known to be in the West. Then we set out to find and interview each of them. At the same time, we sought to enlist the assistance of non-Communist security services throughout the world. Additionally, we asked the foreign offices of the Digest to monitor literature in 13 different languages for relevant new information.

No definitive book about the KGB existed simply because no one ever had been able to tap such original sources. I was able to do so only because the Digest granted me carte blanche to travel wherever I felt necessary and placed enormous research resources at my disposal.

Q. What sort of reception has the book received in the U.S.? In foreign countries? Have the Soviets reacted to it in any way?

A. The book remains on best-seller lists around the country and sales are exceeding by far our most optimistic expectations. We now are in a fifth printing and the publisher calculates that several more will be required to meet demand projected for the rest of the year.

The Book-of-the-Month Club is offering *KGB* as an alternate in July and three other clubs have chosen it as a main selection. Liberal and conservative critics alike have been generous. Some of the most laudatory reviews have come from the New York *Times*, *Newsweek*, the Columbia Broadcasting System, the Washington *Post* and the Washington *Star-News*. We are especially heartened by favorable commentary from internationally respected scholars and historians such as Hugh Trevor-Roper, Leonard Schapiro, Peter Reddaway and William C. Fletcher.

Interest abroad has equaled if not exceeded that in the United States. The semi-official Egyptian newspaper *Al Ahram* in an editorial March 15 called attention to the book and stated that it was being discussed by Arab leaders. *KGB* will be published throughout the British Commonwealth in June.

In response to offers from foreign publishers, we presently are negotiating contracts for publication in German, French, Spanish, Japanese, Hebrew, Turkish, Dutch and Norwegian. Several foreign newspapers are serializing the book.

Q. In brief, what is the KGB and what sort of danger does it represent to the West?

A. The KGB is an essentially clandestine apparatus which performs the functions of a secret political force within the Soviet Union and a variety of predatory, covert functions abroad. It is the one organization upon which Soviet leaders most rely to enforce their rules over the Soviet people and expand their rule over other peoples.

Each of the foreign activities of the KGB—espionage; subversion; support of civil disorders and terrorism; manipulation of agents of influence to affect the policies of other nations; the poisoning of public opinion through deceptions; preparations for sabotage and assassination—each of these by itself represents a menace and an unacceptable form of international conduct. But the real threat posed by the KGB derives from its orchestration of all such activities into a systematic, implacable, clandestine campaign to decompose other societies in hope that they can eventually be reconstructed in Soviet interests.

Q. How successful has the KGB been in its far-flung operations?

A. A definitive answer to that question could come only from someone who knows all the KGB has done and is doing. Doubtless, even in the Soviet Union there are very few such people. But on the basis of operations that have been uncovered, some assessment is possible.

The greatest achievement of the KGB consists of its continuing subjugation of the Soviet people. This always has been and remains the foremost mission of the KGB. In foreign operations, the KGB has been highly successful in stealing the scientific, technological and military secrets of the Western industrial nations.

During the 1960's serious KGB penetrations of West German and British intelligence as well as our own National Security Agency were detected. Sundry KGB disinformation operations certainly have contributed to the ongoing vilification of the United States around the world.

The KGB during the 1960's thoroughly in-

filtrated the Egyptian government, and its agents significantly influenced the late President Nasser. However, in May 1971 President Sadat aborted an imminent Soviet coup by arresting 91 leading Soviet sympathizers, including intelligence chief Sami Sharaf, who at the time was one of the most important KGB agents in the world. Ever since, Soviet ability to dictate Egyptian policy has eroded.

Outside Cuba, KGB subversive efforts in Latin America and Africa thus far have been largely frustrated. The KGB started in 1968 masterminded a particularly vicious operation aimed at inciting civil strife, indeed civil war, in Mexico by infiltrating guerrillas trained in North Korea. But Mexican authorities arrested the guerrilla leaders and disrupted the operation just as it was beginning.

The trouble is that disruption of some or even many KGB operations does not halt the underlying assault they manifest. Pursuant to Soviet policy, the KGB simply regroups and casts about for new means to attack.

Q. Has it penetrated the North Atlantic Treaty Organization?

A. Yes; repeatedly and deeply. Georges Pacques, a French national employed as a senior NATO official, was an important KGB agent. In 1961 he gave the KGB the Allied contingency plan for defense of West Berlin. The plan revealed that while the Allies were prepared to use any means necessary to defend the three Western sectors of Berlin, they were unprepared to resist erection of a "barrier" sealing off the Soviet sector. Forearmed by certainty of just how far they could go, the Russians allowed the East Germans to throw up the Berlin Wall, which has had profound effects in Europe.

Belgian police in 1968 arrested a Turkish employe of NATO, Nahit Imre, and found in his briefcase microfilm of 1,400 secret NATO documents. Numerous other examples could be cited.

Q. How successful has the KGB been in the United States?

A. Again, only the few men who know all the KGB is doing can say. Currently there is some effort in the West to represent the wartime theft of Anglo-American nuclear secrets as little more than petty pilferage. But in KGB schools, theft of the secrets is represented as an epic accomplishment of Soviet intelligence.

Since World War II, agents controlled by the KGB or its satellite services have been uncovered in sensitive military positions, in the Foreign Service, the NSA and other branches of government. Three of the most destructive were Army Sgt. Robert Lee Johnson, who was stationed at the Armed Forces Courier Center in France; Navy Yeoman Nelson Drummond, who worked at the U.S. Embassy in London, then at a naval base in New England, and Army Sgt. Jack Dunlop, who was assigned to NSA.

One authority told me that the revamping of classified plans and programs these three betrayed cost the U.S. government well over a billion dollars. More important, had history called for a U.S.-Soviet confrontation during the period of vulnerability before these betrayals were discovered, the Russians could have exploited the intelligence they provided, with terrible consequences.

Q. How does the KGB go about recruiting agents in the U.S. and other countries?

A. The question probably is best answered by a top-secret KGB training manual entitled "The Practice of Recruiting Americans in the U.S.A. and Third Countries." A Western intelligence service obtained one of the 100 copies printed, and the bulk of it is reproduced verbatim in an appendix of the book.

The manual was composed to instruct senior KGB officers assigned to suborn Americans, and for illustrative purposes the Soviet authors reconstructed a number of actual operations successfully conducted in the United States. They attempted to disguise these by using pseudonyms and changing dates and places. But their examples were sufficiently detailed that FBI analysts were able to identify some of the spies to whom the manual refers. Thus its authenticity clearly was established.

The recruitment procedures outlined by the manual are complex, even Byzantine. But, to simplify what the manual says and what is known from other sources, the recruitment process may be divided into three stages.

First, KGB officers and agents seek to spot and assess Americans with ideological sympathies or personal vulnerabilities that might make them subject to Soviet manipulation. Next, the KGB representative, while concealing his role as an intelligence agent or officer, tries to establish a relationship with the recruitment target under some plausible pretext.

Finally, the KGB representative endeavors gradually and subtly to transform the "normal" relationship into a conspiratorial one in which the American provides data or performs services as directed.

Analysis of Americans discovered to be Soviet agents in the 1960s shows that few, if any, acted out of ideological motives. They were recruited on the basis of simple greed, career frustration, sexual maladjustment, etc. In approaching politicians or senior government officials, the KGB is more likely to appeal to excessive vanity or ambition, or paranoid delusions about past wrongs or capacity to shape history.

Outside of the United States, the KGB concentrates upon American students in foreign universities, upon U.S. Embassy personnel, journalists and businessmen.

Q. What are the highest priority targets for KGB operatives in the United States?

A. The KGB aims high. The manual lists the ranking targets, in order of priority, as the President, Cabinet and the National Security Council; the State Department; the Defense Department; the CIA, FBI and other intelligence services. Other targets include the political parties, major business organizations, trade unions, scientific laboratories and research centers, and the communications media.

Q. How can we be sure that KGB operatives have not penetrated sensitive government agencies and policy-making positions today?

A. We cannot be sure. I do not mean to imply that I have evidence or knowledge that such penetrations exist. I do not. We do know that the KGB continuously and vigorously endeavors to secure such penetrations. There is no way of being certain that it has not at times succeeded.

Q. Do you know any of the KGB agents in this country at the present time?

A. Well, I know the names of quite a few KGB and GRU officers who presently are serving as diplomats, journalists and U.N. employes in the United States. As of early this year when our researchers last checked, the KGB Resident or chief in Washington was Mikhail K. Polonik, a first secretary at the Soviet Embassy. The KGB Resident in New York was Mikhail Solomatin, deputy permanent representative of the Soviet Mission to the United States. Another important KGB officer is Valeri Krepkogorsky, who is special assistant to the Secretary-General of the United Nations.

A particularly obnoxious KGB officer is Boris Logvin, first secretary of the Ukrainian Mission to the United Nations. Logvin works particularly against emigrés in the U.S. The appendix of the book, which lists some 1,500 Soviet officers engaged in clandestine operations, names several others who are still here.

Q. Where are some of the special KGB schools located? Do these schools train foreign nationals as well, and is there a special school for KGB operatives who are to be assigned to the U.S.?

A. The two most important schools are the so-called juridical institute of the KGB and Higher School 101 located in the suburbs north of Moscow. Officers admitted to each normally have had several years of experience in the field. Students at the juridical institute receive four years of graduate training in methods of counterintelligence and internal repression. Higher School 101 trains officers for foreign operations.

In recent years, some officers from the satellite services of Eastern Europe have been allowed to take courses at Higher School 101. However, East European and Cuban intelligence officers whom the KGB has recruited as Soviet agents to work against their own countries are trained individually and secretly in apartments around Moscow.

Additionally, the KGB maintains a special school to train border guards and a network of local schools in each of the Soviet republics where officers undergo a year of training in operations against the Soviet people.

Schools or camps for the training of guerrillas and terrorists are hidden in remote areas of the Urals and Central Asia. A KGB guerrilla captured in Africa reported that he and several hundred other Africans had been trained at military camps near Odessa. To my knowledge, that report has not been verified.

While Patrice Lumumba University in Moscow is not, strictly speaking, a KGB school, the faculty is permeated with KGB officers whose mission is to spot and indoctrinate foreign students for subversive purposes.

To my knowledge, there is no special school for officers destined for duty in the U.S.

Q. What kind of training does a KGB operative receive? Does he have to be any special age? How intelligent is he? What is the curricula? Is he given rigorous ideological instruction Is he tested for anti-American feelings?

A. We have to differentiate between training given the KGB staff officer, who is going abroad legally as a diplomat or in some other capacity that does not conceal the fact that he is a Soviet citizen, and the illegal agent who enters and lives lawfully in a foreign country under a fictitious identity.

Today the young staff officer often has specialized in international affairs and languages at a university before joining the KGB. Quite a few have studied as exchange students in the United States and Great Britain. Their university education equips them with a basic and generally, realistic understanding of their target country. At the KGB graduate school they undergo elaborate training in candestine tradecraft as well as further instruction about the areas where they are to work.

Illegal agents are trained individually in apartments sequestered around Moscow for periods ranging from three to eight years. They receive a thorough grounding in the language, culture, history and mores of the target country as well as in clandestine techniques. Usually illegals also are trained to perform some sort of blue-collar job and some sort of white-collar job so they can move in different levels of the target society. Customarily, an illegal makes one or two practice trips abroad to familiarize himself with the life abroad before departing on his permanent assignment.

Most KGB personnel are party members, and, as such, they have to attend regular meetings where they are likely to hear a lot of anti-American propaganda just as they have heard all their lives. Beyond that, I don't think there is any special anti-U.S. indoctrination. The ideological testing generally occurs before the officer or agent is recruited. Of course, KGB personnel always are watched by each other for signs of ideological deviance.

I would say that most KGB personnel assigned to foreign posts are of superior native intelligence, and some are quite brilliant.

Q. There seems to be a continuing effort in this country to get the U.S. to recognize Castro's Cuba. In your opinion, is Castro still trying to export revolution and subversion, and is he directing any of his efforts at the U.S. in particular? What is the Soviet role, if any, in all this?

A. In my opinion, Castro today does whatever the Soviet Union tells him to do. This thesis becomes more persuasive with a review of some secret events in past Soviet-Cuban relations.

The expeditions of Ché Guevara and other Cuban efforts to export violent revolution during the 1960s were unsuccessful and, from the Soviet perspective, counterproductive. This does not mean they did not have some effect upon the world.

It can be argued that much of the radical terrorism and nihilism occurring today has roots in the cult of Ché. But the Cuban forays overturned no societies, ignited no revolutions. By alerting Latin Americans to the threat of communism, they served to embarrass the Soviet Union and impede the more methodical subversion it attempts in Latin America.

To the Russians, the antics of the Cubans were unpredictable, uncontrollable and unprofitable. Moreover, Castro's blundering made a shambles of the Cuban economy that it became a painful financial burden to the Russians.

The KGB in late 1966 or early 1967 began a clandestine campaign to depose Castro and new recruits obedient to Moscow. It tried to suborn Cubans by the same techniques it long has practiced in other countries. However, the KGB was frustrated by its own handiwork—the Cuban internal security service which Soviet advisers largely created after the Castro takeover.

Early in 1968 Raúl Castro delivered an extraordinary speech at a secret session of the Central Committee of the Cuban Communist party. It revealed that the Cuban police had kept him and Fidel fully informed of the KGB machinations against them. Raúl reconstructed the Soviet plot in detail, naming a number of KGB officers involved and specifying the areas of Cuban government the KGB had penetrated. He cited tape recordings, agent reports and other documents to back up his charges.

The secret speech was followed by a vigorous purge in which Castro jailed some prominent Soviet sympathizers, fired others and dissipated the internal threat to his rule.

The Soviet Union soon retaliated by applying raw economic force to attain the ends the KGB had failed to achieve. Shipments of Soviet petroleum, replacement parts and other supplies dwindled to a trickle. Economic paralysis crept over the island and the imminent threat of total disaster finally brought Castro to heel.

In return for reopening of the fuel lines as well as increased economic and technical aid, Castro completely sold Cuba and himself to the Soviet Union. Shortly after this secret capitulation, foreign Communist parties and leaders the world over condemned the Soviet invasion of Czechoslovakia. Castro, that great and intrepid foe of imperialism, publicly defended it.

Castro's deal with the Russians made the Cuban clandestine service, the DGI, subservient to the KGB and Soviet policy. At Soviet behest, the DGI was reorganized and expanded, and KGB officers ensconced themselves in Havana to oversee it. The DGI established a school to train illegal agents for missions in the United States as espionage agents and potential saboteurs.

Again at Soviet insistence, the DGI began supporting Palestinian terrorists, the Irish Republican Army and the separatists of FLQ in Canada. Today Cuba is exporting subversion and terrorism, but in a more subtle and sophisticated manner. I think that in all clandestine Cuban activities, Soviet wishes are governing.

Q. The President and Secretary of State Henry Kissinger frequently seem convinced that the Soviet Union and the United States have entered into a period of detente. Is there any evidence that the KGB has lessened its activities during the Nixon Administration?

A. Director Clarence Kelly recently stated that the FBI could discern no diminution of KGB operations against the U.S. I believe that all the objective evidence shows that KGB operations, domestic and foreign, have been intensified since 1969.

Every responsible student of foreign affairs I know of agrees that repression against dissidents, ethnic minorities, religious believers and other non-conformists inside the Soviet Union have mounted in scope and harshness during the past five years.

Some statistics reflect the upsurge of Soviet clandestine operations abroad. Between 1970 and July 1973, 20 nations found it necessary to expel a total of 164 Soviet officials because of their illegal subversive activities. In the entire decade preceding 1970, only 226 Soviet representatives were expelled throughout the world.

Q. What do you think the KGB will do now that Solzhenitsyn has been exiled? Do you think the Politburo in Moscow may attempt to kill him the way Stalin ordered Trotsky assassinated?

A. I personally doubt that Soviet leaders will attempt to assassinate Solzhenitsyn physically. I do think they will try through the KGB to besmirch him as a man and destroy him as a writer. The disinformation campaign probably will include bogus interviews with former associates, forgeries, malicious leaks to correspondents in Moscow and slander surfaced through the foreign press by KGB collaborators.

Q. In your book, you maintain that the KGB has penetrated the United Nations. How has it influenced U.N. operations? Are KGB agents close to the U.N. secretary-general?

A. As the aforementioned KGB textbook indicates, the KGB looks upon United Nations headquarters in New York as one of its most important operational bases in the world. A substantial number of Soviet nationals employed by the U.N. are KGB and GRU officers, as are a goodly proportion of Soviet diplomats assigned to the U.N.

Viktor Lessiovski, long an assistant to Secretary-General U Thant, was a ranking KGB officer. After Lessiovski returned to the Soviet Union, he was replaced by another experienced KGB officer, Valeri Krepkogorsky.

Q. Is the KGB trying to penetrate any of the more rebellious Communist satellites in Eastern Europe, such as Rumania and Yugoslavia? Does it operate in Red China?

A. I really don't know what the situation is in Rumania, but the KGB is working vigorously against Yugoslavia in anticipation of recapturing or fragmenting the country after the passing of Tito. Incidentally, the large numbers of Yugoslavs working in Western Europe offer KGB numerous recruitment targets.

China now ranks just behind the United States as a KGB target. Some KGB officers in Washington spend much of their time trying to glean intelligence about China from U.S. agencies. The KGB also has mounted intensive operations against Communist Chinese personnel abroad.

Q. What is the relationship between the KGB and the Communist Party, U.S.A.?

A. I'm afraid national security considerations preclude a meaningful answer to that question.

Q. What do you think the U.S. and the West should do to neutralize the KGB?

A. First, we should liberate ourselves from an idiotic proposition which the Soviet Union has succeeded remarkably in compelling us to accept. This proposition holds that to contest or speak out against the depredations of the KGB is, some way, to impair improved relations with the Soviet Union and thereby to endanger peace. Actually the obverse is true.

So long as KGB operations go unpunished, so long as they cost Soviet leaders nothing in terms of what they desire from the rest of the world, then Soviet leaders will perceive no reason to abate KGB aggressions which are the anithesis of civilized international relations. Moreover, Soviet leaders cannot, and I am sure that privately they do not, expect other countries to adopt a different attitude toward espionage, subversion and sabotage than they themselves adopt. They look upon Western temporizing and silence in face of KGB onslaughts as a sign of weakness, if not simplemindedness, and as a tacit invitation to continue the onslaughts.

To the extent the West makes the activities of the KGB costly and counter-productive, then it reinforces the arguments of those in the Soviet Union who might prefer to find alternative means of dealing with their own and other people. So the first thing we ought to do is stop being afraid that we will offend the Soviet Union by defending ourselves against its secret aggressions.

We can defend ourselves by resort to some compartively inexpensive, honorable and democratic means. Nations should clean out the nests of KGB officers infesting Soviet embassies the world over simply by expelling the KGB.

A KGB officer expelled from one nation should not be accepted by any other. Once arrested, KGB officers or agents unprotected by diplomatic immunity should be fully and resolutely prosecuted; they should not be exchanged; and no government should try to conceal or minimize what they have done. Finally, the West should make clear to the Soviet Union that a fundamental precondition for meaningful detente, for the granting of economic and technological concessions the Soviet Union so desperately needs, is a cessation of KGB depredations.

Q. What role does the KGB play in determining policy for the Soviet Union?

A. I think all major Soviet policy, foreign and domestic, is determined by the Politburo. Certainly the mentality, interests and viewpoint of the KGB are heavily represented in the Politburo, perhaps now more than ever before.

Of the 17 Politburo members, three have intimate, personal ties with the KGB. KGB Chairman Yuri Andropov is the first head of the state security apparatus since Beria to attain full Politburo membership. Aleksandr Shelepin is a former chairman of the KGB and Arvid Pelshe was long an officer and operative of the secret police. So the KGB outlook undoubtedly is a factor in formulation of Soviet policy.

However, I think that once the Politburo decrees a policy, the KGB dutifully accepts and faithfully endeavors to execute it. I don't think the KGB, formally or institutionally, attempts to determine policy or intentionally does anything at variance with prevailing policy.

On the contrary, the more important a KGB activity, the more rigorously it is controlled by the Politburo. That really is why KGB actions are so disturbing. They are not aberrations of a given clique acting on its own. They rather reflect the considered, calculated decisions of the Soviet leadership.

Q. How does the KGB's disinformation section operate? And what are the major disinformation themes being spread to the U.S. and the free world today?

A. The Disinformation Department or Department A tries to influence public opinion and policies of other nations through a diverse array of techniques, ranging from the

planting of forgeries and rumors to the commission of physical acts for phychological effect.

For example, in the late 1950s KGB agents desecrated Jewish synagogues and offices in Germany and many other nations to foster the impression that West Germany was a nest of neo-Nazism and hence not to be trusted. As part of this campaign, the Czechs at KGB behest blew up the wife of a French official and Radio Moscow blamed the murder on a non-existent neo-Nazi organization the Communists had manufactured to frighten the world.

Not long ago the KGB considered leaking radioactive waste in the waters around a U.S. Polaris submarine base. It intended to capitalize on the legitimate worldwide concern about the environment and to persuade public opinion that American nuclear submarines are a menace to everybody. The ultimate purpose was to dissuade Congress from approving development of the new Trident class submarine which will form a foundation of the future Western nuclear deterrent.

Generally, the KGB disinformation programs amplify the basic themes of overt Soviet propaganda.

The disintegration of NATO, the fragmentation of Western Europe and the isolation of the United States from Europe long have been priority Soviet objectives. So the KGB has undertaken numerous disinformation operations to breed suspicion and poison relations among the Western allies. In fact, the book quotes a specific order to all KGB Residents or chiefs abroad enjoining them to find ways to disrupt relations among the allies.

The CIA, FBI and other Western security services are another priority target of vilification for they form the first line of defense against the KGB. In Western Europe, the KGB tries to promulgate the impression that security and intelligence services are so hopelessly enfeebled and penetrated that they don't merit public confidence or support. Everywhere, the KGB tries to foster the impression that the CIA is a bureaucratic Frankenstein monster run amok, a blight on America that ought to be erased entirely.

The KGB has provided useful support to the sundry international fronts through which the Soviet Union for more than two decades has waged the so-called peace campaign.

Prof. Richard Piles brilliantly dissected the peace campaign in a treatise two or three years ago. Its thrust is that any opposition to Soviet aims entails the risk of catastrophic war. Thus, anyone opposing Soviet wishes is against peace and for war. Anyone for war is, manifestly, either contemptibly inhumane or downright insane, and in any case cannot be trusted.

The Disinformation Department additionally tries to ruin or besmirch individuals who prove to be particularly effective anti-Communists. When a member of the British Parliament began persuasively to argue that his government ought to cut down Communist embassy staffs in London, the KGB distributed compromising photographs taken of him years before in Moscow during a casual one-night affair with a KGB girl.

During the 1964 presidential campaign, the Czech Disinformation Department, which works in league with the KGB, disseminated forgeries depicting Barry Goldwater as a vile racist. The Communist campaign literature, incidentally, was smuggled into the United States through the diplomatic pouch.

JOHN BARRON ON THE KGB'S INFLUENCE

In Cuba: "In my opinion, Castro today does whatever the Soviet Union tells him to do .... Castro's deal with the Russians made the Cuban clandestine service, the DGI, subservient to the KGB and Soviety policy . . . the DGI was reorganized and expanded, and KGB officers ensconced themselves in Havana to oversee it. The DGI established a school to train illegal agents for missions in the United States as espionage agents and potential saboteurs .... I think that in all clandestine Cuban activities, Soviet wishes are governing."

In the U.S.: ". . . I know the names of quite a few KGB and GRU officers who presently are serving as diplomats, journalists and U.N. employes in the United States .... As of early this year when our researchers last checked, the KGB Resident or chief in Washington was Mikhail K. Polonik, first secretary of the Soviet Embassy. The KGB Resident in New York was Mikhail Solomatin, deputy permanent representative of the Soviet Mission to the United States. Another important KGB officer is Valeri Krepkogorsky, who is special assistant to the Secretary-General of the United Nations ...."

In the U.N.: ". . . [T]he KGB looks upon the United Nations headquarters in New York as one of its most important operational bases in the world. A substantial number of Soviet nationals employed by the U.N. are KGB and GRU officers, as are a goodly portion of Soviet diplomats assigned to the U.N."

In other Communist countries: ". . . [T]he KGB is working vigorously against Yugoslavia in anticipation of recapturing or fragmenting the country after the passing of Tito .... China now ranks just behind the United States as a KGB target .... The KGB also has mounted intensive operations against Communist Chinese personnel abroad."

NORMAN D. JONES, A VETERAN'S VETERAN

Mr. CRANSTON. Mr. President, I rise to inform my colleagues of the passing of Norman D. Jones, national service officer of the Veterans of Foreign Wars of the United States.

Mr. President, "Norm" Jones, since his discharge from service in 1945, worked tirelessly within the Veterans' Administration system and in the community to try to improve the plight of the veterans of this Nation. A decorated war hero himself, he knew what it was all about. He knew the trials and the fears of the battlefield and what it took to readjust to civilian life. He had been there and he had come back successfully, and he tried to help others do the same. Norm may not have planned it that way, but he spent the rest of his life helping other veterans to readjust and to receive adequate and compassionate attention from the Veterans' Administration and the community at large.

Mr. President, Norman Jones had a special empathy for severely disabled veterans and worked tirelessly to improve their plight. He served as Chairman of the President's Committee on Employment of the Handicapped's Committee on Disabled Veterans. He had the unique ability to deal with those within the administration, and the Congress, and to bridge the so-called "generation gap." He never feared to speak his mind with honesty, integrity, firmness, and compassionate belief.

Mr. President, I consider it a privilege to have known so fine a man who worked to the very end of his life when he lost his battle with leukemia on May 29, 1974, trying to help those other veterans who needed him. I consider it a privilege, Mr. President, to have had the wisdom and counsel of his testimony on countless occasions before hearings of the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare, and the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee, both of which I have chaired.

Norm Jones and I shared a common concern for quality medical care and the advocacy of the rights of the veteran.

Mr. President, I will miss, but long remember, Norman Jones for all his good works and beliefs. I am sure that the veterans whom he aided will do likewise. We in the Congress can best pay tribute to such a dedicated servant of veterans by striving for the goals he set for himself and for us as well.

Mr. President, at this time, I ask unanimous consent that there be printed in the RECORD the text of the Veterans' Benefits News of the Veterans of Foreign Wars on May 1974, which, I believe, so eloquently explains what Norman Jones, and his life, meant to the veterans of the Nation and to the Veterans of Foreign Wars.

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

NORMAN D. JONES, VFW NATIONAL SERVICE OFFICER; DIRECTOR, NATIONAL VETERANS SERVICE; BORN 1915, DIED 1974

Norman Jones was an ordinary man possessing extraordinary talent. He was a leader who possessed and utilized with uncanny naturalness the many principles of leadership of which the most notable was loyalty. Tenaciously loyal to superiors and subordinates alike he demonstrated an affection for his staff that could never be measured in words.

He was fiercely proud of his staff and had that rare capacity to see the depth of potential in each one. He encouraged them in their growth and work so that they could render a strong individual performance and function together harmoniously in the team effort.

Norman was a man of unbounded intellect who attained prodigious professional stature and remained unaffected by his achievements. He belittled no man and would spontaneously share his wealth of knowledge with the least informed.

He believed in the goals and objectives of the Veterans of Foreign Wars of the United States and pursued them with a devastating fervor and determination that became legend during his own time. He believed in the veteran who had honorably and faithfully served our Nation and he dedicated his life and exhausted his strength toward gaining those benefits to which the veteran was rightfully entitled. He was persistent in his inspiration to a widespread contingent of outstanding Department Service Officers that claimants must at all times be represented vigorously and with firmness. He believed that only through this approach to representation could the veteran be effectively served. He believed that the combined talents and dedicated efforts of all accredited representatives of the National Veterans Service made it the most complete service provided to veterans anywhere.

It is always tragic and sorrowful when someone like Norman is called home. However, we thank God for having given us the privilege of knowing and working with him.

Norman, we give you a final salute. Sleep in Peace. God Bless You.

INFLATION HURTS THE MIDDLE CLASS

Mr. MATHIAS. Mr. President, inflation is creating chaos in family budgets throughout America. Next week, the Senate is to start debate on proposals to reform or cut taxes. One of our central concerns in that debate must be trying to slash the current runaway rate of inflation and at the same time trying to deal sympathetically with those whose family budgets have been bent beyond the breaking point.

As we prepare for that debate, I think each of us must realize—in human terms—what the current rate of inflation—12 percent a year—really means.

The Wall Street Journal recently printed a series of articles detailing the real effects of inflation in a sampling of the Nation's households. I was particularly struck by the first of these articles, which describes the effects on a young, middle-income couple.

I would like to bring this article to the attention of my colleagues, and so 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 COST OF LIVING: A YOUNG COUPLE FINDS LIFE HAS FEW FRILLS ON A $12,000 SALARY

(By Urban C. Lehner)

ELLICOTT CITY, MD.—Everything had gone wrong at headquarters for Trooper First Class Hugh Thomas (Tom) Moore of the Maryland State Police; so when he arrived home to find one of his children crying, he lost his temper. It was irrational, he admits with chagrin—"kind of like when you have a hard time and you kick the cat for no reason."

The Moores don't have a cat, but Tom Moore did have his eyeglasses in his hand as he swung his arm in a gesture of frustration. The glasses slipped out of his grasp, flew across the room and crashed into a metal stand for a flowerpot, smashing one lens and snapping the frame.

And *that*, Tom says, "really threw me into a spin. We try not to buy on credit except in an emergency, but I just don't have the $60 they want for a pair of glasses."

A few years ago, Tom Moore might have managed the $60 with less strain. But that was before fuel oil jumped from 19 cents a gallon to 28 cents, before the property taxes on the three-bedroom Cape Cod house that the Moores bought for $25,000 in 1970 almost doubled, back when gasoline was still 37 cents a gallon and the Moore family could still get by at the supermarket on $50 a week. Government talk of inflation? "They're not telling me anything I don't already know," Tom says.

For in truth, being forced to rely more on credit is just one of the changes that inflation is bringing in the lives of young, middle-income families like the Moores. Tom Moore, 31; his wife, Linda, 32, and their children Stephanie, 6, and Matthew, 4, aren't starving by any means. But in a great many ways, some big, some little, the Moores live differently now than they did just a year or two ago because of increases in the prices of almost everything they buy.

As a trooper first class after nine years with the Maryland State Police, Tom earns $12,281 a year before taxes; for him, that works out to $320 take-home every two weeks. (During his first eight years on the force, he drove a patrol car 10 hours a day on a series of rotating shifts. Nowadays, he works in the department's public-information office at headquarters in Pikesville, 15 miles from his house. Listeners to small radio stations throughout the state often learn the grisly details of auto accidents from "Trooper Tom Moore of the Maryland State Police.")

BENEFITS AND PREREQUISITES

Tom brings home another $812 a year as a staff sergeant in the Maryland National Guard. In addition, there are certain benefits and prerequisites attendant to his job as a trooper that translate, if not directly into income, at least into money saved—perhaps as much as $2,500 a year. These include a state car that he is permitted to drive on off-duty hours, a full set of uniforms (provided by the state) and an annual state-subsidized physical examination.

Salaries on the force have risen significantly in recent years. A starting trooper now makes $8,980 a year, compared to the $3,900 Tom got when he graduated from the state police academy in June 1965. But as Tom sees it, he has been essentially standing still for the last few years despite the raises. "I can remember thinking, 'If I could only make $10,000 a year I'd be home free.' Now that I'm making twelve, if I could make fifteen I'd be home free. It's a never-ending battle against the economy."

As a result, the Moores, like many families in similar circumstances, have responded to inflation by looking inward for opportunities to economize. They buy their meat in bulk and grow their own vegetables. Linda sews most of the children's clothes. Major household projects once left to professionals now fall largely to Tom. Last summer, after getting contractors' estimates to waterproof the basement that started at $1,500, Tom took two days off from work and did the job himself for $400.

A DIFFERENT APPROACH

For most of their nonrecurring purchases, Tom says, "we've had to do more planning." Four years ago, he says, when they moved into their house in this village of 9,500 about 12 miles west of Baltimore and wanted to paint some of the rooms, "we selected the colors . . . (and) went out and bought them." Just recently, however, when the dining room needed painting, Tom and Linda did things differently. This time, they asked a friend who owns a hardware store to let them know when paint went on sale, finally buying it only when they could get the reduced price.

What is remarkable about this jousting with inflation is that, in the Moores' case at least, it is done in the context of a way of life that by many standards was already restrained. Tom and Linda haven't gone anywhere on vacation—not even to the seashore for a weekend—since a trip they took to Florida in 1966. They dine out only on anniversaries and birthdays, and even then, Linda says, "We have to plan to get this money. We don't always make it." They rarely see the inside of a bar.

Most of their friends are people they know from the Catonsville Presbyterian Church. Tom is the catcher on the church softball team, and the big social event of the week is Monday night after the game when members of the team and their families gather at Pappy's, a pizza parlor on Route 40. "We're basically homebodies," says Tom, and Linda agrees.

Both Linda and Tom love to read (he is a World War II history buff), but they have always relied on the library for most of their books. Besides their subscription to Reader's Digest, a gift, Linda takes three women's magazines and a craft publication. Tom narrowed the choice of the one magazine he would allow himself to either Playboy or Model Railroading before deciding on the latter.

Down in the basement, the layout for Tom's model railroad is a clutter of half-completed villages and freight yards. The first of what will eventually be two loops of track circles three-quarters of the way around an unpainted plywood platform, ending abruptly at a gap in the table. This, Tom explains, is where the bridge will be—someday. "The company's out of funds right now," he says with a laugh. "My wife runs the finances, (and) she's not buying any more of our bonds for my railroad at the present time."

A few weeks ago, Tom and Linda fell upon $84 "mad money." He had investigated an accident involving two Virginia residents; when the civil case came to trial in Manassas, he was given expenses plus an hourly rate to testify on his day off, a common procedure in such cases. They used part of the money to have dinner out and to see a movie. "It was a big night on the town with buttered popcorn and the whole bit," Tom joshes. "Big time," Linda joshes back.

But joke as they will, the evening was a welcome break for the Moores. The fact of the matter is that the budget allows less and less room for frivolity and requires more and more work on their part to hold down spending. Linda, for example, had budgeted $100 every two weeks for food until last spring, when she discovered that $100 "just wasn't going anywhere."

"It really wasn't," she affirms. "And we don't eat that well. We never have rib roast or eye roast. It was a special occasion when we would buy a steak. We eat a lot of ground beef, a lot of chicken, a lot of chuck roast, things that I can make casseroles and stews out of, where you can take the meat and spread it."

Even before food prices began to soar last spring, Linda had cut back on buying snacks and dessert. Tom, who is six-feet-four, was trying to get down from 260 pounds to 215; now at 205, he still works out in the state police gym every day and is careful about what he eats.

Faced with the prospect of drastically cutting back on their diet, Tom and Linda bought a 20-year-old freezer for $75 and began shopping for sales and buying in bulk. Last summer, they expanded the little plot they tend on Linda's mother's 15-acre farm a few miles away to include tomatoes, radishes, squash, beans and cucumbers; this year, they're going to try corn as well.

Still not satisfied, this past March they joined a "food plan" offered by Dutterer's of Manchester, a local company. After paying an initial membership fee of $300, the Moores were entitled to buy a four-month supply of meats, canned juices and other food at what were billed as bargain prices. For their first four-month load, they're paying $87.30 a month; it includes beef, chicken, veal, orange juice, lemonade, bacon, sausage, margarine and fish. "So far, we've been very happy with it," Linda says.

They're also happy with what has happened to their food bills. Except when she needs to load up on paper products or on basic staples such as flour and sugar, Linda finds that she now can get by on $25 to $35 every two weeks for the items she doesn't order through the food plan.

The couple has also had some success in battling the rising cost of fuel. By keeping the thermostat at 62 degrees during the day last winter. ("It's just Matthew and I here, and we would wear socks and sweaters and warm things and we were very comfortable"). Linda cut the fuel bill to $140 for the winter from $300 a year ago—even though the price of a gallon of oil was 28 cents compared with 19 cents.

Linda has owned a sewing machine for years, but she didn't begin sewing in earnest until she noticed last year that boys' polo shirts, once $2.59 each, were selling for as much as $5 in some stores. Now, after a

series of lessons on how to sew using knit fabrics, she makes 90% of Stephanie's and Matthew's clothes. (The lessons cost $15.)

"If Linda didn't make nice clothes, we wouldn't do it. But she's a very good seamstress," Tom says. "Mattie likes hers better than store-bought clothes. He's just tickled pink that his mother made him a coat for Easter and he got to pick out the material and the buttons and the red piping. And when you look at what they want for a coat like that in the store and consider that he will have outgrown it by next Easter, it just makes sense."

Tom, too does his share of cutting corners. He started changing the oil in the family car, a 1969 Ford LTD, "when I found out how much it costs to buy five quarts of oil and a filter versus how much they were charging me in a filling station." (The Ford is a demonstrator model that the Moores bought in 1970 for $1,800 and a trade-in on their 1966 Mustang.)

For tune-ups, he buys spark plugs, wires, points, condenser and rotor cap himself, and a friend helps him set the timing. Using automotive manuals in the state-police technical library and an occasional assist from friends who are mechanics, he has even changed his own wheel bearings and installed a new starter.

"I think a lot of people in the past—maybe still do—tended to feel that they didn't have time to do things for themselves," Tom theorizes. "Now that the prices have really gone up they're deciding, 'Maybe I'd better.' "

Still, the Moores haven't been able to make everything themselves. Only recently, they put $100 down on a new $349 stereo tuner-and-record changer that will double as a cabinet to occupy a long-standing "hole" along one living-room wall. They aren't happy about buying it on credit, but they rationalize that, as Linda puts it, the purchase was "the first thing we've bought in a long time."

Tom's glasses and the new stereo brought the Moore's nonmortgage debt to around $1,000, the highest it has been since they bought their car in 1970. That doesn't include the $19,000 principal balance outstanding on their 8%, 25-year mortgage. (Their monthly payment for principal, interest, taxes and insurance on the house comes to $220, up from $201 when they bought the house; the payment rose principally because the property tax on their quarter acre of Howard County, Md., almost doubled to $575 last year before being reduced by a statewide tax cut to $540 this year.) By contrast, their savings account shows a balance of only $200.

Part of the reason Tom and Linda are so far in debt is a fiscal lesson they learned last year. A few months before waterproofing the basement, they took out a 12%, $700 home improvement loan, thinking that was what the job would require.

The eventual tab, with Tom doing most of the work himself, only came to $400, but by then "we'd spent a little here, a little there and a little someplace else," ending up a little short of the $400 they needed. They still have over $300 due on the loan. "We really goofed when we took that loan out," Tom concedes. Fortunately, he adds, "it wasn't a very expensive lesson. We learned that if we need money, wait until the job's done, then go borrow exactly what you need."

THE CASE OF THE VANISHING INVESTOR

Mr. BENTSEN. Mr. President, I would like to again call the Senate's attention to one of the greatest economic problems facing this country today, the critical shortage of equity capital for industry in the United States.

There are few institutions which are more important to the foundation of American industry and to the American standard of living than our stock markets, and there are few more misunderstood. We must begin to recognize the function and problems of our stock markets now if we are to avoid serious consequences in the near future. In my opinion, this equity capital problem could be more serious than the energy shortage we have experienced this year.

The capitalist system has served this country well. In the short span of 200 years, it has brought the backward Colonies through their development to the most powerful industrial nation ever known. More importantly, it has afforded all people the chance for productive work and a high standard of living.

One reason we were able to achieve these gains is the success of the equity capital market. For generations, people have been willing to invest in the future of America by buying stock in the open market. Business have raised the money to expand production and create more jobs by selling their equity through the vehicle of common stock. The strength of the market has been in the large numbers of working people participating in the American dream of owning stock in the industries and firms of their choice.

However, the small investor who has historically provided the backbone of the equity market is on the verge of becoming an endangered species. He is entering the market less and less, he trades a smaller and smaller proportional amount at the expense of the large institutional investor, and he is increasingly penalized by the combination of high taxes and inflation. For fear of being taxed at a high rate for gains largely eroded by inflation, many small investors have switched their investments to debt instruments and savings accounts. Unfortunately, many corporations have already reached their debt limits and can only expand further through an increase in equity.

We must begin to take steps immediately to correct the growing problem of the shortage of investors in the equity capital market. What we need is a policy to unlock the large amounts of capital now locked up, because of the prohibitive taxes on the sale of these shares of stock.

I believe there are two sound ways to put us back on the track to a healthy capital market—the adoption of a more realistic capital gains policy and the imposition of reasonable diversification requirements on large pension fund managers. I have incorporated these two thrusts in a bill that I have introduced—the Stockholders Investment Act of 1974, S. 2842.

I commend to my colleagues an excellent article in the June 9 edition of the New York Times Magazine on the plight of the small investor. I ask unanimous consent that this article, "The Case of the Vanishing Investor," be printed in the RECORD.

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

THE CASE OF THE VANISHING INVESTOR

(By Charles J. Rolo)

A celebrated ancedote of the nineteen-twenties has to do with a rustic visiting Manhattan, who is proudly shown the great brokers' yachts moored on the East River. "Where," inquires the yokel, "are the customers' yachts?" In an updated version, the rustic is exposed to the griping in a brokerage house board room, and his question is, "Where are the customers?"

The American shareholder population is now probably about 31.5 million, only one million less than its peak figure of a few years ago, and it owns about two-third of all the stock outstanding in American corporations. But over the past five years, public participation in stock-market trading has sharply declined, reflecting the downward trend of stock prices in that period—a slump that is far worse than is generally realized. In 1973, private investors bought and sold nearly 20 per cent less stock on the national exchanges than they did in 1968, and that 20 per cent represents $20-billion. The percentage decline in public participation has been even steeper in the over-the-counter market, where several thousand shares not listed on any exchange are traded.

What is more significant than the actual dollar figures is the enormous drop in the public's share of dollar trading volume and, consequently, of its influence in the marketplace. Back in 1961, individual investors accounted for 61 per cent of the dollar trading volume done on the New York Stock Exchange (excluding trading done by exchange members for their own account); today, their share of nonmember trading is less than 30 per cent.

As trading by individual investors has slowed, trading by huge financial institutions—bank trust departments, insurance companies, pension funds, mutual funds, foundations and the like—has increased dramatically, so that now these organizations, which buy and sell shares in colossal lots, account for more than 70 per cent of stock market activity. "Like the curator of the National Zoo," said G. Bradford Cook in his last days as chairman of the Securities and Exchange Commission, "I feel constrained to warn: The individual investor has acquired the status of an endangered species."

This complex of related trends—the decline in market prices, the flight of the small investor and the dominance of the institutions—is a source of profound worry on Wall Street. Indeed, if small investors amount to an endangered species, so do the brokerage houses, whose ranks have been thinned by the hostile environment. Lower public trading activity—accompanied by a succession of commission discounts on large orders (mandated by the S.E.C.) which have drastically curtailed revenues from institutional business—have together resulted in declining income at a time of sharply rising costs.

Thus since the beginning of 1968, some 290 New York Stock Exchange firms have fallen by the wayside through merger, consolidation or outright failure, and the casualties include some of Wall Street's oldest and most respected names. (At last count, there were 535 member firms, the lowest figure in half a century.) "Merge or submerge" has long been the order of the day on Wall Street. Nonetheless, in 1973, the brokerage houses, collectively, lost about $50-million. And though they made a profit of $49-million in this year's first quarter, the slump in trading volume since mid-March threatens to pluge the industry back into the red.

Meanwhile, the brokerage industry is approaching the climactic phase of a period of revolutionary change. The system of fixed commission rates that has been in effect since 1792 for stocks traded on the national exchanges will end in April of next year, and this, along with legislation now being shaped in Congress, could have a crucial impact on the functioning of the exchanges. This situation has led no less a figure than James J. Needham, chairman of the New York Stock Exchange, to describe the national exchanges as yet another endangered species. Whether

the changes that lie ahead will be beneficial to the general public and help to restore confidence in Wall Street, or whether they will increase the alienation of individual investors is a subject of acute controversy.

With benefit of hindsight, it doesn't take much expertise in the stock market to grasp why, since 1969, the underlying trend in stock prices has been downward. First came the 1969–70 recession, climaxed by a liquidity crisis that helped to plunge Penn Central into bankruptcy. (In a liquidity crisis, the loanable funds available from the banks aren't sufficient to meet the needs of would-be borrowers.) The ensuing economic recovery rapidly turned into an inflationary boom, which the Chicago economist Beryl Sprinkel has aptly described as "the unhappiest boom I have ever lived through." Among the potent depressants that acted on stock prices were recurring bouts of streaking inflation and spiraling interest rates, the unsettling impact of the fuzzy game plan for wage-and-price controls, which created uncertainties abhorrent to the stock market, a succession of crises on the international money front accompanied by weakening of the dollar and soaring prices for gold, the progressive erosion of public confidence as the Watergate-Nixon drama unfolded in the manner of a serialized horror story, the Middle East war and the supershock of the energy crisis, and, most recently, fear of another liquidity crisis.

In sum, for five years, noxious emissions from the political and economic scene have cast a blanket of pollution over the stock market. The last quarter of 1973, in particular, was a hideous season for investors. Between late October and mid-December, the Dow-Jones Industrial Average went into a tailspin of 199 points. This was the largest short-term point decline in history, exceeding by 16 points the extent of the Dow's collapse in the crash of 1929.

Little wonder, then, that since 1968 the private investor has taken a licking. The largest exodus from the market has occurred among the really small investors—the so-called "odd lotters," who trade in units of less than 100 shares. Odd lotters have done more selling than buying for seven consecutive years, and they've siphoned more than $9 billion out of the stock market, thereby puncturing the once hallowed maxim that "the little guy is always wrong—find out what he's doing and do the opposite." In addition to liquidation by odd lotters, sales of mutual-fund shares—which are largely held by small-to-medium investors—exceeded purchases to the tune of $3-billion in 1972 and 1973.

"For quite some time," says one veteran board room manager, "the only really live customers have been large or substantial investors. What you might call the average investor has, typically, been hibernating—'frozen' into stocks with heavy losses, hoping that eventually they'll recover—or else he's been pulling out of the market and switching into savings accounts and bonds. If he's a real market addict, he's been doing a bit of bargain-hunting or he's been moving into energy-related and natural-resources stocks, which have been coming into fashion. But most of this is small business. Any registered rep who doesn't have one or two big customers would be better off running an elevator."

Unless he was extraordinarily lucky or astute, the private investor's losses have been considerably larger than might be inferred from the behavior of the popular averages—the Dow-Jones Industrial Average and Standard & Poor's 500—which were both recently down about 16 per cent since the beginning of 1969. Both of these averages are "weighted," with the result that their movements are strongly influenced by the behavior of a relatively small number of stocks—high-priced issues (such as Kodak, duPont, Procter & Gamble) in the case of the Dow and issues with large market capitalizations (price multiplied by number of shares outstanding) in the case of S&P's 500. Since about 70 such issues have been the institutional favorites of recent years and have performed much better than the general market, the Dow and S&P's 500 fail to reflect what's really happened to the majority of stocks.

For example, in 1973, the declines in the Dow and S&P's 500 were roughly 17 per cent and 18 per cent, respectively, whereas the average stock on the Big Board declined more than 26 per cent and on the American Stock Exchange nearly 40 per cent. What's really happened to the stock market over the past five years can be summed up in a single, devastating statistic: down 64 per cent. That's how much a genuinely representative index, the Value Line Index (see chart, Page 48) has declined from its record high of December, 1968.

A good many private investors—misled by the Dow's surge through the 1,000 level in November, 1972—don't fully realize that for five years we have been in a major bear market. And some have bitterly concluded that their broker is either a moron or a sadist. Actually, most brokers are hurting more than their customers. They, too, have lost money on the market, their earnings have slumped, and their egos are lacerated. Nowadays, a "successful" broker, someone has said, is a man in a five-year-old custom-made suit and five-year-old Gucci loafers, who still has a secretary to go for his 80-cent lunch from Nedick's.

The punishment inflicted on stock prices is reason enough for the average investor's disenchantment with the market—but there are others. Record-breaking interest rates have greatly increased the appeal of bonds and savings accounts, and massive advertising by the savings banks has certainly helped to sell the concept that 6.8 per cent plus a toaster is preferable to the hazards of the stock market. The well-publicized internal problems of the brokerage industry have hurt Wall Street's image with the public, and as the clout of big institutional investors has grown progressively greater the feeling has arisen that the "little guy" is likely to be steamrollered by the giants, with the result that the trend to institutional dominance has tended to feed on itself.

Thus a survey made by Arthur D. Little revealed that 70 per cent of investors think that the market is somehow "manipulated," and that institutional investors enjoy "unfair advantages." A typical complaint goes: "High-grade research and the 'hot' information are reserved for institutions. We get the hack work, and we're the last to be told when to sell." That is not quite true. Any brokerage house that deals with both institutional and private investors (some deal only with institutions) is required to issue at least a digest of each of its institutional reports to its private clients; and few private investors would want to wade through the mass of detail in the typical "in depth" institutional study. Moreover, when a brokerage house changes a "buy" or "hold" recommendation to a "sell," its registered reps receive a bulletin at the same time as the institutions, and they're supposed to advise their private clients holding the stock. However, economics dictates that a bank trust department generating upwards of $100,000 a year in commissions will receive more assiduous, timely and sophisticated service than the John and Mary Does, whose annual commission business doesn't pay for their broker's telephone bill.

Another widespread complaint is that institutional domination of the market has left the private investor at the mercy of the unpredictable decisions and whims of the big money managers. In September, 1972, Levitz Furniture, then an institutional favorite, plunged from 47 to 33 in less than half an hour (and went on sinking all the way to a low of 3¼). Handleman gave up 51 percent of its value in a single trade, and recently, Combustion Engineering fell from 75⅛ to 48½, again in one market session. Understandably, the average investor is leery of a market in which a sudden cyclone of institutional selling can demolish one of his holdings.

Individual investors who blame institutional dominance of the market for many of their sufferings are apparently forgetting that the wholly external forces that have depressed stock prices over the past few years have also humbled the top-flight institutional money managers.

Mutual funds, for example, have done better than the Value Line Index over the past five years, but much worse than the popular averages. If dividends are subtracted, the average decline in net asset value of mutual-fund shares since the beginning of 1969 has been about 40 per cent. Last year, the nine major New York City banks—gurus in the hierarchy of money management—showed a median decline of 19 per cent in their massive "common" pension funds, *including* reinvested dividends; the median decline for the smaller and more aggressive "special funds" was roughly 35 per cent, including reinvested dividends. (These closely guarded figures were disclosed in Robert Metz's column in The New York Times.) That's comparable to Henry Aaron hitting .180 or Jack Nicklaus shooting over 80.

A broader illustration of how last year's market confounded the pros is Institutional Investor's list of "the 10 top stocks" for 1973, selected by portfolio managers of 160 leading institutions across the country. Investment of an equal amount of money in each of these stocks would have produced a ghastly loss of 44 per cent from year-end to year-end.

More to the point, perhaps, if the institutions are to be cast in the role of the monster that has wrecked the stock market for the general public, then the general public is Dr. Frankenstein. For it's the American public that, by entrusting a growing portion of its savings to institutions, has given them the huge resources that makes them the dominant force in the market. The total equity holdings of institutions—$270-billion in 1968—were placed at nearly $400-billion at the end of 1972 by the Federal Reserve Board. Robert Soldofsky, professor of finance at the University of Iowa, has calculated that by 1980 institutional common-stock holdings will have reached $714-billion.

Still, the institutionalization of money has radically altered the character and behavior of the stock market. This can best be understood in terms of a political analogy. The stock market might be compared to a country that was once a democracy but has become an oligarchy with a fairly rigid class system. In the era before financial institutions became the dominant force in the marketplace, the price of stocks was determined, so to speak, by universal suffrage—by the individual decisions of countless investors, large, medium and small. True, the institutions, and the so-called "smart money" in private hands, influenced stock prices more than did the general public. Nevertheless, there existed a genuine diversity of opinion and a wide breadth of investor interest, which were duly reflected in the behavior of the market.

But for some years now, the institutions have constituted a ruling élite—not because they have made a power grab, but because of their huge resources and the relative absence of the public from the market. The resources of the big institutions have become so huge that they have to confine their major investment positions to companies

with huge capitalizations. Thus, out of the 2,800 companies listed on the national exchanges, only a few hundred, most of them on the Big Board, qualify for strong institutional sponsorship.

The list of stocks in which institutions concentrate their holdings has been further narrowed in recent years by the wide uniformity of thought among money managers (especially in the big banks). To be sure, every trading session has witnessed a large number of "block trades," in which big chunks of stock are sold by one institution and bought by another—obviously a clearcut reflection of conflicts of opinion. Nevertheless, for several years, a powerful cross section of money managers was committed to the same broad investment strategy: to buy, and keep on buying at opportune moments, the top quality growth issues such as Avon, Eastman Kodak, Polaroid, IBM, Xerox, and the leading drug stocks—perhaps 70 companies all told. It's safe to say that never before have so many money managers, managing so much money, espoused a "party line" with so much fervor.

The institutional favorites were variously dubbed "the vestal virgins," "the 70 sacred cows," "the 50 religion stocks," or simply, "the anointed." In the jargon of money managers, they were "one-decision stocks"—meaning they need never be sold: The only decision was at what price to buy. Inevitably, the concept was for a long time self-validating, since the tremendous buying power flowing into these stocks pushed prices upward.

Late last summer, however, the party line began to crack. The September court decision against IBM (which awarded huge damages to Telex) brought about a sharp decline in the most sacred of the "one-decision" stocks, and this surely aroused misgivings about the vulnerability of others. But probably the basic reason is that the cult of any group of stocks is ultimately self-defeating. There inevitably comes a time when clouds start to intrude on the so-called "high visibility" of future earnings growth (as they did in the cases of Disney, Avon, Polaroid and other "religion" stocks), a time when the prices of the anointed begin to look sky-high in relation to the general market, and the twitchier money managers start asking themselves the old "to whom" question—to whom will they be able to sell even a part of their huge positions at anything close to current prices?

The result was that many of the "religion stocks" dropped anywhere from 41 per cent (IBM) to 63 per cent (Disney) from their 1973 highs, and "second team" favorites such as Clorox, Rite Aid and Tropicana showed losses of 75 per cent to nearly 90 per cent from last year's peak prices. There still exists, however, a huge concentration of institutional funds in a limited number of issues, a situation that has given rise to a well-defined class system for stocks, which is reflected in their valuations, or price-earnings ratios.

The price-earnings ratio is simply the price of a stock divided by its earnings per share—a stock selling at 20 which has per-share earnings of $2 has a p/e ratio of 10. Price-earnings ratios, which vary all the way from 3 to 60 and more, represent the valuation that investors put on a company's annual earnings. Today, valuations are influenced more than ever before by the amount of institutional sponsorship a stock is able to attract, since individual investors are not active enough to exert a powerful influence on the price-making process.

The current institutional favorites, most of which are valued at 20 to 40 times earnings, constitute a glamorous aristocracy of perhaps 70 stocks out of a stock population (including the over-the-counter market) of more than 6,000. Far beneath the aristocracy there is a large, depressed *bourgeoisie*, or middle class, composed of major corporations (many of them blue chips) big enough to have strong institutional sponsorship, but which—either because their business is vulnerable to cyclical downturns in the economy or for other reasons—have been out of favor with institutional investors. The bourgeois companies—currently valued at roughly 5 to 9 times 1973 earnings—include A. T. & T., most of the major utilities, General Motors and Ford, Time Inc., Woolworth, RCA, Zenith, the steel companies and other basic industry groups.

Below the middle class, there is a vast "unwashed" proletariat, a horde of secondary companies—most of them in sound financial health and with respectable earning power—that lack the size and supposedly the growth potential to attract institutional sponsorship. The current valuation range for the proletariat—3 to 6 times earnings—is one that a decade ago would have suggested possibilities of early bankruptcy.

Finally, there are the "untouchables"—a couple of thousand small, speculative companies traded over-the-counter, for which there is virtually no market; and some 350 listed companies for which most brokerage firms will not solicit orders because their stocks are selling below $5. It is this four-class system—rather than any conscious manipulation by institutions—that has been particularly damaging to the average investor. With three or four exceptions, the 50 stocks most widely owned by the conservative segment of the investing public fall within the depressed middle class; the stocks most widely owned by the speculative segment of the public fall within the "proletariat" and the "untouchable" classes, and these have truly been massacred.

Notably the small investor is not the only victim of this system. The shrunken or emaciated valuations prevailing for companies in the middle, proletariat and untouchable classes have also created an alarming situation for thousands of American corporations, which are unable to raise the capital they need for modernization and growth. For many companies, lofty interest rates have made it hellishly expensive to borrow money, and few of those that are privately owned find it possible to raise money in the other traditional way—by selling stock to the public. What's left of the public is cold towards new issues, ranking them among the untouchables. Of the 34 companies that did manage to go public in 1973, the stocks of 30 had averaged a 45 per cent decline from the offering price by the end of the year.

A majority of the publicly owned companies are also hard put to raise urgently needed capital by issuing new stock. Some 600 of them have formed the Committee of Publicly Owned Companies, whose function is to alert Congress and the S.E.C. to the threat facing American corporations and to campaign for measures that will give the private investor incentives to return to the stock market, thereby strengthening its capital-raising capabilities. "For 90 per cent of corporate America," says a spokesman for the committee, "stock prices are depressed to the point where it is impossible to raise needed capital by new stock issues. The result is that many of us are deferring necessary replacements, improvements and expansion. America will feel the brunt of this in a few years when the technological obsolescence of our plants and equipment weakens us in terms of profits and productivity."

What could loosen up the rigid four-class structure of the stock market? What, in other words, could restore a significantly greater breadth of interest in the market and a more normal (by historical standards) range of valuations? Just about everyone agrees on two prerequisites—less concentration by the institutions in a limited list of favored issues and a large-scale return of individual investors to the stock market.

Observers of the institutional scene see signs of a trend towards wider diversification. Institutional investors are deeply concerned about liquidity, which means the ability to buy or sell substantial amounts of stock at prices not too far removed from the prevailing quotations. In bygone days, the buying and selling power of tens of thousands of individual investors gave the market a degree of liquidity that today—with vastly greater resources in the hands of institutions and the public largely on the sidelines—is alarmingly absent. "Liquidity," says Ronald Bentien, a block trader at Loeb Rhoades, "is on the brink of being atrocious." This situation, which obviously heightens the risks of concentration, is a strong inducement to institutional investors to spread their funds a bit more widely.

As for the private investors many Wall Street sages believe that they will flock back into the market when the next major uptrend in stock prices is well under way. Others doubt that a strong, broad-based, and sustained uptrend in stock prices can take place without vigorous participation by the general public. If the latter are right, the public's situation today is rather like that of the fabulous Baron Munchausen, who, alone and sinking in quicksand, simply pulled himself out by his own hair. The public's "hair," to pursue the analog, is its "state of confidence," and it will therefore require a restoration of confidence in the national leadership and in the future of the economy to bring about a large-scale re-entry of individual investors into the stock market. For starters, what's most urgently needed is a sharp lowering of the scary rate of inflation. A once-popular myth held that, since common stocks are regarded as a hedge again inflation, inflation is bullish for the stock market. Not so. Well-chosen stocks do provide a hedge against inflation—but only in the long run and if the rate of inflation is moderate. Streaking inflation delivers a one-two punch to the stock market. By causing costs to soar, it tends to squeeze profits, which of course is bad for stock prices. What's even worse is that most of the measures used to curb inflation are either unsettling or damaging to the stock market, especially a drastic tightening of the money supply, which (as we saw in 1970) spells disaster for the market, since its lifeblood is money.

At this time, a cutback in the rate of inflation and a lowering of interest rates would be supertherapy for the stock market. It would strengthen the competitive position of stocks vis-a-vis bonds, short-term Government securities and savings accounts. More importantly, it would bolster confidence in the nation's economic future, thereby reviving the now badly battered concept that was largely responsible for the spectacular growth of public participation in the stock market in the nineteen-fifties: the concept that the best way in which the average citizen can seek to make his capital grow and provide for the future is to buy and hold stocks of good quality.

There are many people in Wall Street who feel that a segment of the public, because of the traumas of recent years, has literally forgotten that there's a persuasive case for owning stock, and they argue that the securities industry should start to rebroadcast that case in a big way. During the nineteen-fifties, an investment in the 30 blue-chip stocks that make up the Dow-Jones Industrial Average would have produced a total yearly return—price appreciation plus dividend income—of better than 17 per cent, compounded annually. What's more, the behavior of *all* stocks (on the New York Stock Exchange) over the period 1926 to 1960—an era that encompassed the Great Depression, World War II and the Korean war—is an impressive testimonial to the merits of stock ownership over the longer term. A 1965 study made at the University of Chicago sought to determine an investor's chances of making a profit by buying stocks *at random* over the above period. For any given issue on the New York Stock Exchange, there were 88,000 possible time combinations of purchases and sales over 35 years. The findings were that an in-

vestor would have made a profit on 78 per cent of the transactions and his median rate of return would have ben close to 10 per cent, compounded annually. In short, common stocks have been in the past—and could again be in future (bear markets don't last forever)—a rewarding long-term investment.

Among other possible developments that could improve the attitude of private investors, two of those most frequently mentioned are legislation that would provide tax incentives designed to encourage individual investors to put capital in the stock market, and legislation or regulatory measures designed to bring about fuller disclosure of institutional holdings and trading activity. These matters are in fact under consideration by Congress, which has been preparing legislation covering the securities industry. The program as recently passed by the Senate—a House vote is not likely this year—will mandate the development of a Central Market System in which existing markets—the New York, American, Boston, Detroit, Philadelphia-Baltimore-Washington, Midwest and Pacific stock exchanges, plus half a dozen others, plus the "Third" and over-the-counter markets—will be electronically linked through a consolidated tape, which will report every transaction, wherever it may take place, and a central quotation network, which will display all available bids and offers. Such a system will tell brokers and investors which market, at any given moment, offers the best price for a particular order and enable them to channel the order to that market. The so-called Third Market firms, which deal in listed securities—mainly with institutional clients—off the floors of the national exchanges, will be admitted to the central market system without having to become members of any exchange. Assuming that, as they claim, the Third-Market firms can offer cost savings to investors, they stand to benefit considerably from the wider exposure of their quotations provided by the central quotation network. The benefits of the Central Market System to small investors are likely to be modest, since it doesn't seem probable that quotations between the different markets will vary significantly. However, a saving of even one-eighth of a point—$12.50 per hundred shares—adds up to a sizable chunk of money on an institutional trade of 50,000 to 100,000 shares.

Creation of a Central Market System is an enormously complex undertaking, which is not likely to be completed for at least two years, and no one knows precisely what its impact will be on the brokerage community. Here and now, the overriding concern of James Needham and Paul Kolton, chairman of the American Stock Exchange, is how to avoid the potential disaster that might overtake the national exchanges when fixed commission rates are abolished on April 30, 1975. This has been mandated by the S.E.C. following a succession of challenges to the fixed commission system by both the Justice Department and the S.E.C. Essentially, their arguments were that the system is anticompetitive and also discriminatory in favor of institutions, since in recent years, commissions on very large orders have not been fixed, but have become subject to negotiation. Anticipation of the ending of fixed rates has plunged the weaker segments of the exchange community into a Kierkegaardian state of fear and trembling.

Messrs. Needham and Kolton are not opposed to the ending of fixed commissions; instead, they are desperately concerned that, unless appropriate measures are legislated by Congress or prescribed by the S.E.C., the ending of fixed commissions may cause major brokerage houses to drop their exchange memberships and join the Third Market, thereby emasculating the national exchanges.

Fixed commission rates, say Needham and Kolton, have been the chief economic incentive for incurring the large membership and operating costs of belonging to a national exchange and accepting the regulatory restrictions binding on its members. They constitute, in effect, a guaranteed tariff that pays the costs of a wide range of services provided by member firms and by the exchanges, including market surveillance procedures and other measures to protect the public interest. Without fixed commissions, the larger and stronger brokerage houses might well find it economically advantageous to withdraw from the exchanges—indeed half a dozen leading firms have publicly announced that they may be forced to consider this step—and adopt the *modus operandi* of the Third Market firms. They would maintain stocks and make "dealer markets" in them—which means that they would deal directly with you and me and, preferably, Bankers Trust, buying for and selling from the inventory in their vaults. Given some luck and lots of skill and capital this system has greater profit potential than operating as a broker on the floor of a national exchange. However, a proliferation of dealer markets in the most actively traded listed securities would siphon off a huge volume of orders from the Big Board, where 15 percent of the total stock list accounts for 51 percent of share volume; and to a lesser degree it would also hurt the Amex. That's why Mr. Needham has referred to the national exchanges as "an endangered species," and has voiced fears that the "auction market" system which they embody will atrophy and wither.

So who cares? What's so sacred about the exchanges and the auction markets? The answers given by Needham and Kolton boil down to this: It is our auction market, with its "fish bowl" operating procedures and its unique pricing mechanism, that fostered the growth of public ownership of American industry and made our equity markets the envy of the free world. In Europe, where the dealer type of market has generally prevailed, stock prices have been largely determined by institutions and corporate insiders, public participation in the market has been narrow, and industry has been able to raise only a small fraction of its capital requirements from the investing public.

The two-way auction market—by simultaneously bringing together buyers and sellers in an open forum—allows the forces of supply and demand to determine the price at which a particular stock is traded, thereby assuring both the buyer and the seller that each is obtaining the best available price at that particular moment.

In contrast, in a dealer market there is no uniform pricing mechanism; prices are not necessarily determined by the direct interaction of supply and demand, but rather by the dealer's personal assessment of the supply-demand situation, and sometimes by the state of his inventory. In addition, it's questionable whether a fragmented dealer market would lend itself to the elaborate, automated surveillance procedures developed by the national exchanges to guard against manipulation and to help maintain an orderly market. For these reasons Needham and Kolton insist that a major shift toward a dealer market would represent "a giant step backward." Needham has also urged Congress to include in the pending legislation the requirement that all orders in *listed* securities—including those held by Third Market firms—be executed on the floors of the registered national exchanges so that prices can be determined by the maximum interplay of supply and demand. In addition, Needham argues that "a dealer market will be strongly oriented towards the institutions and will offer prices to individuals strictly on a take-it-or-leave-it basis. Dissatisfaction with their treatment could thus lead millions of individual investors to withdraw from the market."

The most articulate spokesman for the Third Market, Donald E. Weeden, chairman of the firm that bears his name, rejects this thesis as "sanctimonious and self-serving bunk." The New York Stock Exchange, he says, "is simply playing the same old game of blocking innovation and competition in order to perpetuate its privileged status."

The Wall Street Journal has stated editorially that it considers Mr. Needham's fears exaggerated, but there are many people in Wall Street who believe that a swing toward dealer markets and ever-increasing institutional domination of the investment scene are real—and disturbing—possibilities. (A seat on the New York Stock Exchange recently sold for $75,000, as compared with $525,000 in 1969.)

Meanwhile, in April of this year, the brokerage industry embarked on an experiment involving its relations with the small investor. A number of major firms have reduced their commission rates on orders of $2,000 or less, subject to varying conditions (such as payment in advance or exclusion of orders involving a specified price). This is intended to pave the way for a possible "unbundling" of services, hitherto provided free, when fixed commission rates are abolished in 1975. At that time, brokerage firms may introduce charges for such services as safekeeping of securities, collection of dividends, investment advice and research material—either in the form of higher commissions or outright fees. Such unbundling would help to put the economics of the brokerage business on a more rational footing, since customers will pay for exactly what they get. It would also be inherently fairer than the present system, since investors who only want their broker to execute orders won't have to share the cost of services rendered to those who want the full package, including tender loving care.

Incidentally, the advent of negotiated commission rates in all transactions will not mean that Uncle Harry, when he wants to buy 10 shares of Telephone, will be able to haggle with his broker over the commission; only on orders involving large sums of money will commissions literally be negotiated. What it does means is that commission rates will come down to a level set by the strongest and most efficient house. Even so, taking into account the possible charges resulting from unbundling, the over-all cost of brokerage services to the general public may well wind up being slightly higher than it is today.

This could prove to be a blessing in disguise for the average investor. A segment of the brokerage industry turned its back on the public and geared itself to serving the institutions mainly because many firms found that, in an era of sharply rising costs, they were losing money handling small orders for individuals. If unbundling helps to make this business profitable—and we won't know until it's time—the average investor might regain some of the status he feels he's lost on Wall Street. Meanwhile, there are plenty of public-oriented firms that still want and welcome the average investor's business—and that's a tactful understatement.

The Wall Street community still has within it a strong phalanx of positive thinkers who see a Brave New World taking shape in the not so very distant future. The typical scenario concedes that a painful shakeout lies ahead, which only the fitter houses will survive. But after that, according to the script: "The industry will consist mainly of a few dozen large, strongly capitalized, superbly efficient firms, which will operate as supermarkets offering a full range of financial services, including insurance, real estate, tax shelters, estate planning and anything else allowed by law. There will also be a place in the sun for smaller firms with highly specialized skills and for the well-established

regional houses. This streamlined brokerage community, utilizing (as the industry should be, but isn't today) all of the capabilities of modern technology, will be able to serve individual investors profitably and efficiently; and it will find ways of applying (as should have been done long ago) mass-merchandising techniques to the securities industry. In that Brave New World, the now-skittish and skeptical public will once again become 'the thundering herd.' " Amen.

PSRO: A POOR MECHANISM AND A POSSIBLE ALTERNATIVE

Mr. JAVITS. Mr. President, I commend to the attention of my colleagues an article written by Dr. Amitai Etzioni, long known for his work in the health field, entitled "PSRO: A Poor Mechanism and a Possible Alternative" (commentary: May 1974). The article reflects the kind of analysis which is needed to make the PSRO's more effective or to provide a viable alternative.

There is a great potential in the ideas that Dr. Etzioni puts forth for greater cooperation between the public and private sectors concerned with health care delivery. The suggested approach of forming comprehensive health auditing entities which would review the adequacy of inputs, processes, and outputs of hospital and other health care facilities deserve serious consideration.

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:

PSRO: A POOR MECHANISM AND A POSSIBLE ALTERNATIVE

The American Medical Association called the enactment of the PSRO bill "potentially the most significant medical legislation of the 1970s" and promptly formed seven task forces to assist the Secretary of the Department of Health, Education, and Welfare in formulating the yet to be worked out details of the new legislation. Depending on how the PSROs will be set up, this new tool of societal management could have a far reaching effect on the health system of the country, possibly on the management of all domestic programs employing professionals.

The PSRO plan requires that no patient be admitted to a hospital under Medicare or Medicaid without prior approval from the new supervisory agency or by a physician authorized by the agency, unless it is an emergency. Moreover, if and when the patient is serviced in a hospital, the agency must check whether the patient was held longer than necessary, or whether services were rendered which are not medically indicated. The new adjudicating agency will not deal with the reasonableness of the charges made in terms of the amount charged (which is left to other authorities) but rather with the medical necessity of the services. PSROs, thus conceived, would be a government-sponsored body, designed to scrutinize hospitals—and through them, doctors—in a kind of independent medical audit.

To avoid dealing with several millions of patients the PSRO setup calls for high reliance on "good conduct" and on computers. Providers who have demonstrated that they treat patients within defined "norms" will be exempted from the need for prior approval. The internal review committees of these providers will then themselves act as certifying agents. But even the services of these approved facilities will continue to be monitored by computers. The weight of the forms to be filled out alone may serve to discouraged heatlh care abuse. If not, after several increasingly higher "courts" of review, the flow of public funds may be cut off. And the doctor or provider could be fined for up to $5,000.

The new mechanism relies on at least three assumptions which need to be critically examined. *Will the computers have appropriate health care norms?* If the norms are set too loosely, the effect of the system will be to cut off the extreme abuses but encourage the less extreme, but more massive and hence more costly, abuses. (Thus, if the norm for maternity stay is established at 4 days, few 5-day stays may be cut out, but thousands of 3-day stays might be extended into 4-day ones.) If on the other hand, the norms are set too tightly, in those numerous cases where the decision to treat or not to treat, admit or not to admit, make more tests or fewer, is not clear cut, doctors and porviders may well lean toward not providing the extra services, and the poor and the aged will suffer. (The argument that such systems worked well in a few trial cases is not compeling; these trials were made, for the most part, in choice areas, in which motivation to cooperate on the part of providers and recipients was much higher than one can expect on a nationwide basis.)

Most likely, the PSRO computers will not prove to have much of an impact one way or the other. Experience with the enforcement of other bills, from federal aid to education to controls built into Medicare and Medicaid legislation, suggests that cutting off funds is often too harsh a sanction to apply. On the other hand, the $5,000 fine is so small, compared to the profits that violators amass, that the PSROs may well end up without any effective sanction at all.

Most important, one must ask: will the PSROs really provide autonomous audits? The odds are that the doctors, whose activities and cost PSROs are to curb, and who are already controlling the supply of new medical resources and are in close coalition with the main health providers, will also control, indeed dominate, the PSROs.

The PSRO bill reveals the deep scars inflicted by the medical lobby. Again and again the bill apologizes for setting up the review mechanism, for "intruding" into the "doctors' turf." But much more than apologies are at stake. The PSROs, as legislated will be composed only of the *practicing physicians* in the state or county in which the supervision is to take place. Only if these physicians refuse to participate in this bit of what some doctors bitterly local "socialized" medicine will doctors drawn from elsewhere be mobilized to staff the PSOs. The possibility of review by other health professionals is not entertained. Actually, while the Association of American Physicians and Surgeons is exploring the possibility of filing suit against the federal government for "interfering in the practice of medicine" via the PSROs, an AMA survey shows that 36 state medical societies will seek to be designated as the state PSRO agent. The law clearly welcomes this arrangement, I guess hoping that this time, somehow the guards will suffice to guard the guardians. This is most explicit in that the local doctors will set the norms, locally, to be imposed on them, although higher PSRO levels are entitled to review these norms and try to renegotiate them.

As I see it, a major study is urgently needed to determine whether these norms will not cause more costs and medical harm than yields in saving and reduction of unnecessary services. Second, the sanctions should be increased to double the amount of damage the violator caused (thus if the overcharges were $200,000, the fine should be $400,000). Above all, the PSRO reviewers should not be limited to medical doctors, but should be composed of one-third consumer representatives, one-third health professionals other than doctors, and one-third doctors, not necessarily from the area under review. (Even then, the PSROs may prove to be doctor-dominated because nondoctors tend to defer to doctors, and additional correctives will be needed.)

The participating nondoctors would serve not to form medical judgments, but to secure that those doctors known for their integrity and willingness to challenge their colleagues will be in the review seats, rather than a random and rotating group of MDs for which the law now provides.

Finally, the PSROs should be provided with funds to call in independent health analysis to check figures and records provided to them by doctors and health providers. The success of this review mechanism is much too important to be left only to those who, the record shows, must be scrutinized.

Beyond PSRO, a new approach suggests itself. Imagine firms specializing in Comprehensive Health Auditing (CHA). All hospitals and other health care units would be required to submit to, say, a biannual review. This would include measurements of the adequacy of inputs, processes, and outputs. (Valid measures, especially of output, of course, still need to be further developed and corrected for nonhealth factors, such as socioeconomic status.) Only units certified as adequate would be entitled to draw on public funds (especially Medicaid and Medicare, but also local governmental monies). The CHA firms could be regular corporations akin to those who audit business records, or nonprofit corporations, or bodies set up by professional associations, like those who now carry out accreditation. (The fees for the CHA would be paid by those subject to audit.) The government would enter only to (a) ensure the auditors' integrity, through licensing; (b) help CHA firms to develop comprehensive and reliable measurements, by supporting R and D work in this area; (c) impose potent sanctions if the auditors' review indicates inadequacies, and these are not corrected.

The CHA's staff may well include MDs, biostatisticians, and other health professionals. They will be motivated, like financial auditors are, to maintain the credibility of their work. Thus, the profit motive and professional ambition, which so often work to undermine regulatory mechanisms, may here be mobilized to ensure a relatively diligent scrutiny.

Finally, the government may pay the SHA firms for a second report about each unit audited, examining its place in the local and regional health system. In this way CHAs might help not only to prune away overcharge, abuse, and overutilization, all cost and quality considerations, but also serve to ensure that health services will be encompassing, widely accessible, and potentially integrated into community wide and regional plans.

THE TRADE DEFICIT

Mr. INOUYE. Mr. President, during this session I introduced several bills aimed at bolstering the sagging balance-of-trade situation in which this country now finds itself. Two of the bills, S. 1486, the Omnibus Export Expansion Act of 1974, and S. 1488, the Tariff Simplification and Freight Rate Disparities Act, have passed the Senate. During February and March, our trade balance was substantially in deficit, and from all indications this trend will continue throughout the year, especially in the face of skyrocketing energy costs. CIF—cost, insurance, and freight—data clearly show the serious deficit position of our foreign trade balance, which amounted to $1.323 billion in the January to April period.

The Congress should not delay action on these measures any longer. Their passage will, I believe, provide a means to shore up our weakened economic position.

At this time, I ask unanimous consent that the following article from the Wall Street Journal be printed in the RECORD. This article attests to the fact that our trade position has seriously deteriorated in this calendar year with the prospects for a continued poor performance as a result of costlier imports.

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

UNITED STATES REPORTS APRIL SURPLUS IN TRADE BALANCE

WASHINGTON.—Though the U.S. trade balance unexpectedly bounced back into the black in April, soaring oil import costs still point toward continuing deterioration in coming months.

The Commerce Department's report that U.S. exports exceeded imports by a seasonally adjusted $92.8 million last month came as a mild surprise after the trade balance had swung $171.3 million into the red in March. But the April surplus was smaller than the year-before's $136 million and just a fraction of the $630 million average of 1973's final four months, before skyrocketing oil prices suddenly reversed the outlook for an improving trade balance.

Escalating oil costs continued to be a drag on the trade balance last month, but a slackening of other imports and a surge in exports kept the trade figures in the black. Reflecting both higher oil prices and rising shipments following the end of the Arab oil embargo, total imports of petroleum and related products spurted to $2.24 billion in April, up $472 million from March and nearly five times the $470.8 million of a year before.

But as imports of foodstuffs, manufactured goods and other items declined last month, total April imports rose only 3.8% from March after much larger gains in earlier months. April imports totaled an adjusted $8.14 billion, up from $7.85 billion the previous month.

Exports last month spurted 7.3% to an adjusted $8.23 billion from $7.67 billion in March, when exports rose less than 1%. Machinery, chemicals and aircraft shipments paced the broad gain in exports last month.

April's results boosted the trade surplus for 1974's first four months to an adjusted $778.4 million, in sharp contrast with 1973's four-month deficit of $666.7 million. But the results to date this year still represent a decline from the $2.52 billion surplus piled up in 1973's final four months.

When measured on the basis used by most foreign nations, the U.S. had an April trade deficit of $488.2 million, compared with March's $702.7 million deficit. The department began calculating this additional measure of the trade balance in January to provide one set of figures comparable to foreign statistics.

SIMAS KUDIRKA

Mr. MATHIAS. Mr. President, the tragic case of Simas Kudirka has touched the heart of almost all Americans. Kudirka, the young Lithuanian sailor who attempted to defect to America by jumping aboard a U.S. Coast Guard vessel, reminded us how precious our heritage of freedom really is.

It is a reminder that is especially poignant today and as we approach our Bicentennial. And now, it appears that this young Lithuanian sailor may even be eligible for U.S. citizenship.

In order that my colleagues may recall this case, and be advised of its latest developments, I ask unanimous consent that an article which appeared in the Boston Globe be printed in the RECORD.

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

[From the Boston Globe, Apr. 11, 1974]

LITHUANIAN SAILOR MAY HAVE U.S. RIGHTS

(By Darius S. Jhabvala)

WASHINGTON.—Simas Kudirka, the young Lithuanian seaman who tried to defect to the United States by jumping aboard a Coast Guard ship off Martha's Vineyard in 1970, could have a claim to American citizenship, sources here say.

His mother, Marija, they say, was born in the United States to Onas and Angelauskas Kudirka in 1906. Baptismal records attesting to that fact have been found at the St. Mary of the Angel Church in Brooklyn, N.Y. Baptism was administered by Rev. V. Varnagiris.

Her family subsequently returned to Lithuania where Simas was born out of wedlock. Nevertheless, Section 205 of the Nationality Act of 1940 would make him eligible for American citizenship.

However, even if Marija satisfies the investigation, Simas does not automatically become an American national. He will be eligible to apply for citizenship on the basis of his mother's citizenship.

Sources say Marija has not yet presented herself to any US consular officials in the Soviet Union.

American-Lithuanian supporters of the Kudirka family were careful not to disclose too many details in order to protect their informants here and in the Soviet Union. They also fear Soviet authorities might react adversely toward the family if too much publicity is given to the case.

State Dept. officials said they are aware of the citizenship claim made on behalf of the mother and her son. "The Department is now investigating and is working closely with supporters of her in the United States to try to evaluate their claim," an official said.

On the afternoon of November 23, 1970, Simas, who was a seaman aboard the Sovietskaya Litva, a Russian fishing vessel, jumped into the Coast Guard cutter Vigilant. Officials of the two vessels were then negotiating fishing rights.

Crewmen from the Soviet boat pursued Simas onto the Vigilant, overpowered him and tried to bring him back to the Litva.

The Vigilant's captain immediately got in touch with the Coast Guard in Boston and it, in turn, reached State Dept. officials in Washington. However there was no clearcut decision by authorities to let Simas stay aboard the Vigilant, and the Russians were permitted to take him back to Litva.

In the United States, a House subcommittee investigated the episode and blamed the Coast Guard and the State department for "ineptitude." The Administration's own investigation resulted in revision of procedures to handle such cases.

Two Coast Guard officials, Rear Adm. William B. Ellis and Capt. Fletcher W. Brown, were allowed to retire rather than face a court-martial.

Marija's American citizenship came to the attention of Lithuanians in the United States from a childhood playmate and friend of the family, who sources would only refer by the pseudonym "Anna."

Marija's and Anna's parents lived in Brooklyn and their children were good friends. Then the families returned to Lithuania just before World War I. The friendship continued in Lithuania.

Anna returned to the United States but maintained her contacts with friends back home.

Late last year, she received a letter telling her that Simas was Marija's son. Further inquiries resulted in detailed information about the baptismal certificate.

REFLECTIONS ON WATERGATE AND 1972

Mr. McGOVERN. Mr. President, recently, Newsday—a New York newspaper—asked me to set down in writing my thoughts on the national political scene on the second anniversary of the Watergate break-in of June 1972. Since I have turned down most of the speaking and writing requests received since the 1972 election, I accepted this one with some reluctance.

But I submitted the article and it was printed in full without change. The editors, however, attached a title to it without checking with me that I would never have authorized. They entitled it: "I Told You So." That is a phrase I have not used once since the 1972 election. Indeed, I have carefully refrained from using it. The phrase is in bad taste and I object to its use as a title to my article in Newsday.

I ask unanimous consent that my article, printed in Newsday on Sunday, June 16, 1974, be printed in the RECORD with the title I would have given it: "Reflections on Watergate and 1972."

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

[From Newsday's Journal of Opinion, June 16, 1974]

REFLECTIONS ON WATERGATE AND 1972

(BY GEORGE MCGOVERN)

On the eve of the second anniversary of the Watergate break-in, Richard Nixon's opponent in the 1972 president election looks back.

The present political crisis of America does not stem from flaws in our constitutional system; it stems, rather, from a clever, deceptive administration campaign to mislead the American electorate.

The character of Richard Nixon and the values he represents are at the heart of Watergate and its associated evils. The correction of these evils will require a leadership faithful to our enduring constitutional principles; it will also require an electorate and a press with the capacity to recognize the difference between a charlatan and a constitutionalist.

Mr. Nixon told us prior to the 1972 election that the American people were being offered "the choice of a century." That observation was true when it was offered, and its truth will be increasingly evident as the 1972 election is evaluated in historical perspective.

But for reasons beyond my limited powers of comprehension, half of the American electorate did not even bother to vote in 1972. With some brilliant exceptions, much of the press ignored troublesome questions in the administration's behavior that begged for serious and persistent investigation. I have little sympathy for these indifferent citizens who are now so angry about our national leadership.

Of those citizens who did vote in 1972, six out of 10 endorsed Mr. Nixon. They did so despite the following facts:

In his first campaign for Congress in 1946, Mr. Nixon savagely distorted the record and the patriotism of one of the noblest men

ever to serve in the U.S. Congress—Jerry Voorhis of California.

In his first campaign for the U.S. Senate in 1950, Mr. Nixon slandered the reputation and integrity of a great woman—Helen Gahagan Douglas.

In his 1962 campaign for governor of California, Mr. Nixon and his campaign coordinator, H. R. Haldeman, were enjoined by the courts to desist from using illegal and unethical tactics against a highly decent political opponent, Gov. Pat Brown.

In his first term as President, Mr. Nixon needlessly expanded the war in Vietnam to Cambodia and Laos and continued the destruction of life and property for four more years.

The first Nixon administration was marked by the ITT deal, the milk deal, the wheat deal, the San Diego cases, illegal campaign financing and the Watergate break-in.

All of these actions were known to the press and to millions of American voters, at least in broad outline, before November of 1972. All of them violated the spirit, if not the letter, of our constitutional system. It was this compendium of deception and distortion that led me to my repeated warnings in the summer and fall of 1972 that we were faced with "the most corrupt administration in our national history."

But vast sums of money—much of it secretly and illegally raised—were used to finance a clever campaign of distortion and fear designed to destroy the Democratic candidate of 1972.

Those tactics succeeded. They succeeded, not because our Constitution is weak, but because the spirit and judgment of a majority of our people were temporarily blunted and manipulated.

The shock of the Watergate expose has given us another chance to evaluate Mr. Nixon and, more importantly, to evaluate our own judgments.

Thank God for the honest guard and the efficient police officers who trapped the Watergate burglars. Thank God for Judge John Sirica and reporters and editors of the Washington Post and other news organs. Thank God for Judge John Sirica, and Sen. Sam Ervin, for Messers. Archibald Cox and Leon Jaworski, for Judge Gerhard Gesell and Rep. Peter Rodino.

Thank God for our courts, our Congress, our press and our constitutional system that are day by day sorting through the hard-to-come-by evidence that is needed to make a final judgment on Mr. Nixon and his cohorts. I think that judgment will be made carefully, fairly and wisely by the Congress, by the grand jury, and by the prosecutors.

We can vindicate the rule of law by demonstrating that no man is beyond its reach.

We can convert Watergate from a tragedy into a new respect for our Constitution and the sanctity of the free ballot.

We can reexamine the dangerous notion that "national security" is a justified cloak for dirty tricks and constitutional bypasses at home and abroad.

We can halt the trend toward an imperial presidency by reasserting the traditional checks and balances of executive, legislative and judicial responsibility.

We can as voters demand full disclosure of the candidates' positions on major issues, his personal finances—including possible conflicts of interest—and the sources of his campaign financing. Although I lost in 1972, the McGovern campaign pioneered in full disclosure of all campaign contributions. We raised and spent more than $25,000,000—largely subscribed by small contributors averaging about $29 per person. We ended without accepting a dollar in corporate funds, without violating the law, without becoming indebted to any special interest and without a deficit. That is the kind of open, people's campaign the voters must demand in the future.

But let us beware of hasty proposals for drastic changes in our Constitution, the presidency, or our political institutions. As former Chief Justice Earl Warren has warned, "Do not tear down good buildings merely because they have been occupied by bad tenants."

Richard Nixon and much of his inner circle have committed moral suicide by placing themselves beyond the claims of moral and constitutional restraint.

Rep. Rodino, his colleagues and his staff on the House Judiciary Committee are not falling into that insidious trap. Frustrated by the maddening delays, stalls and refusals of the White House to release pertinent evidence, they are patiently carrying on "the Grand Inquest of the Nation." I am proud of a system that enables these elected representatives of the people to serve the people's cause—the cause of justice and decency.

They will do their work well, and one day soon we will give thanks for an American nation capable of rectifying its errors and redeeming its greatness.

DR. KISSINGER'S ORDEAL

Mr. HUGH SCOTT. Mr. President, a June 13 editorial in the Evening Bulletin of Philadelphia, Pa., very effectively examines Secretary of State Henry A. Kissinger's diplomatic record.

The Bulletin noted that while:

The wiretaps authorized in 1969 to detect leaks of official information threatened to overshadow everything else. . . . Dr. Kissinger should not be made the victim of any misdirected drive to bring down anyone with a White House connection.

I agree with this author's premise that "Dr. Kissinger is not above open criticism or accusation," but that restraint is needed now when the balance of peace hangs so precipitously in the air. The Senate Foreign Relations Committee, of which I am a member, has already delved into recurrent charges against Dr. Kissinger and is again willing to reexamine Dr. Kissinger's testimony in this regard. This examination should not be delayed.

I sincerely urge that we allow the designated committee to evaluate testimony and that we all abide the result.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

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

DR. KISSINGER'S ORDEAL

Secretary of State Henry A. Kissinger's emotional outburst in Austria—including his threat to resign—was the entirely human reaction of a man momentarily goaded beyond endurance.

Here was a man who, for 34 grueling days, single-handedly carried out the most exacting and exhausting form of diplomacy and who achieved at least the making of a miracle in the Mideast.

Only months before, even the thought of the tentative accord Dr. Kissinger worked out between Israel and its Arab neighbors would have been dismissed as an impossible dream. Yet, an agreement bringing the disengagement of Israeli, Egyptian and Syrian troops had been reached and Dr. Kissinger very naturally showed great satisfaction in his achievement.

While he was given the credit he deserved, and undoubtedly expected, in many quarters for this, Dr. Kissinger also found himself the target of public suspicion and criticism—much of it from unidentified sources—for the part he played back in 1969 in the placing of FBI wiretaps on the telephone conversations of 13 government officials and three newsmen.

These wiretaps, it ought to be kept in mind, grew out of the concern of Dr. Kissinger, then President Nixon's principal adviser on national security, over the "leaking" of what he regarded as critical national security material.

Although the distinction seems to have been lost on some, those wiretaps and the leaks which aroused Dr. Kissinger's personal concern have not been linked to the shameful political and other "Watergate" crimes which have stained so many others in the White House.

Now, long afterwards and as he was accompanying President Nixon on an unprecedented visit to Middle East capitals in an effort to consolidate the gains made in his own mission, Dr. Kissinger found that the wiretaps authorized in 1969 to detect leaks of official information threatened to overshadow everything else. A press conference last Thursday, upon his return from the Middle East, became what Dr. Kissinger described as a "cross-examination" on the wiretaps. He was asked if he had retained a lawyer to defend himself against possible charges of perjury in testimony he gave the Senate Foreign Relations Committee on his role in these wiretaps.

Dr. Kissinger requested that the Senate committee reexamine the testimony he gave in this regard and it is fitting that the committee has agreed. It would be beneficial for the committee to finally clear the air of the confusion that has developed over the entire matter. It may be impossible to determine just who specifically requested that the wiretaps be instituted. Dr. Kissinger insists that he did not, but explains that he cooperated in the operation once it was officially ordered, and knew nothing of the spy team of White House "Plumbers."

Dr. Kissinger is not above open criticism or accusation. If there are flaws let them be brought out. But he should not be made the victim of any misdirected drive to bring down anyone with a White House connection. He has been too good and faithful a public servant for such treatment, and there is a need now to keep things in focus and to remember that what is at stake could well be the first real peace in years.

THE ECONOMY

Mr. HOLLINGS. Mr. President, everywhere we look today, we see danger signals to the American economy. Spiraling prices outpace the gains of productivity—Government spending is completely out of control—our international trade and finance position becomes increasingly ominous—and the confidence of the average American in the management of the Nation's financial affairs is being rapidly swept away. What awaits us over the next hill, nobody knows. But that we are in grave peril, nobody should doubt.

"Those who cannot remember the past are condemned to repeat it," the great Santayana once wrote. The fact is that many of these danger signals we see around us are not new at all. We have seen them before—and always before great economic dislocation. Granted there are new conditions, too—but there is precious little comfort there, because the preponderance of these augur ill rather than good.

Mr. President, there are those in this country who have traveled these bumpy roads before. They recognize the storm

warnings, and they know full well what is portended. We would do ourselves well to heed their counsel.

Recently, A. L. M. Wiggins, distinguished past president of the South Carolina Bankers Association and the American Bankers Association, delivered a wise and straight-from-the-shoulder speech recounting some of the similarities of our economic plight today with the experiences of 40 to 50 years ago. The speech is so replete with good judgment and commonsense that it deserves the widest possible reading audience. It provides the facts and the perspective we will need to overcome the serious economic challenges we face.

Mr. President, I ask unanimous consent that Mr. Wiggins' speech, delivered May 17, 1974, before the 74th Annual Convention of the South Carolina Bankers Association in Charleston, be printed in the RECORD.

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

ADDRESS BY A. L. M. WIGGINS

I appreciate the invitation to speak to you today. Forty-three years ago, you elected me President of this Association. From date of service 1931-32, I am the oldest living ex-President of the S. C. Bankers Association, and likewise of The American Bankers Association, 1943–44.

A relic of sixty years as a business man and banker who has survived four wars, numerous inflations and deflations, who has seen the rise and fall of more governments than in any similar period of history, and witnessed the greatest increase in scientific knowledge in the shortest span of time, a student of philosophy and religion who has observed the goodness and badness of four generations, you might expect that I have accumulated at least a moderate amount of wisdom during all these years that I could share with you today.

I am afraid that you will be disappointed. People today are not greatly interested in what has gone before—they are absorbed in speculating on what will happen tomorrow, next month or next year. Many think that conditions today are so new and different that what happened years ago has no relevance to today. They are partly right. However, there are some common factors in the economic and financial conditions of the 1920s and the 1930s and the situation today. There are also some conditions today that did not exist in the earlier periods. As a background for my observations on the current financial and economic situation, a brief review of these earlier periods seems appropriate.

Please listen carefully to what I have to say in the next three minutes—reading from my manuscript. I am quoting from the address I made as President of this Association, to the annual convention on June 3, 1932, forty-two years ago.

"A . . . fundamental problem of immediate importance in the economic situation is what is popularly called the restoration of confidence. We should recognize the fact that confidence is not a material asset that may be bought and sold, or the supply increased or decreased at will, but is a quality of character that arises out of the spirit of a people. Shall we not admit frankly that many of the serious difficulties of the present . . . (situation) do not result from natural economic laws, but have been aggravated, multiplied, and intensified by a selfish, cynical, and a grasping human behavior that has extended from the bottom to the top in our financial, industrial and political life. Leadership in industry must accept its share in the burdens it has added to the present (situation) . . . Financial leadership cannot escape a very large share of responsibility for its contribution to the destruction of confidence . . . Political leadership must also accept its share in helping destroy the confidence of the people when there has been bribery in high places, corruption in public office, and a general attitude among office holders that the Government is legitimate prey for private spoils at the public's expense.

"How can we have restoration of confidence so long as the attitude of a large part of the citizenship of the nation regards the United States Treasury as fair plunder for organized groups, or powerful minorities or individuals in favored positions. Has the national conscience become so dull from worshipping at the altar of material success that it is indifferent to the spoliation of Government for private gain? Shall we have to admit that the (past) decade of industrial prosperity . . . . was paid for in large measure at the price of moral bankruptcy?

"It is no surprise that faith is at a low ebb, the confidence in our institutions, and in our leadership, and even in ourselves has sunk to a point that many people are beginning to doubt that the rehabilitation of faith is possible. . . ."

This ends the quotation from my address of forty-two years ago. We are reminded of the old adage that "the more things change, the more they are the same."

At the time of this address, the country was near the bottom of the most serious depression and deflation in this century. Unemployment was at an unbearable level. Former executives of financial and other businesses were selling apples on the streets of the cities. Half the banks in the country were insolvent. The deflation of the early 1920s, the collapse of the Florida land boom in 1926, and the stock market fiasco of 1929 had broken the backs of the financial community. Prophets of doom predicted the downfall of the government. A crusading democrat politician, Franklin D. Roosevelt, swept the republicans out of office and instituted the most revolutionary social and financial reforms in the history of the government. It was during these times that I was elected President of this Association and President of The Bank of Hartsville. What a time to take on these two jobs?

My executive responsibility in business and banking began in 1921 when elected Vice President of The Bank of Hartsville. In that year, I also became general manager of a large farm supply department store. In the preceding year, I had organized a trust company to engage in all forms of finance except banking and to serve as a bank holding company. All this was in 1921. World War I had ended in 1918. During the war, and until May, 1920, inflation was rampant. In the spring of 1920, when crops were planted, the price of cotton was 42c a pound, wheat $2.40 a bushel, and good farm land in South Carolina had gone up to $500. an acre. Credit was over expanded and many loans had been made on the basis of inflated prices. Money was abundant, interest rates were high, profits of banks and stores were booming, and people were intoxicated with more money than they had ever seen. It looked as if prosperity had finally come to South Carolina and the South. But not for long. About the middle of the year 1920, the boom burst. By the time the crops were harvested, the price of cotton had dropped from 42c a pound to 12c and wheat was selling for 82c a bushel. The Southern farmer was bankrupt, along with supply merchants and fertilizer dealers. Banks soon followed. On June 30, 1920, deposits in the 461 banks in South Carolina were $243 million. One year later they had dropped $64 million or 25%. Bills payable and liabilities other than deposits aggregated $59 million, which was more than the combined capital and surplus of all the banks in the State. Deposits in The Bank of Hartsville, as well as of other banks in the agricultural areas of the State, in the 12-month period, June 30, 1920–21, dropped over 50%.

In the decade of the 1920s, banking in South Carolina experienced its worst disaster in the history of the State. In the thirty-three years prior to 1920, only twelve banks in this state had failed while in the ten years, 1921 to 1930, 252 suspended operations. In the following three years, eighty-three more closed, a total of 335 for the thirteen years or three-fourths of all the banks in the state. Deposits in banks that failed between 1920 and 1933 in South Carolina amounted to $130 million. Deposits in all operating banks in the state dropped from $243 million in 1920 to $53 million in 1933, or nearly 80%.

It was during this 1921–1933 period when 75% of the banks in this state suspended operation that I received my education as a banker. I will never forget the time when sixteen out of the twenty-two banks nearest to Hartsville closed their doors within a period of three weeks. They included every bank in Darlington County except The Bank of Hartsville and our neighbor across the street.

Being President of the South Carolina Bankers Association in 1931–32 was a hectic experience. Banks were closing almost every day and there were constant calls for help. The biggest blow was the failure of the Peoples State Bank and its forty-four branches to open their doors on January 2, 1932. Its assets of $28 million dollars represented one-fourth of the assets of all banks in the state.

The S.C. Bankers Association held a meeting of bankers in Columbia about that time to see what could be done, if anything, to avert disaster to the banking system in this state. Unfortunately, the State Banking Department was more of a problem than a help. I was instructed by the Executive Committee to call on the State Bank Examiner and ask him to resign his office. This painful request fell on deaf ears, and there was no way he could be fired. Thereupon, we resorted to the legislative technique of abolishing the office by law. On March 9, 1933, the General Assembly authorized the appointment by the Governor of a Board of Bank Control to take over supervision of the banks and, in April, the office of State Bank Examiner was abolished and the Board elected a new Chief Examiner to take charge.

At the meeting in Columbia, the Executive Committee of the Association insisted that I go on the radio and make a talk to try to calm the public and help stop the runs on the banks. This was the most difficult assignment I have ever had. In my heart, I knew that a number of the open banks in the state, including several in Columbia, were probably insolvent. My fear was that anything I might say would add fuel to the fire of withdrawal of deposits. In honesty, I could not tell the public that their money in the banks was safe. I could only plead for calmness and for confidence that, if given time, the situation would clear up. I do not remember anything I said in that radio talk, but I doubt that it had any effect in reducing withdrawals from the banks. The facts are that fifty-two banks in South Carolina closed in the two years 1931–32, and thirty-one others failed to reopen after the Bank Holiday in March, 1933.

On April 4, 1932, the Cash Depository Act was passed by the General Assembly. This Act provided for the organization of financial institutions with a minimum capital of $2,500 to serve largely as a local clearing house in communities without banks. They were not permitted to make loans for their own accounts, and depend on service charges for income. A total of sixty-two cash depositories were organized. It was a unique concept in providing nonrisk limited banking services. South Carolina was the only

state that provided institutions of this type, although some of the other states authorized temporary tellers' windows of one kind or another. Although most of the depositories were small, they reached total resources of $17.3 million in 1944. Eventually, fifty-four of these depositories were converted into banks and eight were liquidated, all without any losses to a depositor. It was a unique and important financial service to the people of South Carolina that helped tide the state over a period of financial crisis.

In 1932, the federal government, under President Herbert Hoover, set up the Reconstruction Finance Corporation on which I was appointed a member of the Regional Advisory Committee in Charlotte. This committee passed on loans to banks throughout the Carolinas that were unable to secure funds from regular sources. President Hoover also appointed what was called the Banking and Industrial Committee, consisting of one banker and one industrialist from every state. The function of that committee was to recommend plans and programs to meet the urgent needs of banking and industry. Mr. Jim Self of Greenwood and I were appointed from South Carolina. This committee performed a valuable service, but as events turned out, its program was too little and too late to head off the depression.

Following the closing of all banks by the President in March, 1933, and the reopening of the solvent banks, the RFC set up in every state a committee called the Deposit Liquidation Committee. This committee was charged with the responsibility of approving loans to receivers of closed banks based on an appraisal of the collateral held by the bank. For several months, the South Carolina Committee met two or three times a week in Columbia interviewing applicants and appraising assets of the closed banks. We usually met in the afternoon and continued in session until near midnight examining the collateral offered as security for loans to receivers of the closed banks. The purpose of the program was to make available to the depositors in the closed banks as large per cent as possible of their deposits and as quickly as possible. As Chairman of this Committee, I appraised every loan and all other assets of practically every closed bank in the state. That experience was my education as a bank credit officer. The operation of this committee was an immediate financial lifesaver to the depositors in closed banks. The release of frozen funds in these banks had an invigorating effect on the paralyzed financial condition of the people of the state. Every loan made by the RFC to banks or receivers of closed banks in this state was repaid in full with interest.

In June, 1933, Congress passed the Banking Act of 1933, establishing the FDIC on a temporary basis with a provision for insuring deposits up to a maximum of $2,500 each. Two years later, Congress passed the Banking Act of 1935, in which the Federal Deposit Insurance Corporation was made permanent and the deposit insurance per account was increased to $5,000.

In 1936 this Association, under the leadership of its President, B. M. Edwards, sponsored legislation to reorganize the State Board of Bank Control to supervise all state banks, cash depositories and savings and loan associations. So effectively has this Board operated that the South Carolina law has been used as a pattern of legislation in many other states. With some revision, the regulatory system set up in 1936 is the law today.

South Carolina was particularly vulnerable to the deflation of 1921 because its economy was based primarily on agriculture, which in turn was principally concentrated in the production of cotton. The cotton crop represented seventy per cent of the value of all crops produced in 1920. The drop in price of cotton from 42c a pound in the spring of 1920 to 10c a pound in 1921, accompanied by a decrease in cotton production in South Carolina from 1,623,000 bales in 1920 to 755,000 bales in 1921, which was caused principally by the untimely invasion of the boll weevil, resulted in a drop in the value of the cotton crop from $307 million to $72 million in one year. Thus, the drop in price of 80%, and in production of over 50%, resulted in the reduction in the value of the crop in one year of $235 million, or 77%. Thereafter, the value of the cotton crop continued to decline and reached the low figure of $26 million in 1932, a drop in 13 years of 92% in the value of the principal base of the state's economy. For the country as a whole, gross farm income between 1919 and 1932 dropped 60%, while in South the same period, the value of manufactured products in this state, consisting largely of textiles, declined from $381.5 million in 1919 to $236.4 million in 1921 and $225.5 million in 1931. Net taxable income in South Carolina dropped from $109 million in 1920 to $68 million in 1921 and to $29 million in 1932.

Naturally, the impact on the banks was disastrous. Between 1920 and 1933, the number of commercial banks in the United States declined by 53%, largely through failures, while in South Carolina, the decrease was 75%. The decline in bank assets during this period in the United States was 15%, and in South Carolina, the decrease was 80%. Deposits in operating banks in this state dropped from $243 million to $53 million between 1920 and 1933; capital accounts of the banks dropped from $50 million to $11 million, and bank loans declined from $254 million to $24 million. During the 13-year period, there were 335 bank suspensions in South Carolina, of which more than one-third took place in a five-year period between 1921 and 1925, long before the Great Depression of the early 1930s. During the 13-year deflation period, the consumer price index declined thirty points, from 85.7 in 1920 to 55.3 in 1933. This 13-year deflation, with its bankruptcies, bank failures and economic disasters to this state and the nation, was the direct product of the inflation of the World War I period, which ended in 1920, and of the excessive credits extended on the basis of temporary values that the economy could not sustain. It required 22 years after 1920—it was 1942 before the deposits in the banks in South Carolina reached the figures that they were in the inflation year of 1920.

The sickening figures that I have given you represent not what could happen in South Carolina, but what did happen. The marvel is that, from the depths of financial and economic disasters in this state that continued through the deflation period of 13 years, recovery, tnough slow, continued, and at an increasingly rapid rate in the following years. At this point I would like to pay tribute to the bankers of South Carolina who met the disasters of the 1920s and 1930s with courage and fortitude and determination in the face of their own losses. Many of them were wiped out financially and some never recovered. This Association and its officers were a powerful force in providing constructive leadership during these trying years.

South Carolina is now outdistancing the nation in the rate of growth in the economy of the State and we may well take pride in this tremendous development. However, serious inflation in recent years and the explosive elements in financial, economic, social, and political conditions are beginning to cast the shadows of the disasters that followed the inflation of World War I. We would like to believe that such a catastrophe cannot befall this state and nation again, but we cannot overlook the laws of action and reaction and the economic corrections that usually follow periods of great inflation and speculative excesses such as have occurred in commodities and services and real estate in recent years. Not only are there similarities in some of the conditions today, and the ones that produced financial disasters in the past, but there are new factors that multiply the explosive effect of what may become a worldwide depression.

Consider the following: the past seven years, the consumer price index in this country, which is a fair measure of inflation, has gone up 43%, an average of more than 6% per year. In the last twelve months, it has increased 13.3 points or more than 10%. Last year, farm prices and farm income were the highest ever, with an increase of 32% over the year before. The value of farm land per acre in the United States went up 21% last year, the sharpest one-year leap in 50 years, and now averages $280, per acre for the country as a whole. In South Carolina, the increase in value of farm land last year was 29% to an average figure of $446 per acre. This represents an increase of 80% in the value of farm lands in South Carolina in the past five years. Last year mortgage loans on farm lands increased 40% to 50%.

Of the present annual gross national product of over 1300 billion dollars, only one-third is real in terms of the 1935–39 price level and the remaining two-thirds is nothing more than inflation mark-up.

Within the past three years, the money stock of the country (demand deposits and currency in circulation) increased $41 billion or 18%. Deposits in banks have gone up 43% in the same period and in South Carolina, the increase was $1,140 billion or 53%. Bank loans in South Carolina have increased two billion dollars in the past three years or 154%. Loans on real estate have more than doubled. In the three years ending June 30, 1973, the percentage of bank loans to total assets of banks has increased from 52% to 84%. At the same time, the assets of savings and loans, credit unions and finance companies in the state have reached the astonishing total of $3.3 billion, an amount equal to the total loans of all the banks in South Carolina.

The Federal Budget has gone from $211.4 billion in the year June 30, 1971, to an estimated $274.7 billion in the current fiscal year, an increase of $63.3 billion or 30% in three years. During these three years, 1971–2–3, the United States Government incurred budget deficits totaling $60.4 billion, making the Federal Debt approach the inconceivable amount of $500 billion.

Interest rates have now reached unbelievable figures, with the prime rate above 11%, Federal Reserve Discount rate 8%, Treasury issues 8% to 9%, Federal Agency issues 9% to 10% and Corporate Bonds above 9%. These rates reflect the high fever in the money markets and remind me of the time in the 1920s when our bank loaned money in New York on call at rates from 18% to 24%. In my opinion, no economy is sound nor can be sustained on a basis of the high interest rates prevailing today.

There are also new factors in today's economy that were minimum or absent in the 1920s and 1930s. In the past score of years, there has been a greater increase in knowledge in the scientific field and in the techniques of production than in any similar period in the world's history. This growth has been faster than the human mind can absorb. Man has discovered the secret of splitting the atom and releasing power of such magnitude that it may fill the demands of man for increased sources of energy in the years ahead. But if uncontrolled, it may destroy civilization.

We have seen the vast growth of Communism and the threat of world domination by Soviet Russia. We have noted the growth of the power of organized labor to influence government and to dominate industry and even to stop the flow of commerce by strikes backed by unspoken threats of violence. We have observed that democratic government is in trouble all over the world. In most of the Western democracies, coalitions of minority groups try in vain to maintain their tem-

porary power through political horse trading that erodes the confidence of the citizens in the integrity and competence of national leadership. Witness England, West Germany, Israel, Canada, and others. Faith in the democratic processes as the best method of providing strong and capable leadership to deal with the challenge of today's complex society is at a low ebb. Discontent that finds expression in violent protest against the established order is worldwide. Thoughtful citizens are worried over the decline of the freedoms of democratic government and the rising demand for authoritarian socialist and communist programs under which the individual is subordinated to the state. Worldwide trends in this direction in recent years cannot be ignored. In this country, the concentration of power in the Federal Government has grown apace. Public confidence in the administration of government and the Congress is at a low level.

Inventions, discoveries and developments in the last half century have created new and multiple problems. The development of the automobile and airplane has increased the mobility of people all over the world, adding to the concentration and congestion of population in metropolitan centers and intensifying the tempo of human life.

Radio and television have brought instant communication from scenes of action around the world into the homes, and have become a most powerful influence on public opinion. These new modes of transportation and communication have fired up the aspirations of deprived people with increasing demands for better standards of living.

Recently, we have been shocked and become terribly concerned over the realization that, at the present rate of consumption of known reserves, the world faces an exhaustion of many natural resources, including oil, gas and several essential minerals, in the foreseeable future. We are being brought face to face with the absolute necessity for conserving natural resources and the elimination of wastes. It is a shock to affluent America to discover that the joy ride of extravagance in consumption and irresponsibility is over; that, for survival, our way of life must be readjusted to the diminishing supply of energy fuels and minerals and plant food.

A most disturbing revelation of recent years has been the failure of financial, business, and government leadership to find adequate answers to the two most threatening and far-reaching financial problems of the world today. One of these is the failure to develop a satisfactory medium or system for settlement for the exchange of goods and services in international trade. Long accepted standards for the measurement of values are inadequate to serve today's needs of world trade and finance. The result has been the virtual abandonment of the Gold Standard without any satisfactory substitute and a fantastic rise in the price of gold in the free markets. Surpluses and deficits in world trade have resulted in recurring monetary crises with the devaluation of currencies, including the dollar, and have brought about unstable and so-called floating rates of exchange that multiply the uncertainties of the future value of national currencies.

An even greater threat has been the failure of human ingenuity to control and direct our financial and economic life so as to harness inflation. There is no doubt in my mind that inflation, such as is now occurring in this country and throughout the world, is the greatest threat to the stability of human affairs in the years ahead and that, unless better answers are found for the stabilization of economic life, this nation and the world are headed toward catastrophic conditions that may cripple or destroy private enterprise and the freedoms of democratic government around the world. Inflation is an insidious destroyer of values. It is a form of creeping paralysis. The dollar that becomes worth less and worth less, and continues to be worth less and less will eventually become worthless. The great American Bernard Baruch predicted that if this malady is allowed to run unchecked, it will impoverish the people and destroy the nation. Any predictions about the future, in my opinion, have little merit unless the ingenuity, the knowledge, and the capabilities of the financial and governmental leadership throughout the world find and put into effect effective measures that will provide a more reasonable and stable economy in which growth will come from productivity rather than from the depreciation of national currencies through inflation. This is the present challenge to bankers and other financial leaders of this nation, and of the world, as well as to the leaders in government.

I am confident that the ingenuity of man can find answers to most of the serious social, political, and economic problems confronting this nation and the world without the sacrifice of human freedom once the problems are recognized and defined and the energies of man are directed to finding adequate answers. It is not hard to believe that, in the scientific field, the mind of man, which discovered the secret of splitting the atom and of converting solar energy into electric power, can further unlock the secrets of unlimited sources of energy.

But the real question is whether or not the mind and spirit of man can find answers to the aspirations of the human spirit in an environment of social, political, and economic revolution, and at the same time have the courage, the faith and the determination to exercise the discipline that will be needed to preserve the freedoms of democratic government.

CRIME IN THE WASHINGTON METROPOLITAN AREA

Mr. MATHIAS. Mr. President, the Metropolitan Washington Council of Governments has prepared another in a series of comprehensive studies of the problems of crime in the Washington Metropolitan area. I am pleased to have been associated with the Council in its efforts to evaluate the crime problem in this area. In 1971, I sponsored a conference on interjurisdictional crime in Metropolitan Washington and last year I offered an amendment, which I am pleased was adopted, to permit LEAA funding of intergovernmental units of this nature for planning purposes.

I ask unanimous consent that the summary from this latest council report be printed in the RECORD.

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

SUMMARY

This report is the second annual report on serious crime in metropolitan Washington, D.C. It constitutes the fifth in a series of analyses dealing with crime as a metropolitan phenomenon and concern, and is published by the Metropolitan Washington Council of Governments. The four earlier reports were for the calendar year 1972, and for the first, second, and third quarters of 1973.

In addition to the analysis of the nature, extent, and trends of reported index offenses in the metropolitan area, this report and each subsequent report on crime will be accompanied by a supplement/report designed to analyze the various problems, limits, and uses of crime reporting. The first of these supplements, appended to this report, contains a general discussion of the problems of collecting, reporting, and using crime data; especially Uniform Crime Report data.

This report compares index offense data reported in the D.C. SMSA during 1973 with that reported during calendar year 1972 and 1971. In addition, there are comparisons of the D.C. SMSA data with that of seven similar SMSAs, and with preliminary 1973 data for the Nation as a whole.

The data sources were the monthly Uniform Crime Reports which the jurisdictions in the metropolitan area prepare routinely for the UCR program of the F.B.I. Also utilized were the Annual Reports of the F.B.I. for 1971 and 1972, and the Preliminary F.B.I. Report for 1973.

What follows is a summary of major findings:

There were 147,202 index offenses reported in the metropolitan area during 1973, a six percent increase over the volume reported in 1972.

During 1973 the rate of reported offenses (4908 per 100,000) represented an increase of 6 percent over the 1972 rate.

For the nation in 1973 the reported volume of total index offenses increased 5 percent over the 1972 level. The volume reported in this SMSA increased 6 percent for this same period.

Cities of between 500,000 and 1,000,000 residents experienced a 2 percent rise in volume of offenses reported between 1972 and 1973. The District of Columbia experienced a 3 percent increase.

The Washington, D.C. suburbs experienced a 10 percent increase in the volume of offenses reported between 1972 and 1973, the same percentage increase reported for the rest of the nation's suburban jurisdictions.

For the nation, crimes against persons increased 4 percent from 1972 to 1973. The increase was 7 percent in the D.C. SMSA.

The larceny offense comprised the largest percentage (54 percent) of the SMSA crime index for 1973. In 1972 the percentage was 51 percent.

Violent crimes constituted approximately 12 percent of the total 1973 index in the metropolitan area. In both 1971 and 1972 violent crimes comprised approximately 14 percent of the index.

From 1971 to 1973, of the three major political subdivisions of the SMSA, only the District showed a decrease (9 percent) in the percentage of the total SMSA index which each contributes. The Maryland and Virginia suburbs showed increases of 6 percent and 3 percent, respectively.

CATASTROPHIC HEALTH INSURANCE

Mr. RIBICOFF. Mr. President, it is long past time for Congress to enact a national health insurance bill. We can debate forever the merits of the Nixon bill, the Health Security bill, the Mills-Kennedy bill, and others. We can wait for a "veto-proof" Congress if we wish, and we can argue whether or not we should enact a bill which does or does not dramatically restructure our health care delivery system.

But while we do all this there are thousands of Americans suffering from catastrophic health costs. These people are not abstractions. They are human beings who need help and they need it now.

I would like to share with you a story I know about a family from my State. The story is true. I will change the names.

The Smiths of Groton, Conn., are an average family. He works as a designer

at General Dynamics—Electric Boat. The Smiths' daughter, Linda, suffered from aplastic anemia, a red blood cell deficiency which halts the formation of bone marrow. During the first two years of her life, Linda was in Yale-New Haven Hospital and Newington Hospital. Following hospitalization, Linda was treated at outpatient clinics until November of 1972, when she was brought to Yale-New Haven and then to Boston Children's Hospital Medical.

Linda, 5 years old, died in April of 1973. She had the finest possible medical attention. National health insurance would not have helped to save her life.

But her illness left the Smith family with a debt of $28,000 for hospital bills alone. That did not even count doctor bills.

Mr. Smith was not wealthy. He made $260 a week but the bills for months, at a time, amounted to $200 a day.

The $10,000 major medical insurance coverage the Smith family carried still left him with a debt of over $17,000.

The Smith family was luckier than most. His colleagues at work cared. Since June of 1973, they have collected $7,500 out of their own paychecks to help him pay the health bills.

But he is still deeply in debt and struggling to pay his bills and keep a roof over his family's head.

It is tragic that in a country like this a family can be wiped out by health bills. It does not have to happen. Congress can enact a bill to protect against these catastrophic costs, and it can do it now at a price everyone can afford. And it can be implemented quickly.

Mr. Smith has no place to turn. But others will have a place to go for help if we take the steps necessary to protect every American against catastrophic health costs.

PENNSYLVANIA STUDENT SELECTED NSPA DISTINGUISHED SCHOLAR

Mr. HUGH SCOTT. Mr. President, for the past 5 years the National Society of Public Accountants has provided scholarship assistance and recognition to outstanding students who are pursuing accounting as a profession. This year's recipient of the Distinguished Scholar Award from among 22 scholarship winners is Frank H. Cardini of North Versailles, Pa.

Over 400 applications were received by the NSPA Scholarship Foundation and all were judged on scholastic achievement, demonstrated leadership ability, financial need and extracurricular activities.

In addition to the $400 academic scholarship to assist him in continuing his studies at Pennsylvania State University in University Park, Pa., Mr. Cardini will receive a check for $100 and a plaque designating him the 1974 Distinguished Scholar.

The National Society of Public Accountants Scholarship Foundation was formed in 1969 by the NSPA board in order to encourage individuals to select accounting as a career and to permit deserving students to continue their academic training to accomplish this goal.

A total of 97 scholarships have been awarded over the 5 years of this important program. The majority of the funds for the awards are received from individual contributions from the 15,000 members of the National Society of Public Accountants.

I want to congratulate this year's winner, Frank Cardini, and the members of the public accounting profession represented by the National Society of Public Accountants for their efforts in making this significant contribution to the profession of accounting.

PRESIDENT OF TEXACO ADDRESSES GRADUATING CLASS AT TROY STATE UNIVERSITY IN TROY, ALA.

Mr. ALLEN. Mr. President, recently I read with interest the address given by Mr. John K. McKinley, president of Texaco, Inc., to the graduating class at Troy State University, Troy, Ala.

Mr. McKinley is a distinguished American and Alabamian who needs no introduction to either the Members of the Senate or the American public. His remarks to the students at Troy State University are both timely and valuable.

I congratulate him on his excellent address and ask unanimous consent to have his remarks printed in the RECORD.

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

ADDRESS BY JOHN K. MCKINLEY

Thank you, Dr. Adams, ladies and gentlemen, graduates, parents, and friends of the University. (Impromptu opening remarks.)

Many changes have taken place in the intervening years. The world of the 1940's, when I left school, is unlike the world of today. But it remains the same world in one major aspect. Graduates of the 1940's faced a major conflict in World War II. Graduates of today face another major conflict—a challenge to this nation's traditional values.

I would like to discuss this challenge with you for a few moments this morning. The 1940's—given the knowledge and the resources available then—were just as challenging as the world that you face today, although there are some who suggest that the rate of change has accelerated in the 1970's.

However that may be, while graduates of the 1940's faced a physical conflict in the form of surmounting a worldwide economic depression and an approaching world war, graduates of today are confronted with a less tangible but perhaps more dangerous and difficult conflict.

I am talking about the conflict brought about by the challenge to all the traditional values and institutions—the ethical and moral base—upon which the nation was built and has prospered.

Conflict is not limited to the United States, of course. There is unrest and instability throughout the world. Just in the past few months, seven major governments have fallen—in Great Britain, West Germany, Portugal, France, Canada, Greece, and Israel. The peoples of these nations undoubtedly had specific complaints about their leadership—whether it was inflation, or growing unemployment, or a lack of personal freedom. But the basic reason why the leaders of these major governments fell was their inability to anticipate change and to manage a rapidly changing political environment. There was a widespread loss of confidence in these leaders, and a questioning of their motives.

Here in the United States, basic institutions which once afforded stability are being increasingly called into question. In one way, this is a positive thing. I hope that all of you will try to have questing minds as you proceed through life. But there is also a danger in the current unrest, distrust, and dissatisfaction with traditional values. It is important to recognize that major changes and the nation's problems can only be handled from a secure base or foundation of proven values and institutions. Lasting solutions cannot be built on foundations riddled with unrest, distrust, or disunity.

In my view, the danger for America lies in listening uncritically to false prophets who promise easy solutions to our problems. These false prophets often sound wise. But in seeking to dismantle those institutions that have made this country great and given us the highest living standard in the world, it unfortunately turns out that they have no viable alternatives to offer. Their own track records of achieving any meaningful goal are not encouraging. Those with the loudest voices—those who temporarily gain attention by repeating accusations against our basic institutions—are usually found to have said nothing when facts are examined.

The false prophets call for change, for restructuring institutions with long and proven records of being productive for the common good. I would counsel you to be on guard agaist these purveyors of change for the sake of change. Do not mistake promises for substance.

A good many of you here are contemplating careers in business, management, or government after graduation. Whether this is the case, or whether you plan on careers in education or the fine arts, it might be helpful to make a practice of searching out the facts of any given situation, then analyzing them and reaching considered conclusions that will stand the test of reason.

There is undoubtedly a great deal of antibusiness sentiment in this country today. Contributing to it are environmental movements, consumer movements, a dislike of many people for big organizations of any kind, a suspicion about the role that profits play in business, a suspicion that there is something not quite respectable or idealistic about the way businessmen conduct their affairs.

Ironically enough, we Americans still expect—almost as a matter of right guaranteed by the Constitution—that businessmen will continue to build factories and provide jobs and produce all of the goods and services that the public desires while coping with attacks upon their methods and motives.

These unreasoned attacks upon businessmen—and this nation's traditional values and institutions—shift quickly from one subject to another. In passing parade, we see meat shortages, grain prices increases, the war in Viet Nam, inflation, integration, police protection, our defense forces, wage controls, price controls, subjected to the glare of publicity and the often radical solutions of the false prophets. These solutions are offered from a base of panic or crisis—and really are not long-lasting solutions at all. They all seem to have this in common—punitive legislation and the establishment of still more government bureaucracies and Federal regulatory bodies that have the end result of interfering with the public's right to a free choice and greatly reducing the ability of industry to function efficiently.

A good part of the distrust of business recently has fallen upon the nation's energy companies after a supply shortage developed into a crisis as a result of the outbreak of the Arab-Israeli war in October of last year. There is a lingering suspicion that the oil companies got together to contrive the energy shortages to raise prices and profits. A member of the U.S. Senate drew a lot of attention to himself by terming those

recent profits "obsence," when, in fact, the United States Government controlled the prices that helped determine those profits in the United States. This Senator's colorful adjective suggests, of course, greed or illegal action, when in fact amounts greater than these profits are being reinvested to provide the nation with the energy it needs.

Meanwhile, endless investigations with a political orientation have produced a lot more talk but not one shred of evidence that these sinister charges are true. These investigations with their preconceived ideas and their unfounded allegations continue, often before nationwide television audiences. They are not, however, objective investigations but attacks and they have the negative result of lessening public confidence in industry.

Instead of indulging in attacks, we might ask ourselves this: was it the energy companies who stopped or reduced drilling on the east and west coasts, opposed deepwater ports, blocked the trans-Alaskan pipeline, removed coal from effective competition, opposed refinery siting, and passed unrealistic environmental regulations which are still restricting supply? It wasn't the energy companies who did any of these things. Instead they gave advice over many years about the impending shortages. Their advice was ignored.

Now the purveyors of unreasoned change are proposing actions that would dismantle the energy companies in the United States and weaken their operations abroad while replacing them with no workable alternatives. They call for higher taxes, but they do not say these taxes will have to be added to the prices paid by the public for energy, or, alternatively, less funds will be available to find and develop new energy sources. We can well wonder what good purpose is served by attacking the very institutions that have supplied the American public with more energy at lower prices in the past and now then any other nation in the developed world.

This situation provides the perfect setting for many enemies of the free enterprise system, and private industry, to launch ill-considered and counterproductive attacks that could be severely damaging to the nation and its economy. If these attacks on the energy industry succeed, can attacks upon agriculture, steel, paper and indeed all private business be far behind?

As a result of the unpopular Viet Nam war, the integrity, morality, and patriotism of the military have been attacked and our armed forces weakened—when such forces have proven throughout the years of our history to be a needed safeguard for the nation. Again, no viable alternative to strength in the real world has been proposed—just the vague suggestion that if we are weak, in some way peace will result.

Similar widespread attacks on public servants—such as our police—make them wonder and question the morality of their chosen work.

The media, unfortunately, have helped to spread these misguided attacks and to bring our traditional, productive values into conflict. Whether by intention or otherwise, some of the media seem to hold up to ridicule the concepts of honor, integrity, religion, family, and patriotism while proposing no alternatives to take the place of these basic values.

We are going through a period where calm, objective judgment is called for about where this nation is headed. This applies to the credibility of business leaders, politicians, the media, and college teachers alike. It is strange that we entrust a good part of the judgment on vital matters that concern all of us to newscasters, commentators and others who have no first-hand knowledge, expertise, or experience on subjects about which they report.

These reporters select what is presented to the people, and quite often express as proven fact what are really only their own conclusions, or opinions. Because of his tone, inflection, and impressive visual image we seem ready to ascribe great knowledge to a given television commentator and thus allow such a man to influence much of the thinking of the country. In reality, these sages may only be pleasant, skillful actors reading a script written by an unproven writer, although they perform with all the bias and confidence of an Alabama football fan. More importantly, they bear no responsibility for any damage their personal opinions may bring about.

Have you ever asked yourselves why the public seems to place a greater trust in the motivations of the press or government than those of business? And yet the news reporter might simply be motivated by the desire for a byline and a front-page story regardless of the facts and the politician might simply be seeking personal power or aggrandizement. I often wonder why the motivations of personal power and fame are considered more worthy of trust and accorded a higher moral value than the motivation of profit earned by the working man who provides goods and services that mankind needs.

Is there something ethically wrong with providing needed goods and services and paying taxes that power all the social programs of government? Is there something wrong with rewarding the man or woman who does the best job of providing those goods and services with more money than those who do not?

Some young people think it's significant and moral to earn a salary by working for a charity, a foundation, a university, or a government, but not so for a profit-making organization. Don't they realize that the profits of business are what finance charities, foundations, universities, and governments and that these profits are what pay their morally acceptable salaries in these worthy organizations?

Let us look at the facts here. I don't believe that anyone with an open mind would deny that the free enterprise system has given the American people the greatest personal freedom found anywhere in the world. It is the envy of other nations. Its success rests on allowing the people to make free economic choices. Its motivating force is the desire for personal progress and self-fulfillment, not decree or coercion, not regulation by government, not equalizing the economic benefits of life irrespective of the individual's work or contribution.

This system has worked, and it has worked well. Yet, despite its proven and obvious benefits, we find government intervention continuing to encroach upon the free choice of individual citizens in the open market place. I am not talking about such areas of proper governmental concern as running the social security system, or most primary or secondary schools or colleges. I am talking about government intervention in agriculture, business, and in industry. This trend poses a serious threat to the free enterprise system—the only system with a proven record.

Why should we be so concerned about preserving the free market private sector of our national life? The reason is not just because it is the most efficient system ever developed. More basically it is because without freedom of economic choice there can be no individual freedoms. When free choice is taken away, we might as well all be wards of the state and, in my view, a ward of the state is not a free man.

I believe that the traditional roles of government and business are the roles most likely to be of benefit to our people. There should, of course, be greater cooperation between the two. But on what terms? It seems to me that the role of government should be to create an international and domestic climate of peace and tranquillity, to provide broad guidelines and objectives. The role of industry is to see that they are implemented and carried out. The nation's economic policies should reaffirm that the private sector is the doer and that government interference with the task of doing should be kept to a minimum.

I would like to see our educational system start reteaching America, specifically *how* American business works and *why* it works. Instead of teaching about communism, or socialism, or some other ideologies, I would like to see our educators teach about them in comparison with the free-enterprise, capitalistic system. Then it would be realized, by any valid comparison, that one of the great, traditional values of this system is that it has achieved greater positive results for more people than any other system.

I would like to see our schools turn out a constituency that has the will and the desire to demand the facts, and not simply accept what they see or hear through the flip of a switch. There is nothing wrong with the proper, logical debate of our free market system, our religious preferences, or our traditional right to free choice in how we live our lives.

But there seems to be a growing tendency on the part of the people to react to crisis by believing that all the nation's basic institutions are bad and could be improved by drastic change. Where the electorate is not discriminating, where the electorate won't turn off the dial when it thinks it is hearing a biased message, it is easy for legislators to disassociate themselves from the true facts and take a temporarily popular position.

It is unfortunately true that we have some unethical people in all phases of national life. They exist in corporations, and in government, medicine, the media, agriculture, the military, student bodies and faculties. But I would ask you to remember that they are in the minority. The great majority are not unethical. There are still a great many people who have a high regard for basic moral values. They should not be judged guilty by association. We are not all the same, and we must therefore not paint each other with the same brush without regard for the facts.

Because of the unrest and conflict in the nation's values today, there may be a tendency for those leaving school to think that proven values are all wrong and can be improved by drastic change, and that truth, honesty, and integrity have no place in the future. I do not share these views. I suggest that we should not be misled by those who promise something for nothing. It is still necessary to create in order to spend, and you can't get more out of anything than you put into it. Excessive government intervention into private enterprise, government overregulation of business areas, invasion of privacy, restrictions of individual choice, offer no real solution.

There is presently a great opportunity to make positive, viable changes in the economy and our way of life. But such changes should be made after a logical examination of each given situation. The educated young of the nation are needed in formulating productive change. I suggest that you get into this ball game, and not just stand on the sidelines and watch or complain.

Whatever career one chooses to enter, it may be very useful to select a set of realistic personal goals. You can set them now, and modify them to meet the changing circumstances encountered throughout life. There are many different definitions of success. But each person knows—by his own personal satisfaction—if he has been successful in achieving his goals and ambitions.

Material rewards alone do not guarantee personal satisfaction or happiness. That is why I would encourage you to consider in-

cluding among lifetime goals a high moral commitment, some service to your communities and others. If one makes no moral commitments, takes no stand on personal moral issues, material rewards in later years may not bring any comparable personal satisfaction. Material success alone is a lonely form of success that tends to have a rather disappointing and shallow end.

I suggest we remember that America's optimism is one of her greatest traditional values. So when one of you makes the commencement address here at Troy some 30 years hence, in the year 2004, I'm quite certain that the quality of life in America will still be the best in the world, and even better than it is today.

I wish each of you a challenging, interesting and hard-fought future. Thank you.

CONSUMER PROTECTION AGENCY (S. 707)

Mr. BUCKLEY. Mr. President, the Senator from Illinois (Mr. PERCY) and I recently debated the merits of the proposed Consumer Protection Agency before a meeting of the National Press Club. Because I believe many of our colleagues have not had an opportunity to study this legislation, and because of the extraordinary powers it would invest in a single individual who would be answerable to no one, I ask unanimous consent that my National Press Club statement be printed in the RECORD. I would also recommend that our colleagues read with the greatest care the compelling individual views filed by Senators ERVIN, ALLEN, BROCK, and NUNN.

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

DISCUSSION ON A CONSUMER PROTECTION AGENCY

(By Senator JAMES L. BUCKLEY)

The "Consumer Protection Agency" that would be created by S. 707 would operate as an independent agency within the government to serve as an *advocate* of "consumer interests", as defined exclusively by the administrator of the CPA.

We are told that the need for such an agency is obvious; that the market is a complex and confusing place and that many or possibly even most businessmen are in the habit of taking advantage of unwary and naive consumers.

While it is acknowledged that during the course of the last thirty years or so we have created agency after agency to help the consumer by regulating business activities in a myriad of ways, we are now told that these efforts have all proven either to be failures or to be inadequate to the task at hand.

Thus, the authors of S. 707 tell us, the consumer needs even more protection. And he needs an advocate before those other agencies that were supposed, but have failed, to protect him.

It is possible that a number of their concerns are valued although I must admit to a degree of skepticism. But whether or not they are, I am appalled by the legislation they have put together to accomplish their purpose.

Instead of addressing themselves to the alleged deficiencies of existing consumer protection legislation, the authors propose to create still another entity, the CPA, whose administrator would be endowed with powers that are positively dazzling in their scope.

It is the administrator and the Administrator alone who will determine what is in the interest of consumers, and his determination is not reviewable by any court of law. He can intervene in any proceeding before any Federal agency, and can go to court to reopen proceedings and decisions hitherto considered final. The administrator, given wide discovery authority in the legislation, may in his sole discretion release information when he deems it to be "necessary to protect the health or safety of the public."

Based upon an unchallengeable determination of such necessity, the administrator may go so far as to disclose trade secrets and other private information. If the administrator has been proven to be imprudent in his determinations, he is instructed to issue an apology.

Few could consider such requirements to be safeguards in any meaningful sense. Further, the administrator is authorized to undertake product comparisons, under test procedures and guidelines that he alone determines to be appropriate.

One can only conclude that this administrator, whoever he or she may be, is granted unprecedented authority unchecked by any reasonable safeguards. The administrator has the practical authority to put an enterprise out of business, and yet, he cannot be fired except for lack of zeal.

With regard to information secured by the CPA but which the agency is only temporarily required to keep private, the minority views of Senators Ervin, Allen, Brock and Nunn state:

"Thus, the non-regulatory CPA can have regulatory power by proxy—it can force information out of a businessman, present the information to a regulatory agency, demand a proceeding against the person (and appeal any decisions not to hold a proceeding), enter the proceeding as a dual prosecutor, and appeal any decision made as a result of the proceeding which is not to the liking of the CPA. Thus, the CPA will have all the rights of a regulatory agency and none of the responsibilities."

Unfortunately, for the sake of sober analysis, the rhetoric of the legislation is deceptively attractive. We are all consumers, of course, and might therefore conclude that this new agency will protect each one of us. After all, its personnel will be directed to represent *our* interests as consumers—to represent you and me.

But on closer examination one discovers that the authors of S. 707 have failed to identify and meaningfully define our interests as consumers. They failed to do so in this effort for one very good reason. There is no such thing as a single, indentifiable, monolithic consumer interest.

We are all consumers, but we all have different, often conflicting interests at different times and under different circumstances. In an automobile, for example, such factors as safety, weight, power, fuel efficiency and price are often competing consumer values. This fact alone forces proponents of a consumer protection agency to do little more than talk in very general conceptual terms about the need to stand up for the consumer.

The Administrator of this agency then would be exercising power without practical limits. He alone would be the arbiter of what is or is not in the consumer's interest and would, under the terms of the law, be authorized to publicly castigate those who—in his unchallengeable opinion—are operating in a manner contrary to that interest.

He would be able single-handedly to damage or destroy businesses engaged in practices that have never been prohibited by law. Here the due process problem should be obvious, because the tradition of the rule of law absolutely requires that persons who are to be held accountable for their actions have prior-existing standards against which they can judge their performance.

Further, the legislation would authorize the agency to intervene as a proper party in administrative proceedings, even after they have been concluded, to file *Amicus* briefs and to otherwise represent the consumer interest in advocacy proceedings. And—getting back to the definitional problem—if there is disagreement as to just what is in the interest of the consumer, we are told simply that "the Administrator will decide . . ."

And he would have to decide without reference to any standards or guidelines, for S. 707 provides none. It merely authorizes him to declare certain acts "anti-social", if you will.

S. 707 authorizes the Consumer Protection Agency to appeal decisions of administrative agencies now considered final. As these appeals mount, disputes between the CPA and other governmental agencies will inevitably force the courts to arbitrate questions of a technical and policy nature—a task which most courts will readily admit is almost totally beyond their capacity to handle. Indeed, this is why courts have ordinarily recognized only a restricted appeal from administrative decisions.

I don't question the motives of the men who put this legislation together. But we have to remember that every regulatory agency established during the last forty years was set up to serve the public interest—and that every one of them has had side effects unforeseen by those who created it. In this instance, the opportunities for wholesale abuses by a CPA-run-wild are truly staggering.

The over-regulation of the marketplace has contributed to our problems in transportation and housing, energy, wages and prices. This agency will not destroy the American economy, but it will make life more difficult for those businessmen we should be most interested in helping. General Motors and Marcor will survive. But the small businessmen will have more trouble. If this happens the consumer will necessarily suffer.

Can you envision the possibility that it will be the duty of the administrator of the so-called consumer protection agency to declare his own agency as anti-consumer because its operation will effectively create conditions which will lessen competition?

In conclusion, let me simply reiterate my belief that this legislation would do far more harm than good. The American people have had their fill of "cure-all" solutions to problems that are both more difficult to solve and less pervasive than the advocates of such solutions would have us believe. This bill would create one more costly agency, hamstring other agencies and bury the American businessman under even more red tape. Such a consumer protection agency would not only do little to benefit the consumer, but it could result in less market competition and higher prices for consumers; I intend, therefore, when S. 707 comes to the floor, to vote for the consumer and against the bill.

THE MINNESOTA DATA SECURITY AND PRIVACY LAW

Mr. HUMPHREY. Mr. President, I would like to commend my colleague from North Carolina, Senator SAM J. ERVIN, for the hearings he is currently holding on personal privacy and information systems. Senator ERVIN's study, "Federal Data Banks and Constitutional Rights," reveals some incredible statistics about the data archiving business of the U.S. Government. There are 858 federally operated data banks and only 10 percent exist by statute. The existence of 40 percent of the computer data archives are not made public. It is time to start protecting personal privacy and it is time to curb government abuse of these data collection systems.

President Nixon has proposed that con-

trol on computer data archives be placed under the direction of the Domestic Council Committee on the Right of Privacy. The President's plan has made little progress, and I think Senator ERVIN's Special Subcommittee on Privacy and Information Systems is doing a great service by helping this administration get off dead center on the privacy of the individual and computer data banks.

Mr. President, I want to point out that the State of Minnesota has recently made great progress in curbing government abuse of computer data collection systems. Minnesota has passed into law a comprehensive bill to control the collection, security, accuracy, and dissemination of information held in computer data banks. I would urge my colleagues to read a description of the Minnesota "Data Security and Privacy Law," by Nancy French, which appeared in a recent issue of Computerworld.

Mr. President, I ask unanimous consent that "Minnesota Government Data Tightly Reined," from Computerworld, be printed in the RECORD.

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

LAW RESTRICTS COLLECTION, DISSEMINATION: MINNESOTA GOVERNMENT DATA TIGHTLY REINED

(By Nancy French)

ST. PAUL, MINN.—The State of Minnesota has passed into law one of the most comprehensive bills any state has yet enacted to control the collection, security and dissemination of computerbased records and information in state government and local governing bodies within the state.

The legislature is expected to pass another law next year to deal with data banks in use in the private sector, according to Daniel B. Magraw, assistant commissioner of administration here.

The writers of the present law felt it was most important to "get the government house in order first before going after the private sector," he added.

The act covers three general aspects of privacy/security.

First, it assigns responsibility for controlling the collection and use of data to the commissioner of administration; it outlines the rights of the individual who is the subject of the data collected; and it sets penalties for violations of the statute.

COMMISSIONER'S TASK

Called the "Minnesota Data Security and Privacy Law," the act requires the commissioner to limit data collection to "that necessary for administration and management of programs enacted by the legislature or local governing body."

To insure compliance, the statute requires each individual in charge of a data collection system to inform the commissioner of the nature of all data on individuals collected and stored, and the need for and the intended use of the data.

It further requires that all requests for use of the data by persons other than the original collector be submitted in writing and be entered into the public record.

Permission will then be granted only when required by law or where clearly necessary to the health, safety or welfare of the public if to do so would be clearly in the interest of the individual involved.

The law provides that summary data—data without accompanying names—may not be used without obtaining a written authorization specifying limitations on intended use.

The law requires that "reasonable and appropriate safeguards" be established to assure the stored data is accurate, complete and current, but leaves up to the commissioner decisions as to what is "reasonable and appropriate." And finally, data on individuals shall be stored "only so long as it is necessary to the administration of authorized programs or as authorized by statute."

INDIVIDUALS' RIGHTS

Individuals' rights under the law provide that an individual asked to supply personal data shall be informed of the purpose of its intended use and whether or not he may refuse to supply that information. He also shall be informed of any known consequences arising from supplying or refusing to supply the personal data.

In addition, data collected for one purpose can be used for another purpose only after the user notifies the commissioner of his intentions and his purpose.

Any citizen of the state may request the commissioner to inform him whether he is the subject of stored data and, if so, upon his additional request, he shall be informed of the content and meaning of the data or shown the data without charge to him.

Data found to be incorrect must be corrected within 30 days. In addition, the user must attempt to notify past recipients of the inaccurate or incomplete data or notify "the individual in question that the records have been corrected."

The person who willfully violates any provision is guilty of a misdemeanor and any public employee who willfully violates the law may be suspended without pay or discharged after a hearing.

The person who suffers damage as a result of a violation may bring an action against the political subdivision or "other responsible authority" to cover any damages sustained, plus costs and reasonable attorney fees.

In the case of a willful violation, the violator shall, in addition, be liable to exemplary damages of not less than $100 nor more than $1,000 for each violation.

Finally, on or before Dec. 1 of each year, the state commissioner of administration must notify the legislature in writing that these conditions are being fulfilled.

Exempt from the law are intelligence files, maintained by police departments on individuals under surveillance for possible future investigation, and records kept by state health and mental hospitals—the latter on the grounds that for some, knowledge of the contents of these health and mental files would cause more harm than good.

AMTRAK

Mr. HUGH SCOTT. Mr. President, in a June 17, 1974, article in the Pittsburgh Post-Gazette, Associated Press writer Jay Perkins assessed the efficiency, comfort, and safety of the Amtrak rail system. The headline read: "Amtrak Running Up Good Track Record."

I quite agree. I believe Amtrak is achieving remarkable progress. The railroads are a most enjoyable way to travel. Our Amtrak system is bringing back the kind of nostalgia that many of us railroad buffs remember because of the comfort and—as Mr. Perkins so aptly stated it by quoting one passenger—achieving for us in this space age a time and place where it is "easier to relax." Moreover, Amtrak is also introducing rail travel to whole new generations of young people.

I much enjoy my frequent metroliner trips between Washington and Philadelphia. And I am pledged to helping Amtrak continue to achieve its goals. I was pleased recently to announce a $81 million Amtrak contract to the Budd Co. of Philadelphia for the production of 200 new passenger cars. And I am working with Department of Transportation officials to gain a new and vital Boston-Erie-Chicago route.

Mr. President, Mr. Perkins performed a fine public service in his perceptive article about Amtrak. 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:

AMTRAK ROLLING UP GOOD TRACK RECORD

(By Jay Perkins)

EDITOR'S NOTE.—In ancient coach cars with new cosmetic refurbishing or brand new turboliners, passengers are traveling on the nation's railroads. What is the ride like today and what lies in the future? Amtrak says improvements are slow, but sure.

The train was still feeling its way through the cavernous underground of New York City when the young man pulled out his pocket-sized chess set.

"We've got two days," he said, turning to his friend. "I can teach you to play chess."

Just a few seats up the aisle, passengers struggled to hoist baggage onto overhead racks and children squealed at the lighted concrete pillars slowly slipping through the darkness outside the windows.

Several passengers sat quietly. Others searched their luggage for a book to read in the long night ahead.

The Broadway Limited was under way.

Its 16 newly remodeled cars with carpeted ceilings and chrome trim had left New York on schedule, pulling away from the drab concrete depot below Madison Square Garden shortly before 5 p.m.

Tomorrow morning it would arrive in Chicago.

A year ago, only slightly more than half of the Broadway would have been taken. This trip, almost all of the seats were filled.

Since the start of the fuel shortage in November, the number of persons riding the nation's rail system has increased dramtically. Amtrak, the nationwide government-run rail passenger corporation, says passengers from January through April of 1973 totaled 4,495,210. During the first four months of 1974, there were 6,193,233 passengers, an increase of 37.77 per cent from the previous year.

Much of Amtrak's fleet is like the Broadway—aged equipment reconditioned with largely cosmetic repairs. Yet the corporation is moving to modernize its fleet.

The trip on the Broadway was part of a journey to see what type of transportation Amtrak currently is offering and to determine what trains in years to come will be like.

The journey included trips on two older trains—the Broadway and the National Limited—as well as trips on Amtrak's high speed electric Metroliners and gas turbine Turboliners.

Now it was late afternoon, the darkness of underground New York has turned into the hazy daylight of New Jersey. The Broadway was rolling along at slightly over 50 miles per hour.

The car was shaking like a pickup truck on a country road and the missed notes and hesitant chords of the piano player in the orange and deep purple bar car did little to drown out the clatter of iron wheels on neglected track.

The ride would get better as the night progressed. The piano player would not. Soon he would give up.

At one end of the car, the bartender stood gazing out the window, his back to the bar. There was no table service. Beer cost 65

cents—75 cents for premium and the probable loss of your seat while you waited for change. Mixed drinks were $1.40 each, soft drinks, 35 cents. Smoked almonds in foil packets were free.

Most passengers in the car came to drink, to stretch their legs or to play cards. Kathy came seeking refuge from the children in the coach seats behind her.

"I think a lot of people ride the train for the nostalgia," she said. "Also, you don't have that feeling of imminent annihilation on a train. It's easier to relax."

Kathy and her boyfriend travel by train often. Cost is a major factor in their choice of transportation. It costs about $43 for a coach seat from New York to Chicago, compared with $69 for an airline coach seat.

This trip on the Broadway, she said, had been pretty good so far. She recalled other trips where the air conditioning didn't work and she said, "If you're a creature of comfort, you just can't get on the train."

It would take a later ride on the National Limited to fully understand her comment.

The National runs from St. Louis to Washington and New York. It costs $95 for first-class service with a private roomette between St. Louis and Washington and $43 for a coach seat.

There was no bar car—four tables in the dining room doubled as a bar and waiting area for dining car patrons. Restaurant service was slow, waiters inefficient and unfriendly. It took over two hours to eat each meal. Some items on the dinner menu—notably steak—were exhausted before everyone was fed.

Yet all of the equipment worked—except for a one-minute power failure that plunged the dining room into darkness. The toilet and wash basin in the roomette's private bathroom were clean. The fold-out bed had clean sheets and blankets and two pillows. It would have been comfortable if the ride had not been so rough. Amtrak is moving to solve these problems, but some solutions could take years.

The corporation has $50 million available this fiscal year to build roadbeds and upgrade track, but it has not announced any plans for spending the money on its 24,000 miles of track. Some of the worst track in the Midwest and Northeast is so bad that the Federal Railway Administration forbids passenger trains from running over it at speeds over 10 miles per hour.

Amtrak expects on-train service to improve since it has taken over employment of waiters, porters and bartenders on its trains. In the past, these people were employed by the 12 railroads over whose tracks Amtrak operated.

Electric high speed Metroliners have been operated by Amtrak on the Washington-New York run for several years. Car are lighter and ride better than conventional coaches.

Amtrak last year ordered 51 new Metroliner-type coaches and expects delivery later this year. These coaches will not be self-propelled, however, allowing their use on lines that are not electrified.

Amtrak is expected to announce in the near future purchase of up to 200 new coach cars and 20 turbine-powered trains.

The rail corporation has been operating two gas turbine trains between Chicago and St. Louis on an experimental basis for less than a year. Built for the French railroads, these trains have a much better ride than conventional trains.

During the four-hour ride between Chicago and St. Louis, the top speed of the train is 80 m.p.h., although engineer Ed Berberet says the train could run over 100 if track signals at railroad crossings and sidings were reset.

There's no dining car, but half a coach car on the five-unit train has been converted to a cafeteria. Passengers select pre-packaged meals from racks on one wall. Cafeteria employes heat the selections in micro-wave ovens, pour coffee and keep the car clean.

PROJECT INDEPENDENCE OR PROJECT INTERDEPENDENCE?

Mr. HUMPHREY. Mr. President, the shortage of energy is clearly one of the most important issues facing Americans for the long term.

However, while the Congress and the consumer struggle with energy problems, the large oil corporations are reaping record high profits and in some instances are reportedly investing these profits in the stock of other corporations, rather than in new sources of energy. Meanwhile the large integrated oil companies are squeezing the independent refiners and gasoline marketers out of business, and their profits go higher.

Curiously, as profits go sky high, rumors continue to circulate that officials of energy producing corporations are being used to formulate the energy policy of this administration. Is this Project Independence or "Project Interdependence?"

Since the beginning of the energy shortage last fall, there have also been continuing reports of major oil companies getting special treatment from the Federal Energy Office.

Mr. President, it is in the context of these rumors that I urge my colleagues to read a well documented article by Les Gapay which appeared in the June 17, 1974 Wall Street Journal on the topic of linkages between the oil corporations and this administration. 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:

WHAT PRICE EXPERTISE—LINKS OF SOME FEDERAL ENERGY EXPERTS TO INDUSTRY RAISE QUESTIONS OF CONFLICT

(By Les Gapay)

WASHINGTON.—Russell J. Cameron is Mr. Oil Shale. He was supervisor of the U.S. Bureau of Mines oil-shale experiments in Colorado in the early 1950s until he formed a consulting firm and became a foremost promoter of the development of synthetic fuels in the West.

Mr. Cameron, who is chairman and part-owner of Cameron Engineers Inc. in Denver, enjoys such high regard that he was recently considered for a post as assistant energy administrator heading Project Independence, the drive for U.S. self-sufficiency in fuel. He hasn't gotten that post, but since Feb. 1 he has been a key part of Project Independence efforts through a small consulting contract with the Federal Energy Office.

Consultant Cameron has been heavily relied upon by both former energy chief William Simon and present chief John Sawhill for advice. Beyond that, he has had much to do with an FEO "action" program to identify and crack open bureaucratic bottlenecks holding back energy-development projects. Mr. Cameron and his firm have identified a number of bottlenecks, all right—most of them involving companies that have been or now are clients of Cameron Engineers.

Although he denies any wrongdoing or conflict of interest, Mr. Cameron has helped the FEO to exert pressure on other government agencies to speed action on his clients' lagging energy projects. The companies involved are Shell Oil Co., Atlantic Richfield Co., El Paso Natural Gas Co., Pacific Lighting Corp., Sun Oil Co., and Ashland Oil Inc.

REPORTS AND RECOMMENDATIONS

Mr. Cameron has arranged meetings between executives of some of his client companies and officials of the Energy Office and the Interior Department. He has also met, as a representative of the Energy Office, with top Interior Department officials on two projects involving his clients; these call for oil-shale development and drilling off the U.S. coast for oil and gas. He got a warning from one high department official that he might be in a conflict-of-interest situation. He says he doesn't recall such a warning.

The consultant has also made reports and recommendations to energy officials urging action on projects of his clients, and his ideas have won some high-level attention. They have resulted in one memo mentioning these projects that was sent by Mr. Sawhill to other officials of his agency, and another which circulated widely through the government and was delivered by Mr. Sawhill to Cabinet members who deal with energy problems. Among the projects Mr. Cameron wanted to speed were proposed coal-gasification plants of two Cameron clients that are awaiting action by the Federal Power Commission.

It should be noted that none of the half-dozen client companies is being served by Cameron Engineers in connection with the particular projects that the Energy Office and Mr. Cameron have tried to expedite. But all recently were or now are clients of the firm for consultation on oil-shale, coal-gasification and other synthetic-fuel technology.

Mr. Cameron confirms his activities within the government on behalf of the companies. But he says he represents many companies (40 in 1973) and isn't seeking to please clients or get added business, but just to speed energy projects needed by the nation.

Officials of the Energy Office, for their part, aren't talking about the possibility of a conflict of interest. Mr. Sawhill declines to answer a Cameron claim that he knew some of the companies whose projects might be expedited were Cameron Engineers clients. Robert Nipp, FEO public affairs director, recently declined to answer questions until after a Senate committee ended confirmation hearings on Mr. Sawhill's nomination as energy administrator. But the hearings are over, and Mr. Nipp still declines to reply.

The Cameron situation indicates the ease with which energy-industry men coming to the new Energy Office can run into possible conflicts of interest. One Senator, Democrat James Abourezk of South Dakota, voted against Mr. Sawhill's confirmation in committee partly because he feels the agency has been lax in dealing with conflicts of interest.

Lacking oil expertise, the agency often feels compelled to seek information and manpower from the industry; out of some 2,000 workers, it recently had 100 former oil-industry employes. FEO spokesmen, in defense, say, "You wouldn't want to get a plumber for a toothache."

A GAO REPORT

Specific conflict-of-interest complaints have arisen before. Congress's General Accounting Office recently reported that Robert C. Bowen, who was on leave from Phillips Petroleum Corp. and who formerly served at the FEO, was involved in such a conflict. The GAO referred the matter to the Justice Department for investigation.

The GAO said Mr. Bowen, contrary to limitations imposed when he joined the government, became involved in policy making at the Energy Office and at one point had in his files a letter from his former employer concerning an FEO proposal on propane pricing. Mr. Bowen, who recently returned to Phillips, denies any wrongdoing and says he hasn't heard from the Justice Department.

At any rate, the GAO is investigating other former oil-industry employes who are still at the Energy Office. And intriguing situations don't seem hard to find there. Investigation by The Wall Street Journal has uncovered an

unusual plum received by a high FEO official, Melvin Conant, from his employer until last January, Exxon Corp. Mr. Conant is acting assistant administrator for international affairs (dealing with foreign governments and international oil companies like Exxon) and is in line for permanent appointment to the post.

Before leaving Exxon, Mr. Conant received a lump-sum payment of tens of thousands of dollars; the exact amount isn't known. A company spokesman says it was less than two years' salary. Though he won't reveal Mr. Conant's salary at Exxon, industry sources say an executive of his level (he was a senior adviser on government affairs, specializing in the Middle East and Far East) would have made at least $35,000 a year, plus bonuses and benefits.

NO CONFLICT, EXXON SAYS

An Exxon spokesman says the one-time payment was intended to insure that Mr. Conant doesn't "suffer an economic pain" by taking a government job that pays less than he was earning. The spokesman says Exxon and a few other large companies make such payments so executives won't be discouraged from taking government positions. He adds that because the payment was made before Mr. Conant's departure from Exxon, no conflict exists—even though the FEO regulates the oil industry. Mr. Conant declines to comment, as does the Energy Office.

Though shale-oil expert Cameron is serving merely as a consultant, he says he has spent about half his time at the FEO during the four and a half months since his appointment. His influence has shown up in various FEO memos that urged quick governmental action on certain energy projects.

A March 6 memo signed by Mr. Sawhill and addressed to top officials in the Energy Office included an attachment prepared by the office of acting assistant administrator Robert Shatz, with whom consultant Cameron has worked. It suggested the Energy Office "assist" companies with coal-gasification projects before the FPC to "obtain federal decisions on the applications." These cases involve El Paso Natural Gas and Transwestern Pipeline Co., the latter a joint venture of units of Pacific Lighting Co. and Texas Eastern Transmission Corp. El Paso and Pacific Lighting have been Cameron Engineers clients, Mr. Cameron says.

The same memo also suggested that the Colony group of companies be assisted in getting "federal decisions on their applications for a shale-oil pipeline." The group is made up of four firms, three of which are clients of Cameron Engineers. They are Shell Oil, Ashland Oil and Atlantic Richfield.

INDIVIDUAL AID AGAINST POLICY

A spokesman for Mr. Sawhill has said that the March 6 memo didn't circulate outside the agency and was sent out for comment of FEO officials only. He added that it isn't the agency's policy to aid individual companies in energy projects.

But a March 14 FEO report titled "Project Independence Management Plan" dealt with the same specific "action" projects in greater detail. And that report was circulated widely in government agencies dealing with energy, was delivered by Mr. Sawhill personally to Interior Secretary Rogers Morton and was discussed at a White House meeting in mid-March by the Cabinet-level Energy Policy Group. The Energy Office declines comment on that report.

The March 14 report said interagency task forces would be formed to assist the Colony group in its pipeline permit request as well as the concerns with coal-gasification applications pending before the FPC. The report also said a task force would determine "the kind of assistance" a group of companies led by Sun Oil needs to proceed with a sampling program for oil and gas exploration in the Atlantic outer-continental shelf.

Mr. Cameron didn't write either of the reports, but he says he instituted many of the ideas for action through discussions with Messrs. Sawhill and Simon. "They said, 'Let's go on that'." Mr. Cameron recalls. His firm has clients in all the energy areas mentioned in the two documents.

Because of Mr. Cameron's efforts to get the Interior Department's Bureau of Land Management to speed action on the Colony pipeline Jared G. Carter, deputy under secretary of the department, said Mr. Cameron might be involved in a conflict of interest. Mr. Carter told Mr. Cameron the same thing at one point. The consultant says that if such a conversation occurred he responded that there was no conflict. (The relations between the department and Mr. Cameron have been close for years; one division has used him regularly as a paid consultant.)

As for the FPC matter, Mr. Cameron says he discussed coal gasification in general with a top planner of that agency but never mentioned specific projects. He adds, though, that the pending projects are "cowbells for the industry"; a host of similar plans are awaiting a regulatory framework for gas made from coal. Among those listening for the bell is Cameron Engineers; through a subsidy, Mintech Corp., jointly owned with Marathon Oil Co., it is considering building a coal-gasification plant of its own.

Moreover, Mr. Cameron, through Mintech, has a financial interest in oil shale properties near the Interior Department's valuable first shale-lease site in Western Colorado—which is known as the Cameron tract.

BEEF IMPORT QUOTAS AND BEEF PRICES

Mr. GURNEY. Mr. President, last Friday, I participated in a meeting attended by a bipartisan group of Senators to discuss the problems of the cattle industry and to formulate legislative and administrative actions that could be taken to dispel the current meat crisis.

While several proposals which have already been introduced in both Houses of Congress were discussed, including reductions of the retail cost of meat and the implementation of Federal loan support programs, the general consensus was reached that the most expedient means of helping the cattle industry is by the reimposition of beef import quotas.

Mr. President, on May 22, 1974, I joined with several of my colleagues in sponsoring legislation to reimpose the beef import quotas and to prohibit the imposition of such a quota for more than 60 days unless suspension was approved by a joint resolution of Congress. Since the introduction of this measure, I have had several inquiries from other Senators and constituents as to the need for beef import quotas as well as the effects of beef imports on the Florida cattle industry. Before I answer the latter question I think it is important to review the figures on beef imports for the last couple of years.

I am sure that most of us here today are quite familiar with the Meat Import Act of 1964. The beef import quota system established under this act was designed not only to insure the economic well-being of our Nation but also to protect the domestic livestock industry. Unfortunately, this act cannot fulfill these two important functions if the quota system has been suspended.

Under the Meat Import Act, beef import quotas are determined by a simple formula, namely that beef import levels are derived from an average percentage of domestic production. This average percentage is 6.7 percent of U.S. production. Thus, each year's beef import quota is determined by taking 6.7 percent of an annual average of a moving 3-year period. Therefore, using the moving 3-year period of 1972–74, the beef import quota for 1974 is 1.0279 billion pounds. However, the law also stipulates that the quota system will not take effect until imports hit 110 percent of that year's quota—or 1.307 billion pounds for 1974. Certainly, looking at these figures, figures which were established with the function of protecting our economy and our vital cattle producing industry, it is no wonder that our cattle industry is suffering, especially when the U.S.D.A. has estimated that imports for 1974 will reach 1.575 billion pounds, or 444.3 million pounds over the import limit.

Mr. President, this almost one-half billion pound increase over the established quota comes as no real surprise since imports during the period of 1971–73 have steadily increased some 417 million pounds or roughly 14 percent over the import limit. Yet, the beef import quota remains unimposed supposedly to increase the quantity and lower the price of beef to the consumer. Certainly, there is no denying that the amount of beef available to the consumer has increased, but because the price still remains high, consumers have changed their eating habits and have decreased their consumption of beef. Now, normally such conditions would have the effect of lowering beef prices, but as we are all well aware, this has not been the result. The price of beef at the retail level is still as high as it was and there seems to be no relief for either the consumer or the cattle producer or feeder.

In order to understand the problem entirely, it is necessary to look at the increased cost of beef production as compared to the price the cattle industry is receiving for cattle and the cost of beef to the consumer:

CATTLE INDUSTRY COSTS AND PRICES RECEIVED, 1974, WITH COMPARISONS

	1974	Year ago	Percent difference
Costs:			
Corn, Chicago (bushel), May 30	$2.74	$2.42	+13
Hay, U.S. average (ton), May 15	$50.80	$40.60	+25
Index of prices paid by farmers (1967=100), May 15	165	143	+15
Feed index, Apr. 15	167	139	+20
Fertilizer index, Apr. 15	178	112	+59
Seed index, Apr. 15	232	156	+49
Interest index, Apr. 15	204	179	+14
Wage rate index, Apr. 15	173	157	+10
Feeder livestock index, Apr. 15	152	185	−18
Average prices received (hundredweight), June 4:			
Choice steers, Omaha	$38.50	$46.75	−18
Utility cows, Omaha	$25.00	$32.90	−24
Choice feeder steers, Oklahoma City	$32.00	$55.80	−43

As clearly shown, the cost of producing cattle in the last year has increased substantially, not only for feed products, 20 percent increase, and fertilizer, 59 percent increase, but also for interest rates, 14 percent increase, and farm wages, 10 percent increase. However, the

average price received for this same period by the farmer has decreased as much as 43 percent for feeder cows.

Mr. President, in 1971, the average retail price of beef was $1.04.3 per pound, the farm value was 67.9 cents per pound. Farm value is the price paid to cattlemen for 2.28 pounds of beef on the hoof which is needed to produce 1 pound of retail cuts. This means that in 1971, the price difference between the farm value and what the consumer paid was 36.4 cents per pound. That means that the consumer was paying almost 50 percent more for beef than the original cost to the retailer.

In 1973, the retail average price of beef was $1.35.5 per pound, the farm value was 90.1 cents per pound, thus, a difference of 45.4 cents per pound of the farm value and what the consumer paid, and costing the consumer 50 percent more for beef than the original cost to the retailer. Looking at 1974, as of April, the retail average cost of beef was $1.36.4 per pound, with the farm value at 84.4 cents per pound, 5.6 cents per pound less than the farm value in 1973. Therefore, the retailer is presently charging the consumer 51.9 cents per pound more than what he paid to the cattle producer, representing a 61-percent increase over the actual cost of beef to the retailer.

It is evident then that the increased cost of beef to the consumer has not gone to the cattle producer or feeder. Thus, to continue to allow beef imports to remain unchecked will not decrease the price to the consumer but will eventually force our domestic industry to fold and result in even higher prices.

Mr. President, the picture for Florida cattle producers is indeed very bleak. As you may know, Florida is the second largest cattle producing State in the Nation; however, if trends continue, that figure may very well change.

In Okeechobee County, slaughter cows were bringing 25 to 28 cents per pound last week compared to 32 cents per pound during the same week last year. Bulls brought 31 cents per pound compared to 38.5 cents in 1973. Calves, the most dramatic reduction, were only bringing 31 to 35 cents per pound as opposed to a whopping 90 cents per pound in June 1973.

This situation will only worsen as foreign beef floods the market at drastically reduced prices. Domestic sales, due to the losses incurred, have dropped off considerably. In Florida last week, sales of calves were down by 62,000 compared to the same week last year. Not only in Florida, but all over the Nation, producers are holding their cattle from market hoping for an increase which is so desperately needed.

One large cattle producer in Florida also is a partner in a feedlot in Texas. He estimates that in the last 10 months, he and his partner have had to shoulder a half million dollar loss. With feedlots losing anywhere from $200 to $250 per head, cattle are not being purchased. Why should a person invest in a losing proposition?

Mr. President, now let us look at the other side of the coin. The flood of imported beef has dropped domestic farm prices radically at a time when domestic farm expenses have escalated during the past year almost out of reach. Action must be taken now to protect our domestic cattle producers so as to insure a continued supply of choice beef.

Therefore, I urge each of my colleagues here in the Senate to either support legislation which would reimpose beef import quotas, or to contact the President requesting that he put back into effect the quota system of the Meat Import Act.

Time is of the essence, for each day that is allowed to pass by, an estimated 3.5 million pounds of beef is imported into the United States which will eventually cost the cattle industry millions of dollars and force people in this business into bankruptcy.

Down the road, this in turn will translate into fewer people in the cattle business raising fewer cattle. Then we will have real shortages and sky-high prices. I think nobody can disagree that this is too high a price to pay.

THE WORLD FOOD CONFERENCE: NOT A HOLLOW CHALLENGE

Mr. HUMPHREY. Mr. President, world food security is more than the good intentions of international statesmen. It is more than beautifully worded resolutions and principles; world food security is a commitment, and it is only with a sense of commitment that the leaders of the world will be able to assure future generations of the availability of mankind's most precious resource.

This fall delegates of over 100 nations will gather in Rome to address the issue of food security. The solemnity and exigency of their task must not be eclipsed by short range economic interests. Future generations will not judge us kindly if the opportunity to build a foundation for future food security is turned into an arena of myopic political concerns.

Mr. President, 2 weeks ago the United States participated in the second meeting of the Preparatory Committee of the World Food Conference. Our delegation played a most constructive role in these efforts. Through the experienced and competent leadership of Ambassador Edwin Martin, the U.S. delegation was able to secure an agreement on a well balanced agenda for the World Food Conference to be held in Rome this November.

The agenda, as it finally emerged, focuses on national and international actions to increase food production, to improve consumption patterns in the developing world, to strengthen emergency relief and food aid, to develop more effective food production and consumption information and stockpiling policies, and to improve the access of developing country exports to the markets of the developed world.

In addition to developing an agenda for the Conference, the committee also discussed and accepted a report of various U.N. agencies assessing the present world food situation. This document represents the preliminary background paper upon which the Conference can construct proposals for multilateral action to assist the food security of the poor nations of the world.

This assessment underlines the immediacy of the need to take affirmative action to address the threats to food security. The paper shows that cereal production must increase by an average of 25 million tons each year to meet rising demand. In 1972, instead of increasing, world production of cereals actually dropped 33 million tons, thereby sending prices and commodity markets into havoc. As a result of this shortfall, world stocks of cereals dropped from 49 million tons in 1971–72 to 29 million tons in 1972–73, leaving the consumers of the world dependent on a 27-day supply of reserves as protection against production shortfalls.

This period of tight supplies created particular hardships for the developing world. While exports of oil from the OPEC countries doubled in 1973, prices of wheat on world markets more than tripled, meaning that many of the poorer nations had to spend two or three times more of their scarce foreign exchange earnings to meet the food import requirements of their citizens. Developed countries, due to this increase in commodity prices, also had to cut the volume of bilateral food aid.

Grain prices recently have begun to recede, and our Department of Agriculture assures us that our production this year will be more than ample to meet domestic and foreign needs. Frankly, I find it difficult to be so optimistic.

The assessment paper offers little reassurance that the situation we experienced over the past 2 years is an aberration unlikely to be repeated. The report shows that while food supply should be roughly in balance with demand throughout the eighties, the disparity in terms of the availability of food supplies between the developed and developing world will become even more marked.

Furthermore, fluctuations in production will result in a broader impact worldwide than has been the general case in the past. The cereal "gap" of the developing world is projected to reach 85 million tons by 1985, a figure which represents almost three times its gross imports in 1969–72. This means that the capacity of the producing countries will become even more strained to meet world demand, and producers will be subject to the possibility of increasingly wide fluctuations in world demand. The result will be an ever-increasing uncertainty from year to year in regard to food availability.

What will happen to this assessment and to the volumes of papers and speeches which will follow it? Will hundreds of thousands of people now on the border of starvation be any better off for the money their country spent to send a delegation to Rome?

The next meeting of the Preparatory Committee for the World Food Conference will be held in September. It is crucial that this meeting produce specific proposals for action which will offer a departure point for the Conference in November. Unless the fine goals and objectives reflected in the agenda for the World Food Conference are translated into concrete projects, the Conference

will produce little more than "platitudes on goodness and condemnations of evil."

We must accept the challenge of future world food security now. Our apologies for inaction will echo deafly if our children and grandchildren are not assured an adequate and stable food supply.

A RACE AGAINST THE CLOCK ON FOOD

Mr. HUMPHREY. Mr. President, I wish to call attention to an interesting editorial, by Roger E. Anderson, concerning the food shortage that is presently threatening many people of the world with starvation.

In recent years, the world's population has been increasing at a far faster rate than food production. If the present trends continue, famine and continued food scarcity are real threats.

In his article, Mr. Anderson emphasizes the need for international cooperation to solve this menacing problem. The United States, as the leading world farm producer, must take the initiative to help solve this crisis. Our technology and capital can be utilized to help underdeveloped and developed countries alike increase their annual food production.

This is a long run solution to the problem, but what about the short run? Our once-high level of food reserves has been depleted over the past few years. No longer do we have excess farm produce that can be utilized to aid starving people throughout the world. We must work to restore our reserves to a reasonable level. This is essential if we are to avert the disastrous famine and starvation that are lingering on our doorsteps.

Mr. President, I ask unanimous consent that this article from the June 16 edition of the New York Times be printed in the RECORD.

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

[From the New York Times, June 16, 1974]

A RACE AGAINST THE CLOCK ON FOOD

(By Roger E. Anderson)

The world food problem we are so sharply aware of today shares with most other so-called crises a curious duality: it was at once foreseeable and foreseen but still unrecognizable until the last minute.

Ever since Thomas Malthus proposed in 1798 that people might someday multiply themselves out of food, the idea has been hovering vaguely in our consciousness. For some, the reality has been deadly apparent.

A Malthusian moderate, which many food experts seem to have become, would note dispassionately that the problem has three dimensions—time, population, and production.

With world population growing at an annual rate of 2 per cent, we have perhaps 20 years, or roughly until the year 2000, to control population growth or to raise food production to sufficient levels around the world so that all people can afford to eat, or both. After that, unless the situation has been remedied, the lid blows off the pressure cooker, and few forecasters are prepared even to imagine the consequences if that should happen.

The short-term outlook is not encouraging, and it serves to define with grim precision the nature of the long-range problems ahead.

The current scarcity of major agricultural commodities and the large draw-down of world food reserves menace the poorest and slowest-growing countries most seriously. The developing nations may have to pay some $15-billion more for essential imports in 1974 than they did in 1973. They are so gravely threatened by increasing food and fertilizer prices and almost intolerably high oil prices that the prospect of disaster within the next several years is real, and we may see governments collapse under the strain.

Food production prospects for the Third World are less hopeful now than they were last fall. Most developing countries will be especially short of foreign exchange reserves as a result of the increase in energy prices last December, and shortages of imported energy, fertilizers, pesticides and other agricultural inputs consequently will be aggravated. The higher prices they will receive for their own relatively small commodity exports will not significantly offset their higher import costs.

Important parts of the world are, in fact, approaching the precarious line between survival and disaster. To take India as an example, if—on top of all its other burdens—it were to suffer a monsoon failure, the consequence could be a famine in which literally millions of lives would be lost. The shock of those deaths would rattle social, political and economic windows around the world.

In any discussion of world food problems the question of reserves invariably arises. It is widely expected that the outlines of some form of global food reserve system will emerge from the United Nations World Food Conference to be held in Rome this November. And it is of special significance that such a system supposedly will be accompanied by plans for an international effort to increase food production in the developing countries.

When the word reserves is mentioned heads immediately turn in the direction of the United States, for two decades the world's principal repository of grain stocks and balance wheel of food supply. These stocks have now been largely depleted. The present position, as expressed by Secretary of Agriculture Earl L. Butz and members of his department, seems to be that the United States is not opposed to the buildup of reserves and will cooperate in such an effort with other nations.

The United States cannot, however, accept the complete responsibility for carrying these reserves. That responsibility is a global one, to be shared by other nations, including the developing ones.

Moreover, in the long run people cannot continue to be fed from reserves. Food must come essentially from annual production, and the immediate and long-range challenge, therefore, is to plan to produce food instead of planning to store it.

Logic and intuition alike tell us that the ultimate solution to the food problem lies in production and development—and they go hand in hand.

International efforts, such as provided by the World Bank and the Agency for International Development, need to be increased to assist agricultural development in the developing nations. Many of these have extensive but untested agricultural potentials. The countries where "green revolution" practices have been applied have shown that meaningful increases in food production are possible there at substantially lower costs than for comparable increases in some of the more agriculturally advanced nations.

Ultimately, I believe, agriculture in the emerging nations will have to become more an industry and less a personal way of life. In the process it will have to develop along lines that will allow it to regenerate its own capital through profits. Initially, however, it will require seed capital, which could be provided by national governments, international organizations, bilateral arrangements with the United States or multinational companies and financial institutions.

Last March, speaking to a group of businessmen and Government officials in Tokyo, I suggested that the multinational agricultural corporation could be an effective vehicle for infusing capital into the now labor-intensive farming systems of developing nations, for transmitting programs leading to the development of technical and farm management skills and for marshalling local incentives to explore additional food sources and improve present sources through more effective production practices.

There are, of course, multinational corporations doing these things now, especially in the fields of food growing and processing, commercial fishing and fish meal production, farm machinery, pharmaceuticals and others. There is ample room for more.

The developing nations have limited resources. Their economies show diverse patterns but they share a common ability to frustrate private enterprise. Some seem to prefer outright aid because of their reluctance to deal with private, profit-making interests. This ignores the fairly-well documented claim that one dollar of private investment in technology is more effective than three dollars in outright aid.

To be as realistic as possible, private enterprise faces a number of possible hazards in doing business in these countries: currency devaluation, restraints on the repatriation of profits, expropriation, revolution and, lately, kidnapping.

These are sobering risks, but risk is private enterprise's middle name.

In many cases where it has been done successfully the key to entry into and operation in developing nations has been the joint-venture approach, where the host country has substantial participation in the enterprise. Several combinations are possible.

A government may want to process the raw materials its land can produce but must import the technology to do so.

Private capital may be introduced into a nation that will provide its own public funds for the building of port facilities, roads and infrastructures.

A government may agree to provide labor and materials in exchange for private capital and management.

Methods of payments differ, sometimes taking the form of long-range contracts by which the company can buy the host country products at fixed prices.

It is likely that ventures of this kind will increase as developing nations become more convinced that they offer greater benefits, with few strings attached, than other varieties of assistance. It has been documented, for instance, that in one country nationally owned and managed fertilizer plants consistently average only about 60 per cent of efficiency, a rate that is not effective and certainly not profitable. When a United States multinational corporation entered the picture, a typical plant was brought up to about 85 per cent of capacity in a relatively short time.

If the multinational company is going to make the contribution that it can toward easing or solving the food shortage problem, it will, in the nature of things, keep an eye on its profits, and growth in sales—but not exclusively. It will also have to show increasing concern with its positive effects on the totality of the host country and demonstrate its social and financial accountability.

The company will have to give evidence that it is providing the host country with contributions toward an increase in efficiency of local enterprise, the inward flow of capital and technology, employment growth, the national ability to compete in the world, balance-of-payments improvement and tax revenues.

The food crisis for the developing nations is real and it is dire. It has the potential to

become disastrous, but we hope that it will not—and business shares an obligation with other sectors of society to work to prevent that eventuality.

One encouraging sign we might look for would be the emergence of a strong—perhaps collective—initiative by these struggling countries to actively seek from the business community some forms of productive, developmental participation that would be at least tolerable within their societies. They might be astonished by the quantity and quality of the response and by the results of that response.

This article is adapted from a speech presented at a seminar on "Feeding the World's Hungry: The Challenge to Business," presented in Chicago last month by the Continental Illinois National Bank and Trust Company. Mr. Anderson is chairman and chief executive officer of the bank and its parent company, the Continental Illinois Corporation.

A DISCUSSION OF THE CONGRESSIONAL SUBPENA POWER AND THE SCOPE OF JUDICIAL REVIEW

Mr. BROCK. Mr. President, the legal and political ramifications involved in the present impeachment inquiry are so multifaceted that historians and constitutional experts should have a field day for years to come. Hopefully, our actions ultimately will be found to have been fair and justified, whatever the outcome of the present undertakings may be. Yet we must be constantly aware of the precedents that are being set for the future. Only once before has a President been impeached, and he was not convicted. As a result, we are in relatively unexplored territory and must be careful of which paths we follow. In the past few months we have seen a proliferation of articles, books, and statements concerning the matter of impeachment. All too often, we are confronted with hearsay and emotionalism which tend to overshadow the seriousness of such a procedure and the need for a well-reasoned and systematized analysis of the undertaking. The Wall Street Journal recently printed a discussion of the congressional subpena power and the scope of judicial review. 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]

CONGRESS AND THE SUBPENA POWER

Should the House Judiciary Committee take the President to court for refusing to honor its demands for additional Watergate tapes and evidence? Or should it avoid the courts and consider the refusal itself as a principal basis for impeachment?

Recently, five well-known authorities in the fields of law and politics took up this knotty question as part of a broader discussion of Watergate-related issues. The five were Alexander M. Bickel, professor of law and legal history at Yale Law School, who chaired the discussion; Richard M. Scammon, director of the Elections Research Center of the Governmental Affairs Institute; Harry H. Wellington, professor of law at Yale Law School; James Q. Wilson, professor of government at Harvard University and Ralph K. Winter Jr., professor of law at Yale Law School.

The five were part of a "round table" sponsored by the American Enterprise Institute, from whose pamphlet transcript, "Watergate, Politics and the Legal Process" the following excerpts were taken. An editorial related to this subject also appears today:

Mr. WINTER. . . . It seems to me that in terms of raw power, the Congress has the power to impeach and to remove for more or less whatever cause it wants to. It shouldn't do that. It should impeach only for gross abuses, in my view. It also seems to me that you can't limit it to indictable offenses. If we elect a President who one day wakes up and says—"Gosh, I've got a nice place in the islands; I'll see you guys around"—and just walks out, I think our Constitution provides a means of handling that situation. . . .

In thinking about it, I come down as follows: When the claimed impeachable offense is of a noncriminal nature, subpoenas are nonjusticiable. Where the subpoena charges an offense that is an indictable offense, a court might well say this is like a grand jury subpoena. In the latter case, impeachment of a President is a substitute for indictment of a President, and I think the need for enforcement is much greater there. But, again, it has to be specific evidence, sworn testimony that the evidence contains matters relevant to the offense. It ought not to be some kind of general claim of power to the indexes of all presidential papers and all presidential assistants' papers and the right to go through those files without restriction. That, it seems to me, is impermissible.

Mr. BICKEL. . . . I generally agree. I would not draw the line at offenses that are criminal, indictable offenses.

I certainly agree—it seems to me the text of the Constitution is plain on it—that there can't be judicial review of the impeachment process, that there can't be an appeal from the impeachment judgment in the Senate to the Supreme Court, in effect, for the court to pass on the validity of the impeachment. I think the Constitution just says to the contrary.

On the other hand, that doesn't mean, as Ralph Winter says, that when it comes to a subpoena the judges are equally excluded. It doesn't mean that, for one thing, because the alternative to involving the judicial process in some measure is to force Congress to drop the atom bomb, is to force Congress to say that any denial, any refusal to accede to a request for information, is in itself an impeachable offense. That seems to me a resolution of the problem that is of a magnitude and of a violence, if you will, which is undesirable. So I think, although the inclination seems to be to the contrary in the House now, that the House ought to go to a judge with its subpoenas.

Now, what is the judge to do? Sure the case is easy if the information is relevant to an indictable offense. If it is not, it seems to me the judge cannot avoid asking himself the question, "Is the information relevant to what would properly be an impeachable offense?" You see, while as a matter of raw power the House can impeach for anything, the fact is that it shouldn't and that there ought to be limits on the impeachment power, very serious limits, because otherwise ours will become a parliamentary system of government.

A judge ought to ask that question. I think if it is plain in his mind that the information is not relevant to an impeachable offense, for example, if the House now asks for information on the President's practice of impounding funds—a dubious constitutional practice perhaps, but surely not an impeachable offense—in such an event, I think a judge ought to say, "I will not enforce that subpoena" . . .

So, I would place the judge in an arbitrating position, in order to make it less likely that Congress will enforce its subpoenas by impeachment itself, and in order to have at this preliminary stage some control over the impulse to use the impeachment power in unbridled fashion—which is an impulse, if we allow it to proceed to its satisfaction, that would destroy the separation of powers and make the President simply a creature of Congress.

Mr. WELLINGTON. I would like to disagree in part, if I may. Certainly I don't want to disagree with the proposition that the House should be very careful and circumspect in deciding what constitutes an impeachable offense. But I am concerned about the House going to a court and asking it to enforce a subpoena. I am concerned quite simply because of separation of powers.

I can see the merit of the contrary position. It sounds like a nice accommodation. The trouble is, however, that it erodes the political question doctrine.

First, imagine, if you will, an order by a district court judge enforcing a subpoena, and imagine the order being appealed. Perhaps it will finally reach the Supreme Court. Remember that if we do have an impeachment trial, the Chief Justice of the Supreme Court sits over the Senate. This troubles me.

Second, I don't know how a court writes an opinion. What does it say about why it is or is not enforcing a subpoena that doesn't very seriously intrude on what I would take the Constitution to empower the House to decide, namely, what is an impeachable offense?

I think it is a very hard problem. I don't like saying that the court shouldn't be involved in it—it's such a nice-seeming accommodation—but it seems to me that judicial enforcement of a House subpoena in an impeachment proceeding is the paradigmatic example of the political question.

Mr. BICKEL. Well, it's political enough. The Constitution says the House has the sole power to vote a bill of impeachment. And it says the Senate tries. It doesn't say anything about how you get information. The real problem is that these two things overlap, and that you can't decide the information question without having something to say about the nature of the impeachment power. You only say that in connection with your subpoena. Whatever you say makes no inroads at all upon the House's ultimate power to impeach and the Senate's ultimate power to try, which stand as nonjusticiable.

Mr. WELLINGTON. But doesn't it substantially influence what the House then will do—

Mr. BICKEL. It may.

Mr. WELLINGTON. —and doesn't the court then play a very important role in deciding what constitutes an impeachable offense? If so, it is contrary to the spirit of the Constitution.

Mr. BICKEL. It may, but it is an accommodation, I think, to which one is led by an absolute horror of the opposite result. Because the opposite result would be that you could probably turn almost anything into an impeachable offense, by asking for information, issuing your subpoena and, when the President denied it, you'd have an impeachable offense. . . .

Mr. WILSON. Why do we assume that the courts, whom we've previously described as 500 district court judges running around changing the zoning laws and appointing prosecutors to investigate the NAACP, are or should be a reasonable check on the impeachment process?

We've only had one impeachment, and that did not lead to a conviction. We have had no other serious efforts to impeach the President.

It seems to me that the principal check on the impeachment process is the political position of Congress vis-a-vis the public and the presidency. Congress, far from

having rushed headlong into premature impeachment, has moved—to put it mildly—with majestic stateliness, accompanied by a good deal of frivolous bickering on the side.

What we really object to are some of the more dubious, but altogether to be expected, staff reports, public speeches, and gallery-pleasing declamations of those who would like to get Richard Nixon for everything from Tricia's wedding to the Cambodian incursion, from ITT to Watergate. But I see no support for those sentiments in the Congress as a whole. And I think that Congress, which is composed of practical men and women with substantial political experience, is aware of the enormous respect the American people have for the office of the presidency, the enormous respect they have for established procedures.

It has taken severe jolts to get public opinion to even consider that we may be in a desperate position, and there is still no general public support for the notion of impeachment. There is a support, perhaps, for a change of some sort if it could be arrived at by a process to which the word impeachment did not apply. I think that that is going to be a continuing feature of the American political system, because these attitudes to which Congress is responding—shares these attitudes—are not attitudes of the moment.

I think Dick Scammon would say that opinion polls and surveys, going back as far as we have them, indicate this enormous reservoir of deference, almost amounting—if I may shift the metaphor—to an inertial force that supports the institutions of government. It is best illustrated in the field of foreign policy. The American public never wants to go to war. All opinion polls show we should stay out of Vietnam, stay out of Israel, stay out of Europe, stay out of the Far East. The same polls always show that the public will support the President in whatever he does, including taking us to war in any of those places. And the support will last for a long period of time—not indefinitely, but for a long period of time.

That it seems to me, is the crucial political reality around which these constitutional issues are revolving.

Mr. SCAMMON: I think it is basically correct that when you talk about impeachment what you are talking about is a political action with respect to the presidency that many people view with revulsion. It is not easy to bring off. It has been tried, and the public hasn't given the idea very high marks. It really is the reverential awe in which people hold the presidency as a general institution that is the best check of all.

I do think also, Alex, that your point in response to Mr. Wellington is a sound one. If you do carry through a successful impeachment, you're never going to be a virgin again. In other words, the third attempt would be a lot easier, and maybe then we would be approaching something of a parliamentary government. But one must also remember that in a parliamentary government the head of state also has the right to dissolve the legislature.

Mr. BICKEL. Well, I was going to say that I agree that the play of public opinion, that what the people are ready for, is decisive. It is decisive, I think, for the whole operation.

I don't think public opinion has the same weight on a specific request for information and the procedures by which the process goes forward or doesn't go forward. I don't think that public opinion—one way or the other, if ready for impeachment, or not ready for impeachment—is going to help you with that.

So, when it comes to a request of information in a subpoena, you've got a deadlock in the government, a deadlock which can be broken only by what I consider a rash and overreactive kind of thing. And the Congress might feel that it wants to break the deadlock that way because it's become a matter of institutional pride—you know, institutional machismo. One can see the beginning of that in the House today. . . . Maybe impeachment for not giving information. It is for that reason that I think one wants judges in there, inserted not to make policy and run school boards, but to perform what is quite properly a judicial function.

Mr. SCAMMON. But I think the basis for impeachment would have to be in the minds of the majority of the members in the Congress, the men who are going to manage the trial of the President before the Senate, and those who seek his conviction and removal from office. I don't think there is a member who is going to vote frivolously on this question.

Mr. BICKEL. No, but they are put up to this choice: Either they may vote an impeachment, simply because of a denial of a request for information, and they may feel hot enough about that and be supported by the country in a general way, but perhaps not in the issue itself—which would be bad. Or they may withdraw and desist—which also would be bad. It is an impasse which I think is insoluble. . . .

. . . We're talking about a judge sitting in the performance of a judicial function as a neutral agent, not self-starting, not investigating, not appointing anybody, but rather deciding what is a proper and customary judicial question: whether a subpoena is based on a sufficient claim of authority. Judges, of course, decide this question in every contempt-of-Congress case.

Mr. WELLINGTON. Excuse me, but isn't there a difference in that the judge is not just deciding whether the subpoena is appropriate. He is also deciding what an impeachable offense is. He cannot decide whether it is appropriate to enforce a subpoena until he answers the second question of what is a constitutional ground for impeachment. I would maintain that that second question is none of his business.

Mr. BICKEL. But, Harry, he doesn't conclude the second question. When he decides what is an impeachable offense, or that something is not an impeachable offense, that is not a decision that binds Congress so that Congress may not impeach for that offense.

Mr. WELLINGTON. I would prefer to leave the question to Congress, and I would prefer to allow the President's attorney to respond to that committee and explain why the White House would not produce the information. Let the committee then reach its conclusion about it, and put it to the House.

Mr. BICKEL. Which does what?

Mr. WELLINGTON. Does exactly what I would suppose a judge would do, but the House is empowered to do what a judge is not empowered to do.

Mr. BICKEL. You've taken the House from a consideration of an impeachable offense which is obstruction of justice, and you've shifted the issue to an impeachable offense which is a failure to respond to a subpoena. And that becomes the impeachable offense, and that's what the House impeaches on. I think that is a very undesirable result.

Mr. WILSON. . . . We are speaking as if we are confronting the first case in history in which a President of the United States may refuse information to a committee of Congress. Presidents of the United States refuse information to committees of Congress every year. That's what executive privilege is. That's what the refusal to allow presidential appointees under certain circumstances to testify amounts to.

And in all of these cases, Congress gets very mad. Its machismo is offended—or whatever the female equivalent of machismo is for Mrs. Abzug. (Laughter.) The members get indignant. They denounce, and they study the records of the Federal Convention. But they don't impeach. Why don't they impeach? Because they say, "Well, look, he has turned us down. He is a rascal. But it is not an impeachable matter."

Now we're assuming that in this case, because they are asking for information in connection with a potential impeachment inquiry—we're assuming that in this case, and this case only, they will get their dander up so that, without adequate grounds and in a frivolous way, they make an impeachment turn on the obstruction of justice. I'm not yet persuaded they will flip from their normal posture of frenzied impotence—and much of their frenzy is calculated because they know they are impotent—to one in which they will become malicious, that is, to try to impeach a President on weak grounds (which I believe would be a disaster) rather than on sound grounds.

If the President is going to be impeached and convicted, let us not repeat the history of the Warren Commission in which forever after we argue about whether it was the right thing to do or not. If we're going to do it, by God, let us do it, and on the most solid ground possible.

Mr. BICKEL. Well, they may not turn that way. They may turn the other way and desist, which with their tendency to frenzied impotence is more likely. But that is bad, too.

What I am saying is that this issue, if allowed to be resolved by Congress, cannot be resolved well. It will be resolved in undesirable ways.

SENATOR FULBRIGHT—WISDOM, COURAGE, THE NATION'S LOSS

Mr. SYMINGTON. Mr. President, I ask unanimous consent that an article by one of the Nation's great newspaper publishers, John S. Knight, of the Knight Newspapers, entitled "Fulbright Has Served U.S. With Wisdom and Courage," be printed in the RECORD. I also ask unanimous consent that an editorial from the Columbia, Mo., Tribune, entitled "The Nation's Loss," may also be printed in the RECORD.

Needless to say, along with so many of our colleagues, I agree with the thinking expressed in these two editorials:

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

[From the Detroit Free Press, June 2, 1974]

JOHN S. KNIGHT'S NOTEBOOK—FULBRIGHT HAS SERVED UNITED STATES WITH WISDOM AND COURAGE

(NOTE.—"This year just ended saw a rising chorus of dissent over our involvement in Vietnam. The Fulbright hearings provided a clearer insight into the scope and size of our so-called commitments. Sen. Fulbright deserves the gratitude of his countrymen for a magnificent public service." Notebook, Jan. 1, 1967.)

The middle '60s were the great years for James William Fulbright, United States senator and chairman of the famed Foreign Relations Committee. They were likewise helpful years for our nation in that Fulbright—together with a few other courageous members of the Senate—was sharply questioning both our goals in Vietnam and the administration's optimistic misrepresentations on the progress of the war itself.

Prior to that time, the nation and the Congress preferred to believe the ludicrous claims of "success" and "early victory" by men such as Defense Secretary McNamara, General Paul Harkins and President Kennedy's personal emissary, General Maxwell Taylor.

The wise and patient counsel of Senate majority leader Mike Mansfield was ignored by the administration he served.

The warnings of Sens. Fulbright, Morse, Gruening, McGovern, Eugene McCarthy, Ste-

phen Young and Church were interpreted as the mouthings of appeasers.

How shameful it was that the Republican leadership, wrapped in Old Glory while sniping from its folds, avoided debate on the Senate floor.

Had the Vietnam involvement been fully debated in the early days of the Johnson administration—or even before—the course of American history might well have been changed.

Yes, I have long thought that J. William Fulbright, Rhodes scholar, former president of the University of Arkansas, member of the House and then the Senate for some 30 years, more nearly established a valid claim to statesmanship than any other elected public official in the last 50 years.

Yet in last Tuesday's Arkansas primary, his fellow Democrats of the self-proclaimed "Land of Opportunity" turned "Bill" Fulbright out to pasture in favor of Gov. Dale Bumpers, whose opponents said he had only "a smile, a shoeshine and one speech."

The contest was between an intellectual with a sense of his role in history and a local boy exuding what the Associated Press has called "giant-killing charisma." Bumpers maintained that Congress has grown insensitive to the needs of working people. Naturally, he promised that he would "listen to the people of Arkansas."

So "the people" voted for Bumpers, and perhaps in the belief that he would provide a bigger and better ride on the federal gravy train. But it is fair to say Dale Bumpers has been a competent governor with the aid of a program fathered by the late Winthrop Rockefeller which the legislature refused to approve for a Republican governor.

Arkansas has long enjoyed the prestige of being represented in Washington by three of the most powerful men in Congress with Fulbright, Sen. John L. McClellan, chairman of the Appropriations Committee, and Rep. Wilbur D. Mills, chairman of the House Ways and Means Committee.

Yet we are told in Proverbs that "pride goeth before destruction, and a haughty spirit before a fall." In essence, that is what happened to "Bill" Fulbright on Tuesday last.

Fulbright had lost touch with the people of his state. He was at times an acerbic and somewhat haughty individual possessing what James McCartney of the Knight Washington bureau calls "one of Washington's authentic intellects."

These are not traits which are universally admired in razorback country, nor do they endear the possessor to "the people" in an election year. Sen. Fulbright did only a modicum of campaigning in off-election years, and looked rather uncomfortable while engaging in such plebian pursuits.

The senator had his detractors elsewhere, too. Some of his less literate critics adverted to Fulbright as "Half Bright." And testy Harry Truman once described Fulbright as "over-educated and under-informed."

Nevertheless, J. William Fulbright was at times both a devastating critic of U.S. foreign policy and a far-seeing architect of change in that policy during the 15 years he held sway over the Foreign Relations Committee.

Fulbright not only revealed the sham, the myths and hypocrisy of our Vietnam involvement, but proved to be farsighted and constructive in pioneering a new China policy which President Nixon subsequently adopted. Even in those days, Sen. Fulbright favored a more "even-handed" policy in the Mideast, and has since watched Henry Kissinger trying to implement such a policy.

Correspondent McCartney has also mentioned Fulbright's fear that America had become obsessed by military power, and gone astray by seeking to run the world. It was Fulbright who advocated a withdrawal of power long before President Nixon expounded what came to be called the "Nixon Plan" to reduce the American presence abroad.

Fulbright's defeat will leave a large vacuum in the Senate where the choice of successors is limited to lesser men.

For how many members of the U.S. Senate can today meet "the Fulbright test," as enunciated to a meeting of 2,000 college educators in 1966:

"The most valuable public servant, like the true patriot, is one who gives a higher loyalty to his country's ideals than to its current policy and who, therefore, is willing to criticize as well as to comply."

No, the political trends favor the big smile, lots of palaver, the warm handshake, a good crop of hair, and never mind what's under it.

For the idea behind the "great reform" movement of today is to make us all equalitarians together, isn't it?

Our salute goes to "Bill" Fulbright, patriot and statesman who served his country perhaps better than it deserved.

THE NATION'S LOSS—NOBODY WILL REPLACE FULBRIGHT

Dale Bumpers, the attractive Governor of Arkansas, ended the illustrious Senatorial career of J. William Fulbright on May 28 by soundly winning the Democratic primary election.

By any standard Fulbright was one of the giants of Washington. Referred to by astute observers as one of that city's authentic intellectuals, Fulbright presided for years over the powerful Senate Foreign Relations Committee. From that forum he unhesitatingly challenged the role of the United States in Vietnam and criticized the claims of success which the administrations were making during the early and mid-1960's. His voice coming as it did from such a responsible position, could not be ignored. Even though he was unable to bring on a full fledged debate over the U.S. role in the earliest days of his questioning, his courage and insight hurried the process. Had he been able to bring other policymakers to a level of open questioning during the early years of the Johnson administration this country might well have avoided years and years of extended suffering over its Vietnam involvement.

Fulbright stood out at other times as well. He espoused a more even handed foreign policy relationship with antagnoistic eastern oriented countries long before Henry Kissinger began to implement one. It was Fulbright who, way back, worried aloud about an America obsessed with building an ever larger arsenal and multiplying armies overseas. He recognized before the rest of us the fallacy of the lingering post World War II idea that America can run the world. He told us before we were ready to listen, and for that he probably lost more friends than he gained.

Particularly in Arkansas, perhaps. It has always seemed an anomaly that this land would spawn such a remote mentally oriented public represenative. Fulbright was not given to much fence mending at home. Those who watched him closely say he was visibly ill at ease during his campaigns for re-election. Such plebian pursuits did not hold high interest for him. He was literally trying to save the world and this outer-directed interest no doubt seemed like disdain or haughtiness to the people at home.

So Fulbright's innate quality notwithstanding, his failure to appeal to "the people" brought him down. He was more the statesman than the politician, and it is characteristic of our system that it favors the big smile, a ready handshake, good verbal skills and, as one observer put it, ". . . a good crop of hair, and never mind what's under it."

Neither of the men who aspire to succeed Fulbright can replace him. But the giant among Washington thinkers and policymakers was out of touch with his constituency, and the nation is the loser. History will reward William Fulbright more roundly than his voters did last week.

INTERNATIONAL UNDERSTANDING AND CONCERN FOR THE HANDICAPPED

Mr. DOLE. Mr. President, a speech was recently made by an extremely knowledgeable individual concerning the international situation for the handicapped. This speech was given by Mr. Alan A. Reich, Deputy Assistant Secretary of State for Educational and Cultural Affairs, at the Partners of the Americas Conference on International Rehabilitation in Washington, D.C. Mr. Reich has made previous addresses on this topic and I feel they have provided a meaningful contribution to the situation of the handicapped. Mr. Reich's interest in handicapped people coincides with my own concern about disabled people and I believe that everyone involved in the affairs of the handicapped should be attentive to his remarks. I request unanimous consent that the text of Mr. Reich's speech be printed in the RECORD.

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

INTERNATIONAL UNDERSTANDING AND CONCERN FOR THE HANDICAPPED

Remarks of Deputy Assistant Secretary of State for Educational and Cultural Affairs Alan A. Reich

WASHINGTON, D.C.,
May 1, 1974.

It is a privilege to address this distinguished gathering on the subject of furthering international mutual understanding through the shared concern for the handicapped. We all are grateful to the Partners of the Americas for providing such fine leadership in this effort to help build the human foundations of the structure of peace. What could be more human than your compassion and your work on behalf of the handicapped? This people-to-people undertaking is making a significant contribution both to our international relations and to the individuals involved. Referring to the Partners Rehabilitation Education Program, Dr. Gallo Plaza, Secretary General of the Organization of American States, said here a year ago, "No other volunteer program is having a greater impact on the lives of so many people in so many countries at so small a cost." My remarks today will concern people-to-people communication generally in furthering international mutual understanding and the interest of the Department of State in the activity. I shall mention several opportunities for further action.

PEOPLE-TO-PEOPLE DIPLOMACY

Diplomacy has gone public. Many foreign offices no longer confine themselves to speaking with other foreign offices for peoples; they help and encourage peoples to speak for themselves across national boundaries. People-to-people communication has become a dominant force in international relations throughout the world.

Technological advances have made nuclear war a threat to mankind's existence. Fortunately, new initiatives and agreements in the disarmament field offer hope that the deadly cycle of weapons build-up will be broken. Prospects for increased government-to-government cooperation look better today than at any time since World War II. The great powers are focusing on areas of common concern and not only on their differences. The results appear promising.

In the past few years, scholars increasingly have studied the relevance of informal, non-

governmental communications activities to matters of war and peace. As you know, social scientists are developing a more scientific rationale for these transnational cross-cultural communications activities. Their research suggests that the existence of informal communications tends to reduce the level of tension when conflicts of interest occur and contributes to a climate of opinion in which conflicts may be negotiated more effectively. Second, informal relationships create a greater openness in individual attitudes toward other nations, peoples, and cultures. These predispositions also lead to greater readiness to communicate and to resolve differences peaceably. Third, social scientists tell us that international cooperation and two-way exchange contribute to world-mindedness and to an internationalist perspective on what otherwise might be viewed as purely national problems. Finally, international people-to-people relationships help develop enduring networks of communication which cut across boundaries and reduce the likelihood of polarization along political or nationalist lines.

WHY GET INVOLVED INTERNATIONALLY

Many Americans ask why we should be concerned with international problems when we have so many serious domestic concerns demanding attention. There are several good reasons for getting "involved with mankind"—as you are doing in your international rehabilitation work. Modern transportation and communications, not to speak of modern weapons, have brought our neighbors' problems to our doorstep. We have no choice but to become involved, because if the problems next door are ignored, they soon become our problems.

Poverty, illiteracy, hunger, resource shortages, and disease recognize no nation's borders and travel under no country's passport. It is not a matter of the world's poor getting poorer while the rich get richer. The poor are getting richer too. But their lot is improving so slowly that the difference—the gap—between rich and poor is widening, not closing. Unless some way can be found to reverse this trend, those who are better off also must one day suffer the horrible consequences.

Whether we cooperate with our international neighbors because it is good, or right, or necessary, we must get on with it *while* we are improving the quality of life at home. We can take some solace in knowing that, as you so well appreciate, many other nations share with us the desire and the capacity to help close this gap between the have and have-not peoples of the world. The facts of international life today are that common sense and common survival dictate common action to solve common problems. Interdependence is a fact of life.

People-to-people relationships contribute by enhancing the understanding of these human problems and increase the likelihood of meaningful cooperation toward their solution. Neither we nor our children will have the luxury of working on our domestic problems if we do not succeed in bringing about a climate of peaceful cooperation throughout the world during the next few years.

THE STATE DEPARTMENT'S INTEREST IN PEOPLE-TO-PEOPLE RELATIONS

When you think of the State Department's conduct of our international affairs, the exchange-of-persons program and people-to-people diplomacy do not come immediately to mind. It is, however, a significant activity of the Bureau of Educational and Cultural Affairs which works constantly to improve the climate for diplomacy and international cooperation. The exciting, challenging job of our Bureau is to utilize our modest funds and manpower to reinforce the work of American individuals and organizations who want to help construct, a little at a time, the foundation of better relationships with the rest of the world. The Bureau also pro the foundation of better relationships with government agencies with international exchange programs in substantive fields such as health, education, social welfare, transportation, agriculture, military training, and urban planning. We frequently are asked about our purposes. The Bureau of Educational and Cultural Affairs seeks to increase mutual understanding, cooperation and community between the people of the United States and other peoples by direct and indirect efforts to:

1. *Enlarge the circle of those able to serve as influential interpreters between this and other nations.*

We enable current and potential opinion leaders and decision makers to gain through first-hand experience more accurate perceptions and a deeper understanding of those realities in each others' societies which ultimately tend to affect international relations.

2. *Stimulate institutional development in directions which favorably affect mutual comprehension and confidence.*

We encourage a wide variety of key institutions, such as education systems and the mass and specialized media, to strengthen their capacity to increase understanding of cultural, social, economic and ideological differences, similarities and interdependences.

3. *Reduce structural and technical impediments to the exchange of ideas and information.*

We promote responsible leadership dialogue, relevant interest group interaction, and significant institutional linkages; in this context, we encourage further extension of English as an international language.

I shall describe briefly the major elements of this program since it will illustrate the commitment of the Department of State to two-way communication and people-to-people diplomacy. This funded program includes the Fulbright-Hays academic exchange to and from the United States; bringing some 1,500 international visitors annually to this country for orientation visits of several weeks duration (a number of them have been in the rehabilitation field); sending performing arts and athletics groups abroad; and sponsoring lecture tours abroad of outstanding American professionals and scholars. The Bureau also seeks to stimulate and encourage nongovernmental activities which further constructive people-to-people dialogue as a means of improving the climate for international understanding.

Of the 1,700 international exchange programs currently designated by the Department of State, only 70 are U.S. Government-financed; the remainder are privately led, organized and sponsored. We realize the success of our own sponsored exchange-of-persons programs, as well as the fulfillment of the purposes I described earlier, depend primarily on the energies of private organizations and individuals. It is the policy of the State Department with respect to people-to-people organizations to encourage and assist while at the same time seeking to preserve the private sector initiative, vigor, diversity, and dynamism which are America's strengths. These programs are best handled and managed by the private sector—not by the Government. Therefore, our facilitative role in assisting U.S. organizations carry out their own programs effectively is our most important one.

PEOPLE-TO-PEOPLE RELATIONS AND INTERNATIONAL REHABILITATION

Private oragnizations in many fields do seek our counsel on how they can become involved and do more to enhance international mutual understanding. When I am asked by Americans about specific opportunities, I suggest the following 12-point program:

1. Participate in the Partners Rehabilitation and Education Program (PREP) with your counterpart state or region in Latin America.

2. In cooperation with national organizations, such as the National Rehabilitation Society and the Association of Rehabilitation Centers, develop institution-to-institution linkages between American and foreign rehabilitation centers to provide a framework for ongoing two-way interchange of professionals, the handicapped themselves and information.

3. Enlist the support of community service organizations at the national and local levels. Most of them (Rotary, Kiwanis, Lions, Jaycees) have a commitment to both international and handicapped activities.

4. In cooperation with Rehabilitation International-USA, assist with orientation and programming of international visitors in the rehabilitation field.

5. Urge the national and local Sister Cities organizations (linking 485 U.S. cities with international counterparts) to develop cooperative rehabilitation exchange programs.

6. Encourage appropriate professional societies and handicapped organizations to develop international committees and carry out programs of exchange with their counterparts of other nations. The People-to-People Committee for the Handicapped publishes directories to assist in this effort:

7. Enlist the cooperation of the state administrators of vocational rehabilitation and the directors of special education (and their national councils) in ensuring official state and local planning for international programs.

8. Develop relevant exchange activities in cooperation with the President's and governors' committees on employment of the handicapped and Goodwill Industries which have international programs of increasing interest to other nations.

9. Encourage and publicize appropriate international participation and events to dramatize the universality of concern for the handicapped and to encourage others to participate.

10. Provide home hospitality and community orientation in cooperation with local groups to ensure the best possible exposure and experience for international visitors.

11. Help ensure U.S. participants in international programs gain advance understanding, as may be useful, of important cultural differences and political realities.

12. Enlist the facilitative and financial assistance of U.S. companies operating internationally, since they have an interest in carrying out public service activities abroad in their own enlightened self-interest as they do in the United States.

The work and concern of private and governmental organizations helping the handicapped in the United States during the past quarter century is a source of pride to Americans. The Social and Rehabilitation Service at the national and state levels has provided outstanding leadership. Certainly, there are many remaining problems, but in no other field of human endeavor has American commitment to the dignity and worth of the individual been so well demonstrated. Many people here today have contributed mightily in this work which has brought meaning and fulfillment to the lives of many Americans.

As you are well aware, in this field we have benefited greatly from the advances and progress made on behalf of the handicapped in other countries. The learning experience is very much a two-way process. As Secretary Kissinger stated recently at the foreign ministers' meeting of the Organization of American States, we are pursuing a "policy of the good partners." The sharing of skills, resources, and experience thus characterizes our relationships in general; this is well illustrated by the work of

the Partners of the Americas. As the United States seeks to move from confrontation to negotiation in our foreign relations, these kinds of two-way programs are increasingly important. There are many other organizations represented here (and some not) who already are carrying out meaningful international programs on behalf of the handicapped in the United States and around the world. The contribution of the Agency for International Development has been monumental.

International organizations, including PAHO, OAS, WHO, UNESCO, and ILO are conducting and promoting programs on behalf of the handicapped. Former director general of ILO, Mr. David Morse, pointed out recently that although there has been progress in assisting the world's 300 million handicapped, resources being applied are far from adequate. He used the phrase, "the world's conscience for the handicapped," in connection with the World Rehabilitation Fund and its commitment; it is just as applicable to you and your organizations. I suggest you also are that conscience and that your work will have a radiating impact. To the extent you arouse and stimulate governments and peoples to international action on behalf of the handicapped, you are also helping a very real way to build the human foundations of the structure of peace. I would only urge that you continue this work and engage more fully, if possible, the capacity for commitment of people who want to help but need to be shown the way.

I shall close by relating your work to the basic ideal of UNESCO. "Since it is in the minds of men that wars begin, it is in the minds of men that the defenses of peace must be constructed." Your work to further world understanding through this human concern shared internationally in the minds—and hearts—of men moves us closer to this ideal.

Speaking both for the Department of State and myself, I applaud your efforts and wish you well in "constructing the defenses of peace."

WHY NOT BUILD SOLAR BREEDERS FOR AMERICA

Mr. GRAVEL. Mr. President, while the Atomic Energy Commission continues touting the inherently dangerous plutonium breeder because it might produce more fuel than it uses up, Dr. Joseph Lindmayer of the Solarex Corp. in Rockville, Md., is asking: "why not build clean, safe solar breeders for America?"

His concept is to use the electric power from solar cells to manufacture more solar cells, and thus to breed clean solar power for this country. If the cost of solar cells can be reduced to 50 cents a watt by 1980 which most experts agree can be done, then the cost would be a bargain compared with the costs of the nuclear breeder in 1985.

Dr. Lindmayer's concept, which he presented January 28 at our hearings on S. 2806, the energy trust fund bill, is discussed near the end of an article in the Washington Star-News June 17. The article, entitled "Solar Energy's Big Push Into the Marketplace," was written by John Fialka, who has done a first-rate job on the subject. Mr. Fialka has also written two excellent articles on nuclear energy, which Representative DAVID OBEY of Wisconsin placed in the CONGRESSIONAL RECORD on May 8.

Mr. President, I ask unanimous consent that an article on solar energy from the June 17th Washington Star-News be printed in the RECORD.

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

[From the Washington Star-News, June 17, 1974]

SOLAR ENERGY'S BIG PUSH INTO THE MARKETPLACE

(By John Fialka)

The job of harnessing the energy in sunlight has been like pushing a cumbersome object up near the top of a steep, difficult hill.

Much of the heavy, basic scientific work has been done, some of it completed years ago. But getting the notion of a solar power industry over the top and rolling under its own momentum was still a dream until last winter when the Arab oil embargo came along.

Now, if you took a journey through the world of solar ideas, the broad spectrum of devices and concepts that have long been in the realm of a few scientists and many magazines feature writers, you would see considerable movement.

Solar-heated radiators, solar power from trees and garbage, solar power from wind, solar power from the ocean and from strange wafers of silicon are no longer Buck Rogers dreams. The revolution in fuel prices means that some, perhaps all of these things, are about to become practical.

Almost anywhere you look, you will see evidence that the Arabs may have given solar power the final, crucial push into the marketplace.

For example, the Washington office of Alfred J. Eggers Jr. is packed with reports that conclude that solar power may be the cheapest, cleanest new source of energy. If you could catch and use one out of every 700 units of solar energy falling on the United States, asserts one, the energy crisis would be over forever.

Yet Eggers, along with nearly every other government official concerned with energy needs, found himself sitting in his office last winter, wondering how to replace the oil that suddenly was not there.

Then one day someone gave Eggers a picture of some school children in Paola, Kan. What attracted his attention was that the children were freezing. They were wearing heavy coats because their school's oil tanks had run dry.

"I said to myself, the Arabs have really given us an opportunity," recalls Eggers, who is assistant director for research applications at the National Science Foundation. What Eggers had hit upon was the chance to use solar power in the simplest way, to use the sun's heat to fill radiators in buildings and homes.

The word went out from NSF, the lead agency promoting solar energy, that there was over $1 million in grants available for companies who could design solar heating systems for the schools and have them running before the 1973–74 heating season was over.

What Eggers was trying to prove is that the technology is not complicated. "And the school is the perfect place to do that," he explained, "it's kind of a focal point for the whole community."

The potential market is enormous, for space heating is estimated to consume one-quarter of all the fuel used in the United States.

Some of the giants of the U.S. heating industry responded, including General Electric and Honeywell, Inc. So did Intertechnology Corp., in Warrenton, Va., a relatively tiny company headed by Dr. George C. Szego, a chemical engineer.

Using a crew of 30 people and working nights and weekends, Szego's company put together in 57 days what may be the world's largest single array of solar collector plates on the grounds of a nearby school.

Since March 19, the sun has been the sole source of heat for five drafty temporary classroom buildings at Fauquier County Public High School in Warrenton.

The system saves roughly 24 gallons of fuel oil every day and it can store heated water in insulated tanks for up to 12 days when the sun is not shining. Everything that went into Szego's system can be found on the shelves of building supply stores.

The basic solar heating device, the solar collector, has been experimented with since 1909. It is simply a thin, rectangular box, covered with glass and bottomed with a black-painted metal sheet that has thin water pipes running through it.

When the sunlight hits the metal it is absorbed, turning into heat. The glass traps the heat, creating temperatures inside the box that can reach as high as 200 degrees. The water in the pipes carries the heat away to radiators, or to underground, insulated tanks for storage when the heat is not needed.

While there are only about 30 solar-heated buildings in the United States today, there are indications that soaring fuel bills and examples like Szego's school and three other schools that suddenly received solar heating systems last winter are beginning to give industry dreams of mass production.

For instance Peter E. Glaser, a vice president of Arthur D. Little Inc., one of the nation's leading management consulting firms, has been signing up companies in a group that sponsors market research that will be needed to form a solar heating industry.

Membership costs $1,500. Last November Glaser's group had 44 members. Now it has 78.

Within the last few months, according to Glaser, who is one of a handful of people who have followed solar development over the years, plans for at least 50 new solar-heated buildings have been announced.

"It's happening in so many places it's hard to keep track of," he said.

But solar collector panel systems are really just the tip of an iceberg of ideas and designs that scientists have developed.

"If all the plans for solar power were simply put in one place and ignited," quipped one scientist, "you wouldn't need a new energy source."

In fact, solar power has really become, in recent months, a generic term, covering almost any way you can get energy from something that has been touched or produced by sunlight in recent months.

For example, a growing plant is really a creature of sunlight and schemes of creating large power-producing facilities from plants or other forms of vegetable matter are now under serious consideration in several parts of the nation.

Szego's company is currently negotiating with a North Carolina pulp and paper company over the contract that may bring the first of these plants into being.

Imagine a field of trees, densely planted like hybrid corn and harvested every three to five years. The trees would be slender whips, gathered by sugar cane cutting equipment and fed into wood chipping machines.

The resulting mountain of chips would be fed into a wood-burning steam boiler system, part of a conventional electric power plant.

Strange? Maybe so. But high-priced low-sulphur fuel oil, much in demand by electric power plants, may bring it into being.

According to Szego, the wood chips are a low-sulphur fuel that soon may be highly competitive with fuel oil in terms of cost and heat produced.

The wood would be harvested on land near the plant, creating a perpetual supply of fuel and ending fuel transportation costs and supply worries forever. Ash from the burning would be dumped back on the land as the major fertilizer for more trees.

While other solar scientists have been working with storage batteries and other devices that would store solar energy for use at night and on cloudy days, Szego believes he has hit on the simplest solar storage system of all: "It's the pile of chips."

The idea, called an "energy plantation" has been criticized by the Atomic Energy Commission, among others, because it would require as much as 200 square miles of land to support a 400 megawatt plant that could power a city of 200,000.

That might seem like a lot of land, but Szego points out that there are at least 26 pulp mills operating in the South, each of which needs 350 square miles of pulp wood to stay in production.

Once you accept a tree as the embodiment of solar power it is not too big a step to include metropolitan sewage sludge and animal wastes in the same category. After all, solar scientists reason, aren't these wastes simply the digested remains of vegetable and organic matter that was recently grown by the sun?

The idea here is not to recover the energy by burning the waste, but by letting it ferment in the absence of oxygen and in the presence of anaerobic bacteria. The result is methane, the substance most people know as "natural gas."

The process is not a new one. Sewage plants have been making methane gas for years as a biproduct of waste treatment. Often, however, the methane produced has been considered a nuisance and has been piped outside the plant to be burned, or flared off.

Now, as part of its solar program, the National Science Foundation, is studying the feasibility of a large-scale methane production plant from sewage sludge.

If the process works, acording to a study by a panel of NSF and National Aeronautics and Space Administration (NASA) solar experts, it will yield a gas at the same price as the market rate being considered for synthetic gas from coal and imported liquified natural gas.

Moreover, it would begin to reduce the mountain of sludge now accumulating in metropolitan areas.

Animal wastes represent another problem that could be converted into "solar power." According to a recent report by the House Government Operations Committee, 2 billion tons of animal wastes are produced annually in the United States. Much of it is produced in animal feedlots and often it is simply discharged into lakes and streams where it quickly fouls the water.

Mass fermentation of wastes into methane could ultimately supply 2 to 3 per cent of U.S. gas needs, according to the NSF-NASA study.

Then, if you extended the process and began cultivating such fast-growing plants as algae, the water hyacinth or kelp for fermentation into methane the potential would be enough gas to "supply all our gas needs," the study asserts.

The next step beyond using growing things for solar energy would be to eliminate the growing cycle and apply solar heat directly to the task of boiling water to make steam. That would take a device to magnify solar heat up to 500 degrees or so to get sufficient pressure to run a turbine.

There are at least a dozen major scientific efforts in this area. A husband and wife, Aden and Marjorie Meinel of the University of Arizona, have plans to develop "solar power farms" in western deserts.

According to the Meinels' theory, the sunlight would be collected in special gas tubes that would concentrate the heat and pass it on at very high temperatures to a liquid metal coolant, such as liquid sodium, that could be stored for use during the night and on cloudy days.

A square mile of desert, covered with collectors, according to the Meinels, would generate 100 megawatts of electric power, enough for a city of 76,000 people.

The atomic Energy Commission has been working on a much smaller, but similar system and recently announced the invention of a trough-shaped light collector that can concentrate up to 10 times the sunlight falling on a flat surface.

The AEC has stated that systems of collectors could be arranged to deliver up to 60 per cent of all the power, heat and hot water needed by a community of more than 100 homes.

Taking the process still another step further, there is a relatively simple way to make rotary power from the sun without going through the fuss of boiling water to make steam. The wind is produced by temperature differences caused by the sun.

Again, inventors have been at work for some time. The Danes built a 100 megawatt windmill in 1915 and an American power company built one at Grandpa's Knob, Vt., in 1940.

The National Aeronautics and Space Administration, NASA, is currently building a windmill with a 125-foot rotor blade to be installed next year in Sandusky, Ohio. It will have variable pitch blades and a complicated gearing and wind sensing system that will allow it to deliver a constant rate of spin.

The problem with all of these devices, however, is the same. They involve huge amounts of expensive machinery that just sits around at night when the sun goes down and the wind drops. If only there was a river of solar heat that ran 24 hours a day.

Such a river has been found and some scientists believe it could be harnessed to provide all of the nation's energy demands by the year 2000.

It consists of the Gulfstream and the tropic seas in the Gulf of Mexico. A French scientist proved that you could harness this nearly infinite heat reservoir of 82 to 85 degree water in 1929.

Now the NSF is making up to $1.8 million in grants available to see what sort of hardware would be needed.

The idea is to use a liquid such as propane or ammonia that would boil at such temperatures and run turbines to make electricity. The vapor or "steam" that came out of the turbines would then be cooled with water and pumped 2,000 feet below the surface. There, another almost infinite supply of cold water at between 35 and 28 degrees would condense it and turn it back into a liquid to begin the process again.

The system would need large pumps and huge pipes because huge volumes of seawater would have to be moved through it to take advantage of the temperature differences.

Last fall, a panel of solar experts assembled by the NSF reported that such generating units could be positioned 1 mile apart, across the lengths and breadth of the Gulfstream.

The energy from these and a few more units positioned in the Gulf of Mexico, the panel stated, would provide more than 26 trillion kilowatt years of electrical power—enough to totally satisfy the nation's energy demands.

The use of temperature differences or thermal gradients in the Gulfstream has raised a number of questions. Can the U.S. make the hardware, for instance, strong enough to withstand the corrosion of seawater?

Since the Gulfstream terminates by delivering its heat to England and Northern Europe, would tampering with its heat content turn that area into a new Siberia?

These are just a few of the pesky questions that bother solar scientists. Some of them feel it would be a lot simpler to manufacture something that has no moving parts that would just sit there in the sunlight and make electricity.

Such a device, called a solar cell, was invented in the early 1950s when scientists discovered that if you take certain types of crystals, say a wafer of silicon, and put it into the sunlight, a small charge of electricity is created for a fraction of a second before it degenerates into heat.

The sunlight causes rapid movement among the electrons, charged particles within the silicon atoms. By using special coatings and silver wires to tap the momentary movement of the electrons, scientists found they could "catch" a supply of usable power from the process.

Simple as all this might sound, there was one big drawback. Making the silicon wafers and coating them and installing the tiny silver wires took up to 65 hand processes. The labor costs drive the price of the resultant electricity up to around $6 a kilowatt hour. That is enough electricity to light ten 100-watt bulbs for one hour.

Who would pay such a fantastic price for solar electricity when the same amount of power coming out of the socket in the average living room wall costs about 3.5 cents?

NASA would and did. It appeared to be the simplest way to power space crafts. As a result of its space program, the U.S. has probably spent far more on solar cell development than on anything else in the entire solar field.

Bringing the solar cell down to earthly prices has been the big problem, but there are now four or five companies who believe they can do it.

One of them is Solarex, an eight-month-old venture in Rockville, Md., headed by Joseph Lindmayer, who has invented several types of solar cells.

"There has been a tremendous change in this in just a year. This was science fiction a year ago, now things are beginning to happen," he told a reporter recently.

Lindmayer believes he can get the price down to 60 cents a kilowatt hour. That may still seem steep compared to utility rates, but millions of Americans pay that much for electricity when they buy batteries.

Early last month the NSF announced that a new process of making the silicon wafers in long strips rather than slicing them off of big bologna-sized crystals, might cut production costs by 50 percent.

A problem with developing solar cell technology, as with all other devices to use the heat of the sun, has been money. When Lindmayer started out, he took his scheme to Wall Street, which was not interested.

"All the venture capitalists we talked to in the beginning had this basic hangup. They said, "where is the market?" But Lindmayer gradually found enough financing to begin.

The really big money in the energy research and development business is going into the development of the breeder reactor, a device which the AEC says will create enough additional fuel to power itself as well as other nuclear reactors.

Lindmayer's most ambitious scheme is to build a "solar breeder" to demonstrate that solar energy, too, can develop such profound economic advances.

Soon, he believes, solar cells will be mass produced so cheaply that they will be used to panel the roofs of houses and large buildings. At that point Lindmayer hopes to start a solar cell factory that will begin by paneling its own roof.

Once the sun provides enough power to

heat and light the building and to power its production line, Lindmayer says he will do what every solar scientist secretly dreams of doing.

"We will mark this glorious day with champagne and then we will go outside and cut the wires from Pepco (the Potomac Electric Light and Power Company.)"

INTERMODALISM AND RAILROAD OPERATION

Mr. BROCK. Mr. President, I should like to draw the attention of the Senate to a technical but very informative and important article published recently in the magazine Traffic World. The article deals with the meeting of the National Railroad Piggyback Association and their discussion of intermodalism and railroad operation.

As I have stressed before, the long term economic health of U.S. railroads, and indeed the country's transportation system in general, will only be attained through the adoption of new attitudes and the exploitation of new technologies. One of the most significant for railroads is the container—a standard freight package which can be utilized by virtually all modes of transport, thus offering a means of greatly increasing the efficiency of freight movement. Unfortunately, as the article points out, the railroads have been dragging their feet in realizing the potential of containerization. In the words of one of the conference participants: "Where are the innovators?"

Containerization should be part of a changed system of freight transportation. Many of the problems the railroads face are not of their making—particularly the maze of regulations within which they operate and the barriers to efficient intermodal operation. These must be changed and indeed one measure I have introduced—S. 3470, the Consumer Interests Transportation Act—would go a long way to improving the situation. However, the railroads themselves must also aggressively adopt new ideas and new techniques if they are to fully realize their potential and we as a nation are to get the best and most efficient transport system possible.

As I said, the article is from a specialized journal and some of the terms may be unfamiliar. Thus, perhaps I should say that COFC and TOFC stand for container on flat car and trailer on flat car, respectively. However, I feel all those who are concerned about the Nation's transportation system should be aware of the continuing problems of the railroads—their successes and, I am afraid, their failures—especially when we in Congress may be asked to give them considerable financial support. I ask unanimous consent that a part of the article by Camille B. Thiele in Traffic World be printed in the RECORD.

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

RAILROADS ARE ACCUSED OF "DRAGGIN FEET" IN DOMESTIC INTERMODAL CONTAINER MARKET

(By Camille B. Thiele)

Shippers demand containers in domestic intermodal service, railroads have the potential for handling them—and yet their movement represents a very small percentage of current rail freight revenue, practically all from international shipments, members of the National Railroad Piggyback Association, meeting in Atlanta, were told.

"Where are the innovators . . . who will discover that over 90 per cent of transportable commodities move within the U.S.?" asked J. G. McKeefery, manager of the rail and piggyback package transportation for E. I. DuPont de Nemours & Co.

In discussing the challenge of TOFC v. COFC in the association's meeting, held May 15, he said shippers place an economic value on containerization in domestic service.

"A whole new field is right here under our feet and certainly within our present technological capabilities," he added.

An open forum on "Domestic Containerization—Why or Why Not?" was conducted under the chairmanship of D. W. Wicks, manager of intermodal sales for Southern Pacific Transportation Co. The following participated:

Joseph M. Hamby, containerization coordinator, Delta Steamship Lines; Sheldon R. Landy, director of development planning, Trailer Train Co., R. A. Martin, manager of containerization, Missouri Pacific; and A. Buford Smith, director of intermodal pricing and marketing, Penn Central Transportation Co.

Leading off the discussion, Mr. Smith said that handling individual container shipments, private siding to private siding, "is just plan uneconomical".

"Flat cars with these loads must be treated like conventional box cars—with all the inherent slowdowns due to yard and switching movements," said he. "Also, experience has shown that containers will almost certainly be empty for half the total trip (shipper to consignee to shipper), further inhibiting equipment utilization. Also, special tariffs are generally published to cover these movements, as they are categorized in the box car area."

"On the other hand, volume movements of both containers or trailers on flat cars between modern container terminals would provide rapid service and optimum equipment utilization—and that's where the natural advantage of TOFC/COFC traffic lies.

"There is some school of thought that the rail industry should gradually phase out its fleet of all-purpose cars, replacing it with a fleet of containers (trailers) on flat cars. The railroads would specialize as wholesalers of freight transportation, with trucking performing the retail operation in the pickup and delivery of containers to and from the railroad ramps.

"Containerization should be combined with movement toward intermodalism and a program of rail line abandonments. Door-to-door deliveries over a dense rail network using general-purpose freight cars may have been practical in the freight market of the years preceding an extensive highway system and a fully developed trucking industry.

"However, changes in the composite and geographic patterns of this traffic, especially the manufactured goods market, have rendered the traditional technology of general-purpose freight cars moving over dense rail networks increasingly incapable.

"Containerization may not only enable railroads to participate in a greater number of freight markets, it also may help retard the decentralization of manufacturing which is causing the decline of long-haul traffic in manufactures."

Mr. Smith added that containerization of cars capable of carrying containers has gone up.

"Rails do have a tremendous potential for domestic container business," he said, "and if COFC traffic were emphasized, Trailer Train would expand its fleet accordingly."

One of every three cars going in service today is an all-purpose car capable of carrying a container, he said, and by the end of 1974, 15 per cent of Trailer Train's total fleet—about 6,000 cars—will be in service.

FRANCIS J. COLLIGAN

Mr. FULBRIGHT. Mr. President, with much sorrow I want to draw the attention of my colleagues to the death last Sunday of a truly fine civil servant, Francis J. Colligan. We have lost both an extremely valuable citizen and a good friend. While I do not wish to rehearse the many activities in which Dr. Colligan participated, or the many awards he received, I cannot let this occasion pass with only a perfunctory notice.

Frank Colligan was a native Californian who, prior to joining the service of the Federal Government, was chairman of the Department of English and Speech at the City College of San Francisco, the city of his birth. Beginning with his first post in Ecuador as Cultural Relations Attaché in 1942, he spent roughly 30 years with the Department of State. During those years, he devoted himself to the cause of promoting the foreign relations of his country and upholding the cause of academic excellence—which he rightly believed an essential ingredient of our relationships with countries abroad.

At the time the informally named Fulbright Act was passed, Frank Colligan was immediately and intimately involved in its administration. He and a handful of others did more than almost anyone could have expected to implement the legislation successfully, especially in creating the highest feasible standards for the program.

He served in many capacities in the Department of State as well as with the Board of Foreign Scholarships and the American Council on Education. During his service, he twice received the State Department's Superior Honor Award: in 1966 and just a relatively short time ago upon the occasion of his retirement. He also received a Rockefeller Public Service Award in 1955 and was a fellow at Princeton under that program in the following year.

Dr. Colligan's service obviously was of an exemplary character during his most active years. But I should like to add that his usefulness did not diminish in the slightest with age. In his last State Department position, as head of the policy and planning office within the Bureau of Educational and Cultural Affairs, he made the fullest use of his experience and of his wisdom. Rather, I should say, we made the fullest use of his sterling qualities. For we could always go to Frank Colligan for an authoritative assessment of any idea. He had heard of virtually every past initiative and knew what had happened to each one. While he could warn us away from fruitless projects, he never lost his enthusiasm for really new and promising ideas. Even after his retirement and up to the unhappy event of last Sunday, I know that Frank Colligan was giving freely of his knowledge and of himself.

Not least among his accomplishments was the authoring—along with another fine scholar, Walter Johnson—of a book

entitled "The Fulbright Program: A History." One could not have wished for a better team to have undertaken that task, and no one could have wished for more impressive results. It is the single volume needed on the shelf of anyone interested in the educational and cultural exchange program in concrete terms of administration and accomplishments.

Mr. President, there are not many members of the Government now active who guided the educational and cultural exchange program through its expanding phases beginning in the period just after World War II. Since my name has been attached to the program, in one way or another, for so many years, I almost feel as if they constituted a small "Fulbright family." Thus, I feel a real sense of personal loss and can sympathize fully with Frank Colligan's widow and son, to whom I extend our deepest condolences.

Most of all, however, the country will miss the services of a truly remarkable and excellent civil servant.

THE BUSING OF SCHOOLCHILDREN

Mr. BROCK. Mr. President, I would like to call to the attention of my colleagues newspaper reports of a recent change in position on the issue of busing by one of our Nation's Governors. Gov. Francis W. Sargent of Massachusetts is leading an effort to replace his State's racial imbalance law with a voluntary metropolitan busing plan. Earlier this year, thousands of persons marched to the capitol proclaiming their objections to the current plan in Massachusetts and apparently Governor Sargent has heard their cries. There are many, many more of them across this Nation. Mr. President, I ask unanimous consent that an article from the Washington Post on Governor Sargent's change in feelings be printed in the RECORD.

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

(By William A. Henry III)

BOSTON.—Liberal Republican Gov. Francis W. Sargent says his top priority this year is to replace the nation's only state law requiring the racial balancing of schools with a freedom-of-choice plan.

Massachusetts' House of Representatives is to begin debate Monday on his pending bills to substitute open enrollment and a voluntary metropolitan busing plan for the compulsory Racial Imbalance Law passed in 1965.

The governor testified on the plan at hearings of the legislature's education committee last month.

The Racial Imbalance Law, deferred through years of litigation and defiance, is to be implemented this fall by state court-ordered busing in Boston and Springfield. By Sargent's estimate, court busing plans would integrate more than three times as many children as the plan Sargent urges.

Three smaller cities, Cambridge, Worcester and New Bedford, desegregated soon after the law was passed.

Sargent reversed his long-standing support of the law in response to pressure from from conservatives in his party and warnings of civil disobedience and possible violence from anti-busing whites in Boston and Springfield.

Crowds estimated by police from 10,000 to 30,000 marched on the capitol to urge repeal of the imbalance law during hearings April 3 and 4. Later that month, about 100 legislators and citizens staged a round-the-clock vigil at the foot of the state house steps as the legislators voted for repeal. But Sargent vetoed the repealer May 10 and took to statewide television to announce he would propose a substitute voluntary plan.

He described the compulsory busing plans as "unfair" because they left untouched several geographically isolated white enclaves in Boston, and "unworkable" because they would meet with wide resistance and would not demonstrably contribute to educational quality.

Sargent is seeking re-election this year against a Republican primary opponent and two Democrats, all of whom oppose compulsory busing. School integration is termed by the governor's staff as the single most important issue of the campaign.

Sen. Edward W. Brooke (R.-Mass.), presiding officer of the nonbinding pre-primary convention that renominated Sargent Saturday, said the governor's plan "is dead wrong."

"I'm absolutely opposed to it," he added. "I simply cannot support any plan that will not use busing as a tool for school integration. I'm deeply disappointed that the governor, who has long been a stalwart supporter of this human right, decided to back off during an election year."

Boston and Springfield had school populations about 15 per cent black when the law was passed. Nine years later both have almost 40 per cent black enrollment. The Racial Imbalance Law requires that no school be more than half nonwhite.

City officials and legislators claim implementation of the imbalance law would necessitate "massive" busing, would destroy neighborhoods, would spur "white flight" to the suburbs.

Boston voters rejected pupil reassignment on a racial basis without parental consent by 13 to 1 last month in a nonbinding referendum widely interpreted as a poll on busing. Proponents of integration said the vote reflected more intensity than breadth of sentiment. The voter turnout was 12 per cent, lowest in city history.

The state's two top legislators, House Speaker David M. Bartley and Senate President Kevin B. Harrington, have predicted easy passage for Sargent's plan but have refused to endorse it. The legislation would:

Halt forced busing and render the state "neutral" on school integration.

Enforce open enrollment within Boston and Springfield, with lack of space no excuse for denying a seat.

Double from 2,000 to 4,000 the "Metco" voluntary busing program for city blacks. Sargent acknowledges the figures are based on the size of the Metco waiting list.

Recruit minority teachers and administrators, and retrain current personnel in "ethnic and cultural sensitivity."

Expand "magnet schools" offering innovative curriculum to attract a racially integrated urban-suburban enrollment, and develop similar part-time "magnet educational programs" at museums and scientific and cultural institutions.

Pay any white school a $500 bonus for each black transfer pupil it accepts from a majority black school—whether the school participates voluntarily (in the suburbs) or under legal compulsion (in the city).

The bonus plan has generated the most controversy. Sargent says it is "the first integration plan in Massachusetts to do something to ensure the quality of the education at the end of the ride."

The legislature's Black Caucus called the idea "slave bounty—putting black children on the auction block and selling them to the highest bidder." The House chairman of the Joint Education Committee, Boston Rep. Michael J. Daly, who opposes busing, said, "The bounty plan is a disgrace."

Militant anti-busing legislators, most from Irish and Italian neighborhoods in Boston and in Springfield said they were "pleased" to endorse "any plan that eliminates forced busing. The best plan for integration is no plan at all," South Boston Rep. Michael F. Flaherty said at the committee hearings. "But this is a step in the right direction."

Sargent was closely interrogated by the education committee. In contrast to the customary thanks and perfunctory questions—when the governor speaks at a legislative session, Sargent was debated for nearly an hour by members who called his plan "racist," "punitive," "discriminatory," insufficient, unworkable, and unconstitutional.

Sargent was also denounced by unanimous vote of the state Board of Education, which he appoints. The board drafted the pending Boston and Springfield forced busing plans under court guidelines.

The Sargent plan faces potential court problems. Governor's legal counsel, William E. Young acknowledges that open enrollment may not be sufficient if a court finds evidence of de jure segregation in either city.

Boston officials expect a decision this summer on a suit filed in U.S. District Court in Boston in 1972 by the NAACP and a group of black city parents, charging that Boston operates a dual school system with state complicity. The U.S. Department of Health, Education, and Welfare reached a similar finding in an administrative hearing, and the decision was upheld on appeal.

CWA'S JOE BEIRNE TO RETIRE

Mr. WILLIAMS. Mr. President, next Monday, one of this country's great labor unions, the Communications Workers of America, will gather in Kansas City for its annual convention. This meeting will be an historic one for the CWA, because the delegates will be selecting a new president to succeed the man who has led that union virtually since its inception—Joseph A. Beirne.

Joe Beirne, who is 63 and underwent surgery not long ago, announced recently that he would not seek reelection as union president. He has held that position since shortly after the union's founding more than three decades ago, and under his leadership the CWA has grown into one of the most effective and progressive labor organizations in the United States.

Mr. President, Joe Beirne has made a truly outstanding contribution—not only to his union and its members, but also to our entire Nation. I am very proud that he is a native of Jersey City, N.J., and that he got his start in organized labor while living in New Jersey.

The leadership of Joe Beirne as president of the CWA will be missed, and I can only say I hope he will remain active in labor affairs and in our national life. Mr. President, I ask unanimous consent that a biographical sketch of Joe Beirne be printed in the RECORD at the conclusion of my remarks.

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

BIOGRAPHICAL SKETCH AND BACKGROUND ON JOSEPH A. BEIRNE, PRESIDENT, COMMUNICATIONS WORKERS OF AMERICA

Joseph A. Beirne is a family man, a union leader, a statesman, a politician, a Roman Catholic, an Irishman and a diplomat.

Damon Stetson, respected columnist for the New York Times, has described him as "dynamic," "imaginative," "well-ordered," "up-to-date," and a "fireball."

John F. Kennedy in 1961 said he regarded Beirne as "one of the outstanding leaders of the American labor movement."

Lyndon B. Johnson said: "No leader in this country has stood up more forcefully or more successfully for his people than your own President, Joe Beirne."

Beirne has written books and magazine articles, he has travelled widely and he has served on Presidential panels and commissions since Franklin D. Roosevelt was in the White House.

He was bitterly opposed to the career of Richard Nixon and, indeed, served as Secretary-Treasurer of the labor committee formed by 40 Unions—inside and outside the AFL–CIO—in 1972 to support George McGovern's bid to beat Nixon.

Beirne came out of a devout Catholic home in Jersey City with strong union beliefs. His father, a member of the Brotherhood of Locomotive Engineers, had been dropped to oiler because he refused to go through a picket line.

Starting to work at the Western Electric Co. in 1928, he moved from utility boy in the inspection department to the company's New York Distribution House (part of W. E.'s Sales Division).

Roosevelt's New Deal reforms sparked an interest in union affairs and he was elected president of the Western Electric Employes' Assn. of the New York House. He quickly moved to knit similar groups of sales workers together into a national association and by October, 1937, he was elected president of the nationwide unit he had pushed so hard to create.

He occupied this post when Thomas Twigg, president of the Federation of Telephone Workers Inc. of Ohio called a National Assembly of telephone workers at the Hotel Statler in St. Louis on Dec. 16, 1937.

For two days, the 29 delegates representing 17 independent telephone organizations, debated the type of organization they desired. Was it to be a national union? Or a sort of corresponding society for the exchange of statistics?

They adjourned without reaching a decision, but Paul E. Griffith of Chicago was designated as pro tem chairman for a second and now historic National Conference of Bell System Employees' Organizations at the Allerton Hotel in Chicago on June 15, 1938. The delegates of 31 organizations, claiming to speak for more than 140,000 workers, hailed from every region of the nation.

It was here that the young Joe Beirne sent a ripple through the meeting room when he arose and quietly proposed:

"I move that we form a national organization of telephone workers."

The motion was unanimously adopted and the delegates agreed to draft a constitution at a meeting in New Orleans on Nov. 14, 1938.

The idea of a national union gripped telephone workers across the country, yet many anti-labor types and professional observers remained skeptical.

They felt sure that past history and precedence were on their side. After all, the proposal meant pitting the loosely knit group of workers against the giant AT&T, the world's biggest employer.

"You cannot organize telephone workers," the skeptics said. "It has never been done. It will never be done. The Bell System is violently opposed to the whole idea. Therefore, it will fail."

However, they apparently did not figure on the power of the ideas held by these new unionists.

The union that was launched at the founding meeting in New Orleans—the National Federation of Telephone Workers—grew and prospered despite management's bitter opposition. And, in 1947, it took a giant stride forward when it became the Communications Workers of America, largely due to the energetic work of Joe Beirne and his awareness that a stronger, more vibrant union would be needed in the years ahead.

Beirne was named president of the organization in 1943 and has been in that capacity since. He was elected to his current term as president in 1971.

Out of titantic struggles with the industry grew Beirne's desire to strengthen the Union and its place in American life.

No one works harder at it than Beirne himself.

In 1966, for example, he became the first trade union leader in history to be elected president of the United Community Funds and Councils of America—now known as The United Way—the national headquarters and coordinating center for some 2,000 voluntary fund raising organizations across the country.

The St. Louis Globe Democrat greeted his election to this top volunteer post by referring to Beirne as a "labor leader with a sense of responsibility."

Beirne points out that the American labor movement entered community service work on a planned basis in 1945. "We learned that there is a direct connection between the normal, accepted work of a union and the broader needs of the community in which it functions," Beirne explains.

After CWA affiliated with the CIO in 1949, the late Philip Murray appointed Beirne chairman of the CIO Community Services Committee, where he served until the 1955 merger of AFL and CIO. George Meany then tapped him as chairman of the merged committee—a position within AFL–CIO that he held until 1969, when Meany asked him to take over the Federation's International Affairs Committee.

As a member of President Johnson's National Commission on Technology, Automation and Economic Progress—a commission comprised of leaders of business, labor, education and public organizations—he helped to make the nation aware of the "urgent need for speed" in learning how to adjust to the "tremendous impact of technology on the future of our whole society." Nowhere in the corporate structure of the nation is automation more a reality than in the communications complex.

The awards and the honors that have been bestowed upon Beirne also provide an insight into the man's impact upon America and its working people.

One of the first such awards was from the Junior Chamber of Commerce in 1946 when Beirne was named "Man of the Year" and shared his award with another Irish Catholic, John Fitzgerald Kennedy.

He received Marist College's First Great Contemporary Americans Award in 1966, along with His Eminence Francis Cardinal Spellman, and was recipient of the National Urban League's Equal Opportunity Award that same year. He was presented with an honorary degree in law from Merrimack College and an honorary doctorate of law degree from the University of Notre Dame, both in 1968.

Under another Presidential appointment, he was one of the original members of the Board of the Corporation for Public Broadcasting.

Of the numerous programs that he has fought for as steps toward a higher standard of living for all Americans, he is most proud of his efforts in the field of education.

He continues to press hard for legislation that would provide free public education from pre-kindergarten through the graduate school level for every young person who is willing to study and able to absorb the training.

Organizing the unorganized has been a consuming interest for Beirne and CWA in recent years—standing shoulder to shoulder with collective bargaining and legislative-political activities as Union programs of highest priority.

To make certain that CWA is geared to reach those goals in these times of tremendous social change, Beirne in 1971 took the lead in a successful move to restructure and revitalize the Union.

In recent years, under his leadership, CWA has held a series of legislative-political conferences in the nation's capital; the union's political thumb has extended to state capitals across the country, and Beirne's personal intent in building the strength of the national political parties has been demonstrated in strong recommendations to the platform Committees of both major parties.

As a Democrat, he played a key role in development of the new Delegate Selection rules. He has been a member of the Democratic National Committee since 1973.

In the fall of 1973, CWA provided 10,000 operators to work the telephones in the Democratic National Telethon.

He is an American, first and foremost, but his deeds and energies do not stop at the geographical limits of the United States of America.

He was the principal figure in establishing worker-to-worker relations between the U.S. and Latin America—efforts that led to creation of the American Institute for Free Labor Development, a venture co-sponsored by labor, business and government. Beirne serves as Secretary-Treasurer of AIFLD and on the Board of Trustees.

He is president of Postal, Telegraph and Telephone International, a trade secretariat representing over 3,000,000 workers in the free world.

His reputation as author and speaker is widely known and appreciated. He authored "New Horizons for American Labor," an in-depth, perceptive study of organized labor's need to prepare for the challenge of the 1970's and 80's, and has co-authored "Space: Its Impact on Man and Society." Beirne's third book—"Challenge to Labor"—a well-received volume dealing with the role of labor unions in meeting national and international problems—was published in 1969.

THE SHORTAGE OF FERTILIZER

Mr. HART. Mr. President, a serious nationwide shortage of fertilizer now threatens the great role of American farmers in meeting the rapidly expanding world demand for food. The reasons for the current shortage are complex and the outlook for solutions to the fertilizer problem in the near future is uncertain. Recent information has been developed by my staff on this important issue as a result of correspondence with the major fertilizer producers and marketers in Michigan. I ask unanimous consent that a current report by my staff on the fertilizer shortage be printed in the RECORD.

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

THE NATIONWIDE FERTILIZER SHORTAGE

The gap in 1974 between the tonnage of fertilizer desired by farmers and the levels that will be supplied by the fertilizer industry is large, though uncertain. The shortfall is reflected in part by the staggering price rises that we have witnessed this year. For nitrogen-based fertilizers, the current shortage is most serious. Recent estimates of the actual supply shortfall range from 500,000 tons (U.S. Department of Agriculture) to

1.5 million tons (the Fertilizer Institute, an industry trade association). This last estimate would reflect an almost 15% shortfall in domestic use. At the same time, prices have been rising rapidly since their decontrol by the Cost of Living Council on October 25, 1973. Even with agreements by fertilizer producers in January to restrain price increases until the end of June, nitrogen-based fertilizer prices are up almost 100% since decontrol, with additional rises of 10–15% predicted for July alone! Phosphate-based fertilizer prices are also up a striking 45%, with supply deficits for this type of fertilizer estimated by the U.S. Department of Agriculture at 835,000 tons, or 12–15% of domestic use.

The fertilizer shortage can be explained by skyrocketing demand for fertilizer, together with a supply side plagued with unwise national economic policies (phases I–III), shortages of primary materials, time lags, and uncertainty. Because of rising world incomes and unfortunate coincident droughts throughout the world, the total demand for U.S. agricultural output has expanded tremendously since 1971. To supply the output, Congress and the Administration properly abandoned the decades-old policy of setting aside croplands from production, and lifted most restrictions on the amount of land that can be cultivated. Congress passed legislation that puts a floor under farm incomes in times of low commodity prices, but not a ceiling on production. The result has been a substantial increase in domestic cultivated acreage, perhaps up as much as 45 million acres since 1971–72. Farm product prices have also risen dramatically, as we well know. Thus more and poorer acreage, needing larger proportional doses of fertilizer, together with crop price rises, making increased intensities of fertilizer use economical, have combined to increase fertilizer demand substantially. Indeed, the total fertilizer bill in 1973–74 may reach $4 billion, up 40% from the proceeding crop year.

The capacity for nitrogen and phosphate-based fertilizer production has grown very slowly in recent years, while increasing exports have siphoned off existing fertilizer supplies. During the late 1960's, just before the explosion in fertilizer demand, overcapacity in the agrichemical industry drove many firms out of the fertilizer market. The 1971–74 expansion in demand unfortunately coincided with the Nixon Administration's Phases I–III in economic policy. Ironically, fertilizer prices were frozen at depressed levels, preventing increases in production and discouraging the entry of new agrichemical firms. The previous overcapacity quickly turned into a shortage in the face of rapid agricultural expansion. The frozen prices were below international levels, in part because of two devaluations, spurring a rise in fertilizer exports of some 30% from 1971–72 to 1972–73. Finally, the energy crisis has played an important part in the current shortage. Natural gas and other hydrocarbons necessary for the production of nitrogen fertilizers, have risen in price and are themselves scarce, making increased output of fertilizers an uncertain prospect.

THE MICHIGAN SHORTAGE

The nationwide shortage just described unfortunately hits Michigan worse than average. And, on the basis of recent correspondence with fertilizer producers and marketers in Michigan, a major reason becomes clear: transportation costs of fertilizer shipped to Michigan. Michigan is located far from the major production plants of nitrogen and phosphate-based fertilizers, which surround the rich natural gas fields of the Southeast. In fact, according to ACSC, Michigan now has only two nitrogen-based fertilizer plants, which are minor units operating off of other industrial by-products. Also, Michigan is a late planting state, meaning that Michigan farmers tend to have last claims on existing fertilizer supplies. *Because of transportation costs and early commitments to Southern farmers, major firms have pulled out of the fertilizer production and distribution businesses in Michigan during this period of rapidly increasing demand.* Companies closing retail outlets include Montsanto, Mobil Oil, Chevron, and Phillips Petroleum. Companies leaving the wholesale market include Allied Chemical and Olin Matheson. Most of these companies have continued to supply customers in the Southeast, closer to production points. This marketing cutback is further aggravated by a current boxcar shortage, limiting nitrogen fertilizer shipments from the South, and major potash shipments from Canada.

The demand conditions for fertilizer in Michigan reflect the impact of increased crop output. Encouraged by the U.S. Department of Agriculture, Michigan farmers will plant 700,000 more acres in 1974 than in 1973. Wheat acreage will rise 46% in this year alone. With supplies of fertilizer limited and perhaps shrinking in Michigan this year, a fertilizer squeeze is definitely in progress. The ASCS of Michigan has estimated, roughly, a 10-15% shortfall in nitrogen-based fertilizer this year, while significant price rises have also resulted from the demand and supply conditions. The ASCS, in monitoring prices since January, reports a 60% rise in the average price of anhydrous ammonia fertilizer, since the beginning of the year, to $220 per ton *after* much of the initial price rise following decontrol. A 30% hike was similarly observed in the average price of nitrogen-solution fertilizers. Thankfully, recent reports indicate that, at higher cost, *crop plans in Michigan will be substantially met this year,* because the farmers of our state have faced the scarcity and high prices of fertilizer with skillful and scientific adjustments downward in fertilizer applications.

THE FUTURE

Nationwide and in Michigan the next few years promise continued tight supplies and high prices of all types of fertilizers. In the next three to four years, supplies of fertilizers will increase and prices will stabilize or perhaps fall as the increases in cultivated acreage slow, and as farmers and the agrichemical industry adjust to the very rapid demand and price increases of fertilizers in the last few years. As Michigan farmers ably demonstrated, with sound fertilizer application methods, compensating adjustments in usage will be made in response to high fertilizer prices. On the supply side, we may be optimistic about the prospects within the next five years. One major engineering firm, for example, now has 40 new ammonia plants under construction. In Florida, a bottleneck in phosphate fertilizer production is unjamming as a number of phosphate mining ventures get underway.

But of course the outlook for the next two years is far less satisfactory. And we must ensure that Michigan farmers do not bear an unfair load of the short-run burden. Because inventories of nitrogen fertilizers have been drawn down by the recent supply shortages, supplies may be tighter in 1975 than in 1974. The lead time in ammonia plant construction is at least two years, slowing current adjustments to demand. Phosphate shortages and high prices will also likely persist through 1976. These short-term problems can be mitigated through appropriate federal action. Senator Hart has joined in efforts in the Congress to ease the difficulties of Michigan farmers in our transition to greater capacity in the fertilizer industry. First, Senator Hart has cosponsored Senate Resolution 289, adopted February 27, 1974, which mandates that the Federal Power Commission afford the second highest priority of natural gas deliveries to the fertilizer industry, following only deliveries for residential use. Natural gas sufficiency is central to hopes for fertilizer industry expansion, and the FPC will issue a formal rule in this area very soon. Second, the Senator has encouraged Secretary of Agriculture Butz to request the special commitment by the Interstate Commerce Commission of boxcars and other rail facilities for the purpose of fertilizer deliveries, which would ease Michigan's special transportation problems. The ICC issued a limited directive for such rail use on March 18th. More requests for transportation relief is under consideration. Finally, Senator Hart is considering proposals to authorize appropriate Federal officials to set up a national allocation policy for the limited domestic supply of fertilizer, so that all regions of the nation share the difficulties and costs of the current shortage.

INDEPENDENCE FOR ANGOLA, MOZAMBIQUE AND GUINEA-BISSAU

Mr. KENNEDY. Mr. President, since the change in government in Portugal on April 25, I have been deeply concerned about U.S. policy regarding this very important event.

For the residents of metropolitan Portugal, April 25 promised the beginning of a new era in Portuguese history. Every aspect of life in Portugal may be reformed if the new government is committed to the development of programs that can reverse the inertia of the past decades. Portugal has been a faithful ally to all members of NATO, and she has loyally contributed to those efforts of our Government that have been designated important for the interests of the United States.

Portugal's loyalty and friendship toward the United States clearly deserve continued attention from our Government. However, Portugal's maintenance of three colonial territories in Africa has been a serious source of dismay both for her friends and for her antagonists. Unrelenting critics of the Portuguese policy in Africa demand immediate independence and self-determination for the millions of African citizens in those territories.

According to that view, nothing short of an immediate pullout by Portuguese forces, and a full surrender of all properties to African control, will satisfactorily address the problem of Portugal's occupation of Guinea-Bissau, Mozambique, and Angola.

The more moderate view held by the United States and many of Portugal's European neighbors, suggests that Portugal must be nudged toward rapprochement with her colonies so that the shift to independence might be managed with a minimum of economic and political disruptions in the African systems.

I believe it is appropriate at this time for the United States to join with those efforts that might encourage Portugal to achieve the goals of self-determination and independence for her African colonies. For many years, the United States had welcomed moves toward self-determination. Our Government sought to encourage Portugal to reform her policies regarding the three African countries. Unfortunately, the years since 1962

in Portugal/African history have been bitterly characterized by bloodshed and armed conflict between Portuguese soldiers and liberation fighters. Gen. Antonio de Spinola is apparently attempting to bring an end to the fighting, because he shares the belief that neither Portugal nor the colonies will emerge victorious from continued fighting.

It would be fitting for President Nixon to discuss with General de Spinola, in his visit today, the matter of independence for these colonies and to express the strong feeling of the American people for majority rule in those lands.

For a power that has occupied African soil during five centuries, General de Spinola's expressed concern for an end to the fighting is exceptionally noteworthy and historic. Because of the longstanding traditions and customs involving these battles and the Portuguese occupation of African soil, many observers are hopeful that cooperative efforts from the world's family of nations will assist Portugal in achieving this humanitarian goal.

Portugal's importance in Europe is appropriately measured by the widespread attempts made by her European neighbors to insure that the Portuguese will benefit from the economic largess of the 20th century. There is so much to be done in the way of improving all the institutions of Portuguese life. Yet, the ancient traditions of that nation have caused tremendous sums of money to be redirected to wage colonial wars in Africa. To his credit, General de Spinola acknowledged that continuation of such wars is not only inhuman, but also the wars failed to offer any hope that the welfare of the citizens in the three colonies would be improved.

It is clear to even casual observers that the staggering economics of supporting wars that consumed 40 percent of Portugal's annual budget weighed heavily in De Spinola's decision to stop the fighting. I am hopeful that the "peace dividend" for Portugal will produce bountiful results both at home and abroad—for those who are dependent upon the Portuguese economy.

Above all, I share the hope of those who have struggled for so many years to achieve self determination and independence for 'he citizens of Angola, Mozambique, and Guinea-Bissau.

Last week, members of the Organization of African Unity—the OAU—meeting in Somali, demonstrated their strong interest in guaranteeing freedom to the Africans living under Portuguese rule. And this week, the Pan African Congress convenes in Tanzania to focus on the issues of southern Africa.

Tanzania and Zambia have been forthright in offering assistance to the new government in Portugal so that there may be a minimum of problems in making the transition to independence for Angola, Mozambique, and Guinea.

For the United States to look to the leadership provided by Tanzania and Zambia, in this serious matter, would be particularly useful, because these nations are intimately associated with the welfare of their neighbors in Mozambique and in Angola. Thus, I would hope that the independent African governments will be successful in providing guidance for America and for the rest of the world toward the development of effective policies that can achieve self-support for Portugal and self-rule for the citizens of the three African countries.

During their deliberations the Foreign Ministers of the OAU adopted the following six principles to govern decolonization of the Portuguese territories:

First. The OAU must insure that liberation movements adopt a coordinated policy in dealing with Portugal during negotiations. The movement must also institute and maintain close contact among themselves.

Second. The OAU seeks to guarantee a cease-fire agreement, transfer of power and the granting of independence, concurrent and effective in all territories.

Third. The right to self-determination and complete independence must be presumed by the Portuguese Government as nonnegotiable.

Fourth. The granting of independence must be unconditional. The newly independent states should be entirely free to choose whatever form of governments they wish.

Fifth. Liberation movements negotiating from a position of strength acquired through their determined struggle should not abandon their position before independence is gained.

Sixth. The OAU must reaffirm that negotiations are between the Portuguese Government and liberation movements, which alone are legitimate representatives and spokesmen for their respective peoples.

At this point there is no way to know if these principles can serve to ease the burdens of gaining independence, and at the same time preserving a peaceful relationship between Portugal and the African colonies. But if these are successful guidelines, then surely these are principles that would enjoy the support of all nations which want independence for the people of southern Africa.

The United States can only applaud the current moves toward independence for these colonies. Indeed, it would be particularly impressive for America to celebrate its 200th anniversary of independence by welcoming and acknowledging the independence of the three African countries now under Portuguese rule.

PART C GRANTS FOR TITLE I, ESEA UNDER SENATE AMENDMENT TO H.R. 69

Mr. SCHWEIKER. Mr. President, on behalf of Senator WILLIAMS, I ask unanimous consent to have printed in the RECORD revised figures on part C of title I, ESEA under the Senate amendment. These figures have recently become available from the Library of Congress and are based on the most recent data available.

I ask unanimous consent that these figures be printed in the RECORD following my comments.

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

SUMMARY OF PROVISIONS REGARDING PART C GRANTS OF H.R. 69 AS PASSED BY THE SENATE AND USED IN MAKING THE ATTACHED ANALYSES

Target population: Determination of county eligibility for Part C grants is based on either 1) the county's target population, as defined below, is at least twice the average target population for all counties in the state or 2) the county's target population totals at least 10,000 *and is* greater than 5% of the county's school-aged population.

Target population for each county used in determining eligibility and it making grants is based on the number of children from families with incomes less than $3000 (1970 Census) plus the number of children from families with AFDC payments in excess of $3000 (January 1973 data) plus the special LEA populations as defined for Title I Part A payments.

Cost per child: state average per pupil expenditure.

Federal share: 50%.

Reduction: Part C entitlements based on eligible counties are ratably reduced to allocations using the $75 million authorization level provided in H.R. 69 as passed by the Senate with no State receiving more than 12% ($9 million) of the total.

Hold harmless: None specified.

TABLE I.—*Allocations: State summary—Estimates of H.R. 69, Senate Pt. C grants*

Target population—Children from families with incomes below $3,000 plus children from families with AFDC payments above $3,000 plus special LEA populations provided that the target population is either (1) twice the average target population of the State or (2) is not less than 10,000 and is at least 5 percent of school-aged population of county. Cost per child—the State average per pupil expenditure. Federal share—50 percent. Reduction—entitlements ratably reduced to allocation using authorization level of $75,000,000 as specified with no State to receive more than 12 percent.

State:	*Allocation*
Alabama	$667,852
Alaska	175,803
Arizona	566,403
Arkansas	422,745
California	8,999,999
Colorado	788,542
Connecticut	1,639,449
District of Columbia	1,189,996
Florida	1,991,170
Georgia	871,099
Hawaii	428,674
Idaho	121,545
Illinois	6,645,990
Indiana	911,145
Iowa	483,734
Kansas	540,867
Kentucky	597,848
Louisiana	1,251,672
Maine	139,848
Maryland	1,579,220
Massachusetts	2,870,894
Michigan	5,246,944
Minnesota	1,163,688
Mississippi	556,473
Missouri	1,055,261
Montana	151,587
Nebraska	298,730
Nevada	118,225
New Hampshire	130,569
New Jersey	4,993,843
New Mexico	300,404
New York	8,999,999
North Carolina	1,005,609
North Dakota	76,003
Ohio	2,675,767
Oklahoma	444,419
Oregon	614,272
Pennsylvania	4,696,230
Rhode Island	435,460

	Allocation
South Carolina	$574,098
South Dakota	128,125
Tennessee	779,120
Texas	3,159,564
Utah	328,041
Vermont	44,868
Virginia	1,206,373
Washington	1,379,086
West Virginia	408,085
Wisconsin	1,081,654
Wyoming	63,059
Federal total	75,000,047

TABLE II: *Part C allocations: County summary—Estimates of H.R. 69, Senate part C grants*

	Allocation
ALABAMA	
Dallas	$72,960
Jefferson	295,419
Mobile	194,349
Montgomery	105,123
State total	667,852
ALASKA	
Anchorage	86,543
Bethel	60,805
Wade Hampton	28,454
State total	175,803
ARIZONA	
Maricopa	408,631
Pima	157,772
State total	566,403
ARKANSAS	
Crittenden	62,130
Jefferson	64,073
Lee	32,756
Mississippi	59,896
Phillips	58,344
Pulaski	101,106
St. Francis	44,440
State total	422,745
CALIFORNIA	
Alameda	538,530
Contra Costa	246,637
Fresno	374,650
Kern	228,325
Los Angeles	4,228,433
Orange	396,173
Riverside	281,972
Sacramento	395,461
San Bernardino	410,365
San Diego	589,374
San Francisco	365,351
San Joaquin	193,944
Santa Clara	413,151
Tulare	176,950
Ventura	160,683
State total	8,899,999
COLORADO	
Adams	86,912
Denver	365,675
El Paso	124,442
Jefferson	50,960
Pueblo	88,628
Weld	71,924
State total	788,542
CONNECTICUT	
Fairfield	465,357
Hartford	590,457
New Haven	583,635
State total	1,639,449
District of Columbia	1,189,996
FLORIDA	
Broward	189,254
Dade	504,678
Duval	333,591
Escambia	141,073
Hillsborough	251,547
Orange	153,750
Palm Beach	147,147
Pinellas	$141,469
Polk	128,660
State total	1,991,170
GEORGIA	
Bibb	86,240
Burke	30,798
Chatham	105,112
Cobb	33,367
DeKalb	65,577
Dougherty	55,527
Fulton	271,537
Laurens	29,725
Lowndes	33,395
Muscogee	86,819
Richmond	73,001
State total	871,099
HAWAII	
Honolulu	428,674
State total	428,674
IDAHO	
Ada	30,072
Bannock	16,593
Bingham	11,856
Bonneville	13,143
Canyon	20,774
Kootenai	12,309
Twin Falls	16,798
State total	121,545
ILLINOIS	
Cook	6,163,699
St. Clair	482,291
State total	6,645,990
INDIANA	
Allen	82,265
Delaware	37,019
Lake	284,253
Madison	35,934
Marion	302,020
St. Joseph	76,343
Vanderburgh	53,796
Vigo	39,514
State total	911,145
IOWA	
Black Hawk	68,310
Dubuque	39,285
Linn	55,765
Polk	131,987
Pottawattamie	45,864
Scott	71,885
Wapelo	26,127
Woodbury	44,510
State total	483,734
KANSAS	
Johnson	39,359
Montgomery	21,724
Saline	42,893
Sedgwick	207,491
Shawnee	61,398
Wyandotte	168,002
State total	540,867
KENTUCKY	
Bell	33,563
Christian	36,313
Clay	38,379
Fayette	47,903
Floyd	32,047
Harlan	42,967
Jefferson	241,865
Kenton	36,005
Knox	35,790
Pike	53,014
State total	597,848
LOUISIANA	
Caddo	190,874
East Baton Rouge	156,295
Jefferson	118,935
Orleans	629,399
St. Landry	156,168
State total	1,251,672
MAINE	
	Allocation
Aroostook	$66,251
Cumberland	73,597
State total	139,848
MARYLAND	
Prince Georges	225,641
Baltimore City	1,353,579
State total	1,579,220
MASSACHUSETTS	
Bristol	295,854
Essex	357,345
Hampden	322,990
Middlesex	577,919
Suffolk	997,532
Worcester	319,254
State total	2,870,894
MICHIGAN	
Genesee	438,003
Ingham	214,967
Kent	335,134
Macomb	260,236
Oakland	435,329
Saginaw	242,606
Wayne	3,320,670
State total	5,246,944
MINNESOTA	
Anoka	67,351
Hennepin	635,446
Ramsey	288,445
St. Louis	109,530
Stearns	62,917
State total	1,163,688
MISSISSIPPI	
Bolivar	75,298
Coahoma	67,917
Harrison	53,428
Hinds	132,119
Holmes	45,461
LeFlore	52,425
Sunflower	59,376
Washington	70,449
State total	556,473
MISSOURI	
Butler	34,339
Dunklin	37,596
Greene	39,697
Jackson	226,432
New Madrid	36,226
Pemiscot	46,266
St. Louis	152,611
St. Louis City	482,095
State total	1,055,261
MONTANA	
Big Horn	11,424
Cascade	34,578
Flathead	15,608
Glacier	15,245
Missoula	22,466
Silver Bow	14,633
Yellowstone	37,634
State total	151,587
NEBRASKA	
Cedar	18,649
Douglas	181,605
Hall	13,494
Knox	14,575
Lancaster	34,305
Sarpy	19,556
Scotts Bluff	16,545
State total	298,730
NEVADA	
Clark	92,635
Washoe	25,590
State total	118,225
NEW HAMPSHIRE	
Hillsborough	72,954
Rockingham	57,615
State total	130,569

NEW JERSEY	Allocation
Camden	$725,780
Essex	1,633,301
Hudson	785,559
Mercer	306,165
Middlesex	338,058
Monmouth	410,661
Passaic	501,366
Union	292,954
State total	4,993,843

NEW MEXICO	
Bernalillo	160,708
McKinley	72,494
San Juan	67,202
State total	300,404

NEW YORK	
Bronx	2,128,163
Erie	432,238
Kings	3,175,361
Monroe	272,244
Nassau	315,394
New York	1,225,467
Onondaga	145,046
Queens	634,839
Suffolk	376,366
Westchester	294,880
State total	8,999,999

NORTH CAROLINA	
Columbus	55,453
Cumberland	116,440
Durham	56,958
Edgecombe	59,762
Forsyth	81,158
Guilford	81,070
Halifax	68,350
Mecklenburg	120,940
Nash	52,502
Pitt	70,844
Robeson	100,607
Wake	78,591
Wayne	62,934
State total	1,005,609

NORTH DAKOTA	
Burleigh	10,596
Cass	18,527
Grand Forks	13,883
Rolette	15,811
Ward	17,186
State total	76,003

OHIO	
Cuyahoga	1,034,612
Franklin	371,508
Hamilton	418,372
Lucas	202,150
Mahoning	121,485
Montgomery	219,822
Stark	96,262
Summit	211,556
State total	2,675,767

OKLAHOMA	
Comanche	56,983
Muskogee	40,013
Oklahoma	199,213
Tulsa	148,210
State total	444,419

OREGON	
Clackamas	72,316
Lane	117,514
Marion	93,571
Multnomah	330,671
State total	614,272

PENNSYLVANIA	
Allegheny	1,121,361
Delaware	297,006
Philadelphia	3,277,863
State total	4,696,230

RHODE ISLAND	
Providence	435,460
State total	435,460

SOUTH CAROLINA	Allocation
Charleston	$165,696
Florence	75,109
Greenville	75,750
Orangeburg	81,238
Richland	103,618
Sumter	72,685
State total	574,098

SOUTH DAKOTA	
Brown	12,458
Charles Mix	14,347
Minnehaha	33,978
Pennington	31,493
Shannon	22,017
Todd	13,833
State total	128,125

TENNESSEE	
Davidson	125,648
Fayette	40,440
Hamilton	97,336
Knox	98,028
Shelby	376,632
Sullivan	41,037
State total	779,120

TEXAS	
Bell	47,662
Bexar	486,695
Cameron	203,162
Dallas	419,952
El Paso	200,804
Galveston	72,083
Harris	639,067
Hidalgo	290,216
Jefferson	114,668
Lubbock	75,588
McLennan	69,086
Nueces	147,950
Tarrant	207,945
Travis	85,694
Webb	98,993
State total	3,159,564

UTAH	
Salt Lake	192,138
San Juan	33,908
Utah	48,211
Weber	53,785
State total	328,041

VERMONT	
Chittenden	44,868
State total	44,868

VIRGINIA	
Fairfax	103,282
Pittsylvania	47,587
Chesapeake City	59,557
Hampton City	77,721
Newport News City	105,450
Norfolk City	304,526
Portsmouth City	129,280
Richmond City	225,238
Roanoke City	55,421
Virginia Beach City	98,308
State total	1,206,373

WASHINGTON	
King	578,232
Pierce	275,009
Snohomish	166,301
Spokane	172,820
Yakima	186,726
State total	1,379,086

WEST VIRGINIA	
Cabell	42,723
Fayette	45,406
Kanawha	106,390
Logan	42,837
McDowell	70,196
Mingo	54,504
Raleigh	46,028
State total	408,085

WISCONSIN	Allocation
Brown	$65,672
Dane	127,888
Milwaukee	776,544
Racine	111,550
State total	1,081,654

WYOMING	
Fremont	17,742
Laramie	24,704
Natrona	20,613
State total	63,059

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

AMENDMENT OF OLDER AMERICANS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 11105, which the clerk will read by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment at the top of page 2, insert the following new sections:

SEC. 2. (a) Section 201(a) of the Older Americans Act (42 U.S.C. 3011) is amended by striking out everything in such section that follows the word "Commissioner" the second time it appears in the fourth sentence of such section and inserting in lieu thereof a period.

(b) Any delegation of the functions of the Commissioner on Aging in effect on the date of enactment of this Act, issued pursuant to section 201(a) of such Act, shall be modified by the Commissioner to comply with the provisions of the amendment made by this section.

SEC. 3. Title III of the Older Americans Act of 1965 (42 U.S.C. 3021ff.) is amended by adding the following new section:

"TRANSPORTATION PROJECTS

"SEC. 309. (a) There are authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this section. From sums appropriated under this section, the Commissioner is authorized to make grants to each State having a State plan approved under section 305 for the purpose of paying up to 75 per centum of the costs of meeting the transportation needs of older persons, with special emphasis on providing supportive transportation in connection with nutrition projects operated pursuant to title VII of this Act. Sums appropriated under this section shall be alloted to the States in accordance with the allotment formula contained in section 303.

"(b) The allotment to a State under this section shall remain available until December 31, 1975, for grants and contracts to area agencies on aging, organized under section 305(b), or to other public or nonprofit private agencies that the State agency determines have the capacity to meet the transportation needs of older persons and to provide supportive transportation services in connection with nutrition projects operated

under title VII. In making grants and contracts under this section, State agencies shall give priority to applicants proposing to serve areas in which there is no public transportation or in which existing public transportation is inadequate to meet the special needs of older persons.

"(c) Within ninety days following the enactment of legislation appropriating funds as authorized by this section, the Commissioner shall issue final regulations for implementation of the program herein authorized.

"(d) The Commissioner is authorized and directed to request the technical assistance and cooperation of the Secretary of Transportation and such other departments and agencies of the Federal Government as may be appropriate for the proper and effective administration of this section.".

SEC. 4. Section 201(a) of Public Law 93–113 (87 Stat. 401, October 1, 1973) is amended by inserting at the end thereof the following new sentence after clause (4): "In no event shall the required proportion of the local contribution (including in-kind contributions) for any new grant or contract be more than 10 per centum, nor shall the proportion of such contribution for any renewal of any existing grant or contract be increased by more than 50 per centum over the proportion of such contribution required in the preceding such grant or contract, nor shall any such required contribution in any case be more than 40 per centum of the total cost of any such grant or contract.".

The ACTING PRESIDENT pro tempore. Time for debate on this bill is to be limited to 1 hour, to be equally divided between and controlled by the majority and minority leaders or their designees, with 30 minutes on any amendment and 20 minutes on any debatable motion or appeal.

Who yields time?

Mr. EAGLETON. Mr. President, does the Senator from West Virginia yield me his time on the bill?

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the Senator from Missouri.

The ACTING PRESIDENT pro tempore. The Senator from Missouri controls time on the bill.

Mr. EAGLETON. I thank the Senator from West Virginia.

The ACTING PRESIDENT pro tempore. How much time does the Senator yield himself?

Mr. EAGLETON. Such time as I may consume.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. EAGLETON. Mr. President, it is my pleasure to recommend to the Senate H.R. 11105, a bill to amend title VII of the Older Americans Act to authorize appropriations for title VII of that act and to provide certain other amendments to the act.

Title VII of the Older Americans Act authorizes the Administration on Aging in the Department of Health, Education, and Welfare to make grants to the States for the purpose of conducting nutrition programs for older persons.

The national nutrition program for older Americans has its roots in a number of pilot programs begun in 1968 under title IV of the Older Americans Act in accordance with a congressional directive. These programs convincingly demonstrated that there was a very real need for such a program, both in improving the nutrition of the participants as well as in engaging them in a process of socialization—drawing them out of the isolation in which so many elderly persons confine themselves—and putting them in touch with ancillary services, such as health, recreational, and social services.

A permanent program, based on the pilot projects, was enacted by Congress and was signed into law by the President on March 22, 1972. This legislation authorized funds to be allotted to the States by the Federal Administration on Aging for the establishment of sites at central, accessible locations at which persons aged 60 or older, and their spouses, could receive one hot, nutritious meal per day, at least 5 days a week. Projects were also authorized to provide necessary transportation for participants and to furnish home-delivered meals to eligible individuals who are homebound.

Funds were authorized to be appropriated for fiscal years 1973 and 1974. Unfortunately, President Nixon's vetoes of bills appropriating funds for the new program prevented its actually getting underway in fiscal year 1973, as anticipated by the legislation. Funds were finally appropriated in the amount of $100 million at the end of fiscal year 1973, to be available until December 31, 1973. For fiscal year 1974, $104.8 million was appropriated.

The funding delay resulting from Presidential vetoes created severe handicaps for the program, which are still manifest. Potential State and local recipients of grants under the nutrition legislation were understandably unwilling to commit themselves and their local resources until they see the Federal Government match glowing promises with hard money. Hence, despite the long leadtime between passage of the authorizing legislation in March 1972, and the allocation of the first funds to the States on June 27, 1973, little preparatory work was done at the State and local level during this period.

The funds thus allocated were available to the States for making grants to local nutrition projects only until December 31, 1973. There began a rather chaotic scramble to prepare and submit plans by the States to the Administration on Aging and by project applicants to the States. Sites had to be found, staff employed, arrangements made for food preparation, outreach begun, and a host of other details attended to.

In view of these growing pains, it is perhaps surprising that very substantial progress has been made. By May 1974, 664 nutrition projects were serving 188,253 meals daily at 4,714 meal sites. Four hundred fifty-one of the nutrition projects were located in urban settings and 213 were in rural settings. Eighty-eight percent of the meals were served in congregate settings; 12 percent were home-delivered.

The Administration on Aging has placed major emphasis on the awarding of grants to projects that will serve low-income individuals and members of minority groups. The States reported in May 1974, that the average number of daily meals being served to persons below the Census Bureau's poverty threshold was 120,715, or approximately 66 percent of the total. The average number of daily meals being served to members of minority groups was 61,311, or approximately 34 percent of the total.

The States have estimated that they will be serving 212,000 meals a day when all projects are fully operational, and it is anticipated that they will reach this goal during June of 1974.

Mr. President, in the brief span of its existence, the title VII nutrition program has quickly become one of the more popular services made available to the aging. I have visited a number of these nutrition sites, as I am sure other Members of the Senate have done. It is evident from conversations with participants as well as from the information provided by our hearings that this program is of real benefit to older people. It is meeting its primary purposes, that is, to provide older people with vitally needed nutrition while at the same time bringing them together—out of the isolation in which they too often tend to seclude themselves—and putting them in touch with other sources available in their communities.

Section 1 of the bill which the committee recommends is the companion bill to the House-passed bill. It authorizes appropriations for an additional 3 years at levels of $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977.

In addition, the committee bill provides a new program of transportation services for older persons, with special emphasis on providing transportation for participants in title VII projects. Thirty-five million dollars is authorized for the coming fiscal year under title III of the act for this program. Since title III expires June 30, 1975, the Senate will then have an opportunity to review this program along with the rest of title III for the next year. I should note that this amendment was offered in committee by the distinguished junior Senator from Pennsylvania (Mr. SCHWEIKER) and was developed by him in conjunction with the very able chairman of the Senate Select Committee on Nutrition and Human Needs, the senior Senator from South Dakota (Mr. MCGOVERN). The staff of the select committee was particularly helpful in working out this amendment.

Another provision of the Senate bill, section 201(a), restricts the authority of the Commissioner on Aging to delegate functions assigned him by the Older Americans Act. I will discuss this further at the time Senator BEALL discusses his amendment.

Finally, the committee bill amends Public Law 93–113, relating to the RSVP program—a volunteer program for senior citizens—operated by the ACTION agency. This program was formerly authorized by the Older Americans Act until the enactment of Public Law 93–113 which enacted into law the prior transfer of the program by executive order to the ACTION agency. The amendment contained in this bill relates to the non-Federal pay requirements for local sponsors of RSVP programs to insure that no unreasonable increases in non-Federal pay requirements will be made.

Mr. President, I strongly urge adoption of the committee bill.

At this time, I am pleased to yield such time as he may need to the distinguished Senator from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY. Mr. President, the passage of this legislation, which extends the Kennedy-Pepper nutrition for the elderly program, for 3 years, will be a reaffirmation of the congressional commitment to the Nation's senior citizens.

This measure, H.R. 11105, the companion legislation to S. 2488, which I introduced with Senator PERCY and which has 27 cosponsors, provides for a 3-year extension and increased authorizations. It was sponsored in the House of Representatives by Congressman PEPPER and Congressman BRADEMAS. Because of the rise in inflation with its disproportionate impact on the limited income of millions of older Americans, authorizations are increased to $150 million in fiscal year 1975, $200 million in fiscal year 1976 and $250 million in fiscal year 1977.

At the same time, the bill reflects the testimony we heard from rural areas which were concerned about the limited funds available in the title VII program for transportation.

These areas particularly, but many urban areas as well, expressed the need for additional transportation assistance to bring eligible elderly to the community sites for their daily meals.

Therefore, the bill provides a separate $35 million authorization for transportation under title III.

The nutrition for the elderly program was signed into law on March 22, 1972, with the enactment of S. 1163, the bill I originally introduced in conjunction with similar action in the House of Representatives by Congressman PEPPER.

Our bill was modeled after the highly successful pilot projects begun in 1968 under the Older Americans Act. It also followed the recommendations of the White House Conference on Nutrition and the White House Conference on Aging for a national program of meals for the elderly in congregate settings.

Although this permanent program was established in the spring of 1973, successive vetoes of appropriations stalled the implementation of the program until the end of fiscal year 1973.

Despite the delay, the enthusiasm of State and local aging groups and organizations for this program is evident in its successful establishment of 664 nutrition projects serving 192,859 meals daily at 4,714 sites as of June 14, 1974.

These projects, as the original legislation intended, serve both urban and rural areas urban programs constituted 451 of the nutrition projects while rural programs were operating in 213 areas.

Once again, the legislative focus on meals in community settings has been carried out. The Administration on Aging statistics show 84 percent of the meals served in community settings while 12 percent were home delivered.

The law provides that programs serve persons aged 60 and older and provide one hot nutritious meal per day at least 5 days a week. Social services were designed into the program so that the isolated elder person has the opportunity not only for a meal but for social contact and advice and counsel on his needs.

The program has succeeded in targeting the low income isolated elderly which was the priority group spelled out in the original legislation. Approximately 70 percent of the meals served are provided to individuals in this category.

At the same time, some 34 percent of the meals are provided to members of minority groups.

It is important to note that the Administration on Aging expects all projects to be operating during this month and the full 212,000 meals a day to be available to the elderly.

The new authorizations, according to the ADA, will permit approximately 320,000 meals to be served daily during the coming fiscal year, to be increased to 425,000 in fiscal year 1976 and 532,000 in fiscal year 1977.

There are two basic reasons why we felt it vital to increase the level or authorization.

The first reason is that inflation has cut deeply into the ability of millions of elderly Americans to afford a decent standard of living.

Statistics show that the elderly, who pay from 27 to 40 percent of their income on food, have been the hardest hit by the rise in food prices.

Similarly, the elderly are the least able to absorb the price rise in rent and utilities stemming from the energy crisis. In Boston, it is estimated that the elderly are faced with a 24 percent jump in the price of their rent and heat because of the increase in the price of fuel oil.

Older Americans in other cities also have had marked increases in the price they must pay for electricity and transportation. And the area where the elderly almost always are forced to cut back their expenditures is in the area of food.

On a national level, the best indication of the impact of inflation comes from the Administration on Aging itself. Initially, it estimated that the $100 million appropriations for this current fiscal year would fund 250,000 meals. As a result of inflation, they were forced to drop that figure to 212,000.

The second major reason justifiying this increase rests on the level of need for this program.

In my own State, some 4,600 meals presently are expected to be made available under Massachusetts current allotment. However, State officials project the need to be approximately 10,000 meals per day, nearly two and a half times greater.

Similar estimates have come from other States in a report on the title VII program conducted under the auspices of the Senate Special Committee on Aging by the Food Research and Action Center of New York.

Mr. President, I believe it also should be noted that the committee, in acting on this measure, has included language approved by a wide majority of the members prohibiting the delegation of authority by the Commissioner on Aging to the regional HEW directors for title III and for title VII. Such action which the Administration was seeking to carry out administratively would effectively dilute the committee's and the Congress' intent to fortify the authority of the Administration on Aging for aging matters within the executive branch.

Our actions in approving a new administrative structure within HEW to strengthen the role of the Commissioner or Aging would be nullified to a considerable degree by the proposed delegation of the Administration.

I think this is particularly critical in the nutrition program for the elderly where we specifically intend for the Commissioner to oversee the program's operation, and direction.

Therefore, I strongly endorse the prohibition of the delegation of authority by the Commissioner to the HEW regional director for the conduct on aging programs.

Mr. EAGLETON. Mr. President, I yield briefly to the Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent that during the consideration of this measure and the GI bill to be considered today, S. 2748, and the voting thereon, Jonathan Steinberg of my staff have the privilege of the floor.

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

Mr. EAGLETON. Mr. President, before yielding to the distinguished Senator from Texas, I thank the distinguished Senator from Massachusetts (Mr. KENNEDY) for his support of this measure. As he mentioned in his remarks, he had earlier introduced a bill on this subject matter with the Senator from Illinois (Mr. PERCY). We drew on some of the provisions in the Kennedy-Percy bill in drafting this measure.

The Senator from Massachusetts has contributed strongly to this worthwhile program, and I thank him for his efforts in that regard.

I yield 3 minutes to the Senator from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. President, I join in praise of the distinguished Senator from Massachusetts (Mr. KENNEDY), the distinguished Senator from Missouri (Mr. EAGLETON), and the chairman of the full committee, the Senator from New Jersey (Mr. WILLIAMS), who have long shown their interest in and worked diligently in behalf of the elderly in helping them with their nutrition programs.

I urge my colleagues' support for H.R. 11105, legislation to extend for 3 more years the nutrition program for the elderly under title VII of the Older Americans Act. Senator EAGLETON and his Subcommittee on Aging as well as the entire Labor Committee, under the able leadership of Senator WILLIAMS, should be commended for their prompt action to continue a program that has already appreciably benefited the diets of tens of thousands of our older Americans.

Earlier this year, the House approved similar legislation by a vote of 380 to 6. I am most gratified that the Senate committee has acted in response to that overwhelming vote of confidence in the program.

In late March, I introduced my own bill, S. 3195, which also provided for a 3-year extension of the program. I noted at that time the serious toll inflation has taken on the diets of lower-income Americans. The 22-percent rise in food prices during calendar year 1973 has resulted in a serious decline in per capita

consumption of meat, poultry, eggs, and total livestock-related goods, precisely those commodities most essential to maintaining a nutritious diet. The impact has, of course, been most keenly felt by low-income Americans, many of whom are elderly.

Farm prices have fallen substantially in recent months, but their decline has not been fully reflected in prices paid at the grocery store. The Labor Department reports that retail food prices in April were still 16.2 percent above those of April 1973.

In the spring of this year, I was in Watts, in California, meeting with a group of elderly people there, who told me of the benefits of this program and how much it meant to them. We were talking about problems in transportation, in getting the elderly to the procery stores so that they could buy the kind of food they wanted to supplement their diets, and that this nutritional program had helped bring it to them, and had meant a great deal to them.

The nutrition program for the elderly was, however, not initiated solely to counteract high food costs. It was formulated in response to recognition that the diets of older Americans frequently deteriorate for a variety of reasons: inadequate income, absence of skills to choose and prepare well-balanced meals, limited mobility to purchase the necessary foods, or simply an absence of incentive to eat properly because of feelings of loneliness and rejection.

Whatever the cause, malnutrition among older Americans constitutes one of our most serious social problems, one that requires the special attention that this legislation affords it.

Mr. President, this nation has demonstrated growing compassion in realizing and meeting the needs of our older citizens, and H.R. 11105 will enable expanded efforts to improve their diets. I would again urge my colleagues to support the legislation now before them.

I am most gratified that the Senate committee, through the able leadership of the Senator from Missouri, has acted in response to that growing compassion. I was glad to see the overwhelming vote of confidence this piece of legislation received in the House of Representatives. I strongly urge the support of my colleagues to achieve that kind of support on the Senate side as well.

Mr. EAGLETON. Mr. President, I thank the Senator from Texas. From the time of his becoming a member of the Senate, he has interested himself in matters relating to the aging and the elderly, and has from time to time given the benefit of his considerable advice to our Committee on Aging. We are always grateful for his participation in these matters.

Mr. President, I yield at this time to the distinguished ranking member on the minority side of the Subcommittee on Aging (Mr. BEALL). This bill, as the President well knows, is not the product of any one Senator or any political party, but is strictly bipartisan in nature. The Senator from Maryland has made a significant input to this measure, and I welcome his support on this occasion.

The ACTING PRESIDENT pro tempore. The Senator from Maryland controls half the time.

Mr. BEALL. Mr. President, I yield myself 5 minutes.

I ask unanimous consent that David Rust, Michael Gordon, and Eleanor Parker be granted the privilege of the floor during the consideration of this measure and votes thereon.

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

Mr. BEALL. Mr. President, it is my pleasure, as the ranking minority member on the Labor and Public Welfare Committee's Subcommittee on Aging to join with our distinguished chairman (Mr. EAGLETON) in urging the Senate to give favorable consideration to H.R. 11105, legislation to extend and expand the nutrition program for the elderly. This bill was reported by the Subcommittee on Aging on May 30 and by the full Labor and Public Welfare Committee on June 5, 1974.

I should like to congratulate the Senator from Missouri (Mr. EAGLETON) for his diligence and good work in bringing this legislation to the floor. Certainly no one can find fault with the objectives of this legislation. It has proved itself successful in its brief existence and deserves to be continued.

In March of 1972, Congress passed and the President signed into law legislation establishing a 2-year program of nutritional services for our Nation's senior citizens. This legislation was subsequently made a part of the older Americans comprehensive services amendments of 1973 which was signed into law by President Nixon on May 3, 1974. The various titles of the Older Americans Act have a 3-year lifetime with the exception of title VII which was limited to 2 years. Thus the authorization for the nutrition program for senior citizens expires at the end of this fiscal year June 30, 1974, while the remainder of the act expires next year.

The implementation of the nutrition program was further delayed by the failure of Congress to enact an acceptable Labor-HEW Appropriation Act for fiscal year 1973. Even though authorization legislation had been approved, the nutrition program was unable to begin until funds were duly appropriated.

This being the case, most of the money for the nutrition programs across the Nation was not obligated until the fourth quarter of 1973. Preliminary data would indicate that the program is off to a good start but it is probably too soon to tell whether or not the existing legislation is totally adequate to meet the needs intended by Congress. The initial successes of this program are due in large part to the careful planning of former Commissioner on Aging, John B. Martin, and the skillful administration of his successor, Dr. Arthur S. Flemming. Accordingly, on March 4, I introduced S. 3100 which would have extended title VII for 1 additional year, thus making it conform with the rest of Public Law 93–29. S. 3100 was subsequently cosponsored by Senators DOMENICI, TAFT, YOUNG, DOLE, HUGH SCOTT, MCCLURE, TOWER, MATHIAS, HANSEN, ROTH, and COOK.

On April 26, with the consent of the distinguished chairman of the subcommittee, it was my pleasure to chair subcommittee hearings in Baltimore, Md. I was especially pleased that we were able to hold these hearings in the Waxter Center which is a comprehensive senior citizen center in downtown Baltimore. The Waxter Center represents a decade of effort on the part of the people of Baltimore, and it stands today as a monument to their vision and foresight. The purpose of the Baltimore hearings was to gain for the subcommittee a perspective on how this program is operating at the State and local level. Our opening witness was Ms. Ramona Higgins the region three program coordinator for the title VII nutrition programs. After ascertaining how the title VII programs are handled on the regional level, the subcommittee turned its attention to the State and local officials who are responsible for implementing the program. In addition, a panel of consumers gave us insight into how this program is viewed by its beneficiaries.

I believe that there is a very positive benefit to holding hearings outside of Washington where we could gain an entirely new frame of reference on the workings of this program. In addition, I think it was exceedingly healthy for the subcommittee to "go to the senior citizens" by holding these hearings in a senior citizen center.

After the completion of the subcommittee hearings in Baltimore and Washington, the members reached a consensus that a 3-year Federal commitment was needed to guarantee the success of this program. It was pointed out to us that many State and local officials are reluctant to make long range commitments to a program whose future was left somewhat unclear by the Congress. As the sponsor of S. 3100, I believe that the rationale for a 1-year extension was valid for the following reasons: First of all, a 1-year extension would have made title VII conform with the rest of the Older Americans Act. Thus congressional oversight in 1975 could have been directed at the total HEW aging program rather than just some parts of it. Second, it might have been more prudent for us to extend title VII for 1 additional year because the success and effectiveness of the nutrition projects would be much clearer to us after the second full-year of operation. Thus, from the point of view of congressional responsibility and oversight, we would have been in a somewhat better position to effectively legislate the future direction of this vital program.

The arguments for the longer extension certainly appeared to have been more compelling, however, and the Congress can of course review this program next year when the total older Americans program is reviewed.

H.R. 11105 constitutes a 3-year Federal commitment with increased authorization, $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977. Parenthetically, I might say that I have no doubt that we will need this additional authorization of funds because of the rising cost of food and the increase in the other costs that are needed to meet the desired goals of this program. In addition, H.R. 11105 addresses itself to another pressing problem confronting senior citizens.

The importance of transportation to senior citizens was stressed by the delegates to the 1971 White House Conference on Aging. Throughout our hearings, it became clear to all of the members of the subcommittee that the lack of transportation services was making it difficult for many needy senior citizens to participate in the nutrition program. This legislation authorizes a $35 million transportation program within title III of the Older Americans Act. Special emphasis will be placed on "providing supportive transportation in connection with nutrition projects operated pursuant to title VII." I believe that this approach is a sound one and I would hope that funds can be made available for it early in fiscal year 1975. This would give us an opportunity to observe how effective this program is prior to the congressional oversight which will begin early next year with regard to the remaining programs authorized by the Older Americans Act.

Again, let me say parenthetically, that the nutrition program is proving to be the core of what is a total social experience for our senior citizens. As we provide transportation for them to go to the nutrition program sites, we are also providing them with an opportunity to communicate and interact with people in similar circumstances. This provides the elderly with a truly social experience, which will lead to further involvement in the lives of their fellow senior citizens. In addition, participation in this program will give them a chance to become involved in the lives of their fellow citizens and to play an active role in community life.

Mr. President, in a few minutes I will offer the first of two amendments to this bill. Even though I do have one reservation about section 2 of H.R. 11105 I can assure my colleagues that the basic thrust of this legislation has my full support and I would hope that H.R. 11105 will receive prompt congressional approval and be signed into law by the President prior to the expiration of title VII on June 30, 1974.

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

Mr. EAGLETON. Mr. President, I thank the distinguished Senator from Maryland for his excellent and pertinent remarks. I would suggest that we can dispose of the committee amendment first and then get to the other amendments.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. BEALL. Mr. President, I have an unprinted amendment at the desk which I call up and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

SEC. Section 707 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsections:

"(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programed level of assistance of not less than ten cents per meal: *Provided*, That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. The Secretary of Agriculture, in consultation with the Commissioner is authorized to prescribe the terms and conditions respecting the use of commodities donated pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities.".

"(e) The Secretary of Agriculture in consultation with the Commission shall, within 90 days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title."

Mr. BEALL. Mr. President, during the subcommittee hearings in Baltimore it became obvious that virtually no commodities were being made available for use of the title VII programs. In Maryland, for a $1.5 million nutrition program, less than $200 dollars worth of donated commodities were made available during the first 6 months of operation.

My amendment would add two new subsections to section 707 of the Older Americans Act of 1965, as amended. This provision would achieve two basic objectives. First, it would establish a specific level of assistance for programs authorized under title VII. In this case, commodities equal to 10 cents per meal will be provided. This amount will be adjusted to reflect changes in the consumer price index on food. This language parallels that of the existing school lunch program. Second, difficulties have been encountered with USDA regulations and my amendment would specify that the Secretary of Agriculture, in cooperation with the commission on aging, shall issue regulations governing the donations of such commodities within 90 days following the enactment of this subsection. The third aspect of this amendment would require the Secretary in cooperation with the Commissioner on Aging, to issue regulations clarifying the use of food stamps in the title VII programs as previously provided by law. These matters have been unresolved for over a year and they are creating confusion in the administration of these programs.

These three steps should go along way to resolving the existing difficulties in the availability of commodities and the use of food stamps in this vital program.

This amendment results from a sense of frustration on the part of many of us who serve on the Committee on Aging with the lack of cooperation from the USDA. I believe that this amendment will go a long way to resolving these problems, clarify congressional intent, and make additional meals available to our Nation's senior citizens.

Mr. President, I urge the Senate to approve this amendment.

Mr. EAGLETON. Mr. President, this is an excellent amendment. It fills a gap that exists in the program. I think so far as this nutrition program for the elderly is concerned, it should be on a parity with the school lunch program. Therefore, I will accept and support the amendment of the Senator from Maryland.

I ask the Senator from Maryland if he will be willing to make one slight modification in his amendment, on the fourth line from the bottom, striking the word "use" and substituting the word "donating."

The PRESIDING OFFICER. Does the Senator from Maryland accept the modification?

Mr. BEALL. I am sorry, I did not hear the Senator.

Mr. EAGLETON. I inquired whether the Senator from Maryland would be willing to modify his amendment on the fourth line from the bottom, striking the word "use" and substituting in lieu thereof the word "donating."

Mr. BEALL. I have no objection. I ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. It will be so modified.

Do Senators yield back their time on this amendment?

Mr. EAGLETON. Mr. President, I find I have one other modest modification to suggest.

On the same line, the word "donated" should be stricken.

Mr. BEALL. I ask unanimous consent that the amendment be modified.

The PRESIDING OFFICER. The amendment is so modified.

The modification will be sent to the desk, so that we will be certain that we have the appropriate corrections in the text.

The modified amendment reads as follows:

SEC.—. Section 707 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsections:

"(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programmed level of assistance of not less than ten cents per meal: *Provided*. That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates.

The Secretary of Agriculture, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities."

"(e) The Secretary of Agriculture in consultation with the Commissioner shall, within 90 days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title."

The ACTING PRESIDENT pro tempore. Do Senators now yield back their time?

Mr. BEALL. I yield back the remainder of my time, Mr. President.

Mr. EAGLETON. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

AMENDMENT NO. 1474

Mr. BEALL. Mr. President, I call up my amendment No. 1474.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 2, beginning with line 1, strike all through line 10.

Redesignate "SEC. 3." as "SEC. 2." and "SEC. 4." as "SEC. 3.".

Mr. BEALL. I yield myself such time as I may consume.

The ACTING PRESIDENT pro tempore. Will the Senator suspend for a moment? I think we have a problem. The committee amendment was agreed to, and this is a modification of the committee amendment. Therefore, it is not in order, except by unanimous consent.

Mr. BEALL. Mr. President, I ask unanimous consent that the amendment be in order at this time.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

The Senator may proceed.

Mr. BEALL. Mr. President, this amendment would delete section 2 thus preserving existing law. Section 2 would prohibit the Commissioner on Aging from delegating any of his functions to the HEW regional directors. The background for this provision has its roots in the early history of the Older Americans Act. Shortly after the Administration on Aging was established in the mid-1960's, it was placed in Social and Rehabilitation Services at the Department of Health, Education, and Welfare. This produced a number of problems. First of all the Commissioner on Aging, who is appointed by the President and confirmed by the Senate, answered to the Administrator of SRS who is appointed by the Secretary without congressional confirmation. Second, a number of functions of the Administration on Aging were delegated to SRS and thus effectively removed from the control of the Commissioner on Aging. Congress remedied this situation in 1973 by legislatively removing AOA from SRS and placing it within the Office of the Secretary. Public Law 93–29 went on to state that—

The Secretary shall not approve any delegation of the functions of the Commissioner to any other officer not directly responsible to the Commissioner unless the Secretary shall first submit a plan for such delegation to Congress. Such delegation is effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the plan for such delegation is transmitted to it: Provided, however, that within 30 days of such transmittal, the Secretary shall consult with the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives respecting such proposed delegation.

On October 31, 1973, Secretary Weinberger submitted a delegation proposal similar to the one we are considering today. The adjournment of the first session of the 93d Congress occurred during the 60-day notification period and the delegation request was withdrawn. On March 26, 1974, Secretary Weinberger, in a letter to the President of the Senate and to the Speaker of the House of Representatives, proposed once again that certain functions of the Commissioner on Aging be delegated to the HEW Regional Directors. Mr. President, I ask unanmious consent that the text of this letter be printed in the RECORD at this point in my statement.

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

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 26, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with section 201 of the Older Americans Act of 1965, I am submitting to the Congress the following plan for delegation, with my concurrence, of certain authorities to act by the Commissioner on Aging to officers of the Department of Health, Education, and Welfare not directly responsible to him. These authorities will be exercised pursuant to policies, regulations, and guidelines promulgated by the Commissioner and subject to post-audit by him. This plan will not be implemented until the period of time required by the statute has elapsed.

The Commissioner will delegate to the Regional Directors authority to act in connection with the administration in the regions of programs under Title III (Grants for State and Community Programs on Aging), and Title VII (Nutrition Program for the Elderly) of the Act.

The Commissioner on Aging will retain responsibility for and authority over the delegated programs. He will be able to revoke his delegation whenever he decides to do so. He will have the responsibility of considering appeals from actions taken by Regional Directors. As indicated, policies, regulations and guidelines will be issued by the Commissioner, and will govern the manner in which Regional Directors will operate under the delegations of authority to act.

This delegation is designed to strengthen the position of the program for the elderly in the Regional Offices of the Department. Both the Commissioner, Arthur S. Flemming, and I would like to see the Regional Directors play a leading role in working with the States in the field of aging. The strength and authority of the Regional Directors can best be brought to bear in the interests of the elderly of the country if the Regional Directors have specific authorities to act under the newly expanded programs of assistance to States and localities under the Older Americans Act. Further, specific authorities to act in the area of aging will permit them to coordinate the aging program with other Department programs which serve the elderly and other vulnerable groups in our society.

Under this plan the Regional Directors will have authority to redelegate their authority to act to the Assistant Regional Director for Human Development and the Regional Program Director for Aging. The Regional Directors, however, will be held accountable for the manner in which these authorities are exercised.

On October 31, 1973, we submitted a letter to Senator James Eastland, Acting President Pro Tempore, dealing with the subject matter of this letter. We believe that the 60-day period provided for in the law for consideration by the Congress of such a submission began anew on January 21, 1974, when the second session of the 93rd Congress convened. We have no objection, however, in this case to restating our views in this letter and to having a further 60-day period begin to run with the receipt of this letter. In that regard, this letter will confirm recent consultations held with the Select Subcommittee on Education of the House of Representatives Committee on Education and Labor.

Sincerely,

———— ————,
Secretary.

Mr. BEALL. Mr. President, during the subcommittee's hearings on May 23, 1974, the Honorable Stanley Thomas, Assistant Secretary for Human Development, and Commissioner Flemming of the Administration on Aging, testified before the Subcommittee on Aging relative to this delegation proposal. Shortly after the hearing I wrote to Dr. Flemming requesting a clarification of this proposed delegation of authority. Mr. President, I ask unanimous consent that Commissioner Flemming's reply dated June 4, 1974, be printed in the RECORD at this point in my remarks.

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

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
ADMINISTRATION ON AGING,
Washington, D.C., June 4, 1974.

Hon. J. GLENN BEALL, JR.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: I am happy to share with you my views on the proposal to delegate authority to act for Titles III and VII of the Older Americans Act to the Regional Directors, as you requested in your recent letter.

After my confirmation by the Senate last June as Commissioner on Aging, one of the first issues I confronted was the proper relationship between the Administration on Aging and the Regional Offices of the Department of Health, Education, and Welfare. I reviewed the past history of the Agency, during which authority had been delegated to the Social and Rehabilitation Service Regional Commissioners, and concluded that one of the best ways to further one of the major objectives of the amendments to the Older Americans Act; namely, to better coordinate services and programs for older persons; would be to delegate certain authorities to act to Regional Directors within policy guidelines established by the Commissioner and subject to post audit by the Commissioner.

Based on my previous experience in the Department, it became clear to me that the Regional Director, as the Secretary's personal representative in each Region, was the only person who possessed the influence and authority to really affect coordination between HEW programs. Moreover, as HEW's top person in the Region, the Regional Director has the status to deal more effectively than any other Regional official with other Federal Departments and Agencies in the Region, and with the Governors and State governments. It seemed to me that if the Regional Directors were held accountable for the conduct

of the aging programs in the regions it would elevate the status of aging programs in the regions and would strengthen in a significant manner the operations of the Regional Program Directors for Aging and their staffs.

Therefore, in August, I initiated discussions with persons in the Department about the possibility of my delegating authority to act for Titles III and VII to the Regional Directors. As you know, the result of these discussions was the submission by the Secretary on October 31, 1973 of a proposal to delegate authority to act for Titles III and VII to the Regional Directors.

I might add that as I became reacquainted with the Department and its personnel, I became increasingly impressed with the quality of the Regional Directors, and with their interest and involvement in the field of aging. They have been very helpful to me in a number of instances during the past year, and it is my belief that if I am allowed to delegate authority to act to them, they will provide us with effective leadership.

As I stated in my testimony before your Subcommittee recently, however, I do not plan to delegate any of my responsibilities for the conduct of Titles III and VII. It is my firm conviction that when an official in the executive branch delegates authority to act—pursuant to policies, regulations, and guidelines issued by that person, and subject to post audit and revocation—he does not and cannot divest himself of responsibility which has been given him under the law. This philosophy is incorporated in the Secretary's March 26 letter to the Congress proposing delegations of authority to act for Titles III and VII to the Regional Directors.

If I am permitted to make these delegations it would be possible to review the whole matter when the next Congress considers the extension of the Older Americans Act, as amended. At that time I could provide the Congress with testimony based on experience.

Very sincerely and cordially yours,

/s/ ARTHUR S. FLEMMING,
Commissioner on Aging.

Mr. BEALL. Mr. President, I believe that Dr. Flemming is an able and outstanding public servant who has been fully responsive to and cooperative with Congress. As a former Secretary of Health, Education, and Welfare, he is in a good position to perceive both the administrative problems and the administrative opportunities of this program from more than one vantage point. I further believe that Dr. Flemming has sincerely proposed an administrative arrangement which he believes will best serve the interest of our Nation's 20 million senior citizens. This proposed delegation is in complete compliance with title II, section 201 of the Older Americans Act of 1965, which was enacted only 1 year ago. It is worth noting that the 60-day notification period expired on Monday, June 10, and the delegation could have been implemented at that time. It is to Dr. Flemming's credit that he has once again delayed the implementation of this delegation until the congressional deliberations on H.R. 11105 are complete.

I would like to make several additional points as to why I believe Commissioner Flemming's approach to administering the older Americans program should be given a chance to operate before the Congress intervenes:

First. The delegated authority "will be exercised pursuant to policies, regulations, and guidelines, promulgated by the Commissioner and subject to post-audit by him."

Second. The Commissioner retains responsibility for the title III and VII programs.

Third. The Commissioner may revoke the delegation "whenever he decided to do so."

Fourth. The Commissioner is responsible for resolving appeals from decisions made by the regional directors.

Fifth. The regional directors, not the regional program directors for aging, sit on the regional Federal council, which coordinates various Federal programs on the regional level, and deal directly with Governors and other high State officials.

Sixth. The Regional Director can coordinate HEW programs for the elderly with the other office on human development programs for the disadvantaged, and he is the only person at the regional level who can do this.

Seventh. The Older Americans Act of 1965 comes before Congress next year for extension. We were perfectly willing to do battle with the administration over the issue of placing AOA within social and rehabilitation services as well as the establishment of the National Institute on Aging. I would be equally willing to overturn this delegation next year if it does not work.

Dr. Flemming, whose first interest is seeing these programs work, has recommended this delegation, and I think we should provide him with an opportunity to see if it does in fact work.

Eighth. This delegation is unique in the ongoing efforts to decentralize the programs of the Department of Health, Education, and Welfare. Since there is no precedent for a delegation of this nature, the Congress is seeking to prejudge the success or failure of his administrative technique. If the proposed delegation does not improve the effectiveness and quality of the social and nutritional services we deliver to our Nation's senior citizens then it would be appropriate for us to overturn the procedure. As I said a moment ago, we ought to give it a chance to work first, or give it a chance to fail, if that is going to be the case.

Mr. President, the choice is clear, we can enact a noncontroversial extension of the title VII programs thus insuring prompt congressional action and Presidential approval prior to the June 20 expiration of the existing program authority. Or we can "tie the hands" of Dr. Flemming, thus making it more difficult for the Administration on Aging to achieve the objectives mandated in the Older Americans Comprehensive Services Amendments of 1973.

Mr. President, I hope the Senate will look with favor on this amendment, and I reserve the balance of my time on the amendment.

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

Mr. EAGLETON. Mr. President, I oppose the proposed amendment now pending before the Senate.

Section 201(a) of the Older Americans Act assigns responsibility for carrying out the act to the Administration on Aging, which is headed by the Commissioner on Aging. The Secretary of the Department of Health, Education, and Welfare is authorized to permit the delegation of the Commissioner's functions to officials not directly responsible to the Commissioner so long as the Secretary submits a plan for such delegation to Congress. The delegation becomes effective following 60 days of continuous session after submission of the plan to Congress. The committee amendment to H.R. 11105 repeals the Secretary's authority with respect to such delegation and has the effect of requiring that the functions of the Commissioner be carried out only by him or by officials directly responsible to him.

For some time the Secretary has been seeking to implement a plan for delegating certain responsibilities for aging programs from the Commissioner on Aging—and to whom they are assigned by law—to the HEW Regional Directors in the 10 Federal regions. A plan for such a delegation was submitted to Congress on November 5, 1973, but was subsequently revoked by the Secretary, apparently because Congress adjourned prior to expiration of the statutorily required 60-day notice period. Thereafter, on March 26, 1974, another plan for delegation from the Commissioner to the Regional Directors was submitted to Congress by the Secretary. If this delegation should be in effect when this bill is enacted, the committee amendment would require the Commissioner to modify the delegation so that none of his functions are delegated except to officers directly responsible to him.

The advantages purportedly accruing from the proposed delegation, as perceived by the Secretary, are stated in his letter to Congress setting forth the delegation plan, as follows:

This delegation is designed to strengthen the position of the program for the elderly in the Regional Offices of the Department. Both the Commissioner, Arthur S. Flemming, and I would like to see the Regional Directors play a leading role in working with the States in the field of aging. The strength and authority of the Regional Directors can best be brought to bear in the interest of the elderly of the country if the Regional Directors have specific authorities to act under the newly expanded programs of assistance to States and localities under the Older Americans Act. Further, specific authorities to act in the area of aging will permit them to coordinate the aging program with other Department programs which serve the elderly and other vulnerable groups in our society.

Even if it were conceded, for purposes of discussion, that the proposed delegation will benefit the Older Americans Act programs as stated by Secretary Weinberger, I am convinced that the disadvantages far outweigh any such gains.

The realinement of the Administration on Aging within HEW that was accomplished by the Older Americans Comprehensive Services Amendments of 1973 was designed to deal with the problem described by an advisory body to the Senate Special Committee on Aging, as follows:

The AOA falls far short of being the Federal "focal point in aging" sought by Congress. Instead, its concerns are splintered and

scattered; there are limited, if any, policies and few clear-cut goals. Recent reorganizations have not strengthened Federal programs and commitment in aging in any way. Rather, they have fragmented an already flawed and feeble agency still further. This situation has created chaos as well as a lack of direction in Federal and State programs.

By affirming the status of the Commissioner as the official responsible for carrying out programs authorized by the act, and by seeking to enhance the status of the Administration on Aging with HEW, the Congress intended to remedy the fragmentation and lack of centralized purpose that was the case prior to 1973. It was expected that out of this would emerge a national policy for coordinating the delivery of services to the elderly, with responsibility for implementation of this policy to be clearly lodged in an official answerable to Congress.

The proposed delegation to HEW Regional Directors runs directly contrary to these goals of the 1973 legislation. It would again fragment responsibility. Rather than one national policy, we would surely find 10 regional policies. And instead of one official clearly answerable to Congress for administration of programs under the act, there will be a host of officials making decisions who are ultimately not directly responsible to the Commissioner, regardless of all the guidelines and policies he may attempt to impose on them.

This is not to say that the program can only be operated out of Washington. The committee amendment does not affect the Commissioner's authority to delegate the performance of some of his functions to officers in the regions who are, in fact, directly responsible to him, with their actions subject to his review. I want to stress that the official to whom the Commissioner chooses to delegate a portion of his duties must actually be directly responsible to him; any effort to designate some official other than one who is a part of the Administration on Aging, or who is the Commissioner's counterpart on the regional level, would clearly be a subterfuge, not to be countenanced under the committee amendment.

Mr. President, I would like to say at this point that there was a very interesting exchange of testimony earlier this year—I believe it was on February 13, 1974—in the House committee that has jurisdiction over this matter, between Dr. Flemming, the Commissioner on Aging, and Representative QUIE, who is the ranking Republican member of that committee on the House side.

This is the questioning from an exchange, as I say, between Mr. QUIE and Dr. Flemming:

But now you have the total voice in who is going to be your project officer out there.

Mr. FLEMMING. That is right.

Mr. QUIE. If there is delegation and redelegation, it seems to me you lose that. That is significant to me, that you don't hire the person out there.

Mr. QUIE finally concludes:

You can tell that both the Chairman and I—

The chairman being Congressman BRADEMAS of Indiana—

have some very grave reservations about the way decentralization is being planned here. It will be necessary for us to make a decision before those 60 days are up as well.

So the ranking Republican House Member with jurisdiction over this legislation has grave misgivings about the proposal as embodied in the Beall amendment.

Finally, let me point out, referring once again to the same House document entitled "Oversight Hearings on Older Americans," that if we examine the biographical sketches that are contained in the appendix of the RECORD, we find that of the 10 HEW Regional Directors to whom under the Beall amendment basic authority under this program would be delegated, only 1 of the 10 has any experience whatsoever in matters relating to aging; whereas, in this same appendix, if we examine the background and credentials of the various regional Program Directors on Aging in the 10 regions around the country, each one of the 10 of those Directors on Aging in the regional areas has considerable experience on matters relating to aging.

So, really, what this debate all boils down to, Mr. President, is: Do we wish to delegate in the 10 regions to the Regional Directors only one of whom has any experience with respect to aging and have the basic decision made in process effectuated by those gentlemen, or alternatively do we wish to do what the committee has recommended by a vote of, I believe, 12 to 4, that the basic delegation by Dr. Flemming be to those people in the field who have expertise in and knowledge of, and concern for matters directly pertaining to aging, and people to whom Dr. Flemming can turn with direct accountability and on whom he can call for advice and counsel and responsiveness to his directives as the Commissioner on Aging.

Therefore, Mr. President, I hope that the Senate will reject the amendment offered by the distinguished Senator from Maryland (Mr. BEALL).

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

Mr. BEALL. Mr. President, I yield myself such time as I may use.

I think it is important to put this issue in proper perspective. First of all, this amendment in no way addresses itself to the subject of the bill—that is, the providing of services to the elderly.

There is no argument as to the necessity of providing this service or of the desirability of seeing it be extended for 3 years or of increasing the authorization.

It is a good program. It deserves to be continued and expanded.

The argument now is over how we can best administer this program. How we can get the benefits into the hands of the intended beneficiaries as efficiently and as inexpensively as possible so that the money is spent for food rather than being used to create additional bureaucracies. We need an administrative structure that will bring these benefits through the various levels of government down to the grass roots where the people reside.

Second, we are not talking about delegating authority for making policy. The policymaking decisions and authority for establishing regulations will always remain with the Commissioner here in Washington. What we are talking about is the flexibility that the Commissioner should have in delegating the administrative responsibility to people at the regional level who are constantly in contact with the Governors of the various States and the mayors of the various cities where these programs are placed. Local officials go to the Regional Directors to get answers to their problems, and not to Washington. All I am suggesting is that, if they have to go to the regional level to get answers to their questions, let us make certain that the Regional Directors are in a position to provide them with the answers regarding the administration of these programs.

I think it may be of interest to read from the testimony received by the subcommittee on May 23 from Dr. Arthur S. Flemming, who is the Commissioner on Aging. Commissioner Flemming has had a great deal of experience in administrative matters, having been Secretary of Health, Education, and Welfare, and he is of course, the Nation's No. 1 official in the executive branch concerned with making the nutrition program work.

Dr. Flemming, in answer to a question pertaining to the delegation, said the following:

I think at this point the last letter from the Secretary to the President of the Senate and the Speaker of the House is important.

He says:

"I am submitting to the Congress the following plan for delegation with my concurrence of certain authorities to act by the Commissioner on Aging to the officers of the Department of Health, Education, and Welfare not directly responsible to him, namely the Regional Directors. These authorities will be exercised pursuant to policy regulations and guidelines promulgated by the Commissioner and subject to post-audit by him. The Commissioner will delegate to the Regional Directors authority to act in connection with the Administration in the regions of programs under Title III and Title VII. The Commissioner on Aging will retain responsibility and authority over the Title III and Title VII program. He will be able to revoke his delegation of authority to act whenever he decides to do so. He will have the responsibility of considering appeals from actions taken by Regional Directors, as indicated policy regulations and guidelines will be issued by the Commissioner and will govern the matter in which Regional Directors will operate under the delegation of authority to act."

Then it goes on to say that this delegation is designed to strengthen the position of the program for the elderly in the Regional Offices.

Both the Commissioner and I would like to see the Regional Directors play a leading role in working with the states in the field of aging.

The strengths and authority of the Regional Directors can best be brought to bear in the interest of the elderly of the country if the Regional Directors have specific authorities to act under the newly expanded programs of assistance to state and localities under the Older Americans Act.

It says, further, specific authorities to act in the area of aging will permit them to coordinate the aging program with other departmental programs which serve the elderly and other vulnerable groups in our society.

Now, I recognize that when the Congress

places responsibility with a particular official in the Executive Branch in this connection, or in this instance, the Commissioner on Aging, that no one can divest the Commissioner on Aging of this responsibility.

If things go right, okay, he is responsible. If they go wrong, he is responsible.

But I have always felt that a public official who is being held responsible does have the right to delegate authority to act within guidelines and subject to post-audit.

Now, in this particular instance, the Congress said that the Commissioner on Aging should not delegate authority to act to anyone who was not directly responsible to him. And the Congress said that if there is a desire to do that, then a communication should be addressed to the Congress indicating that this is the desire, and no action should be taken until the communication has been before the Congress for a period of 60 days.

In this instance, it is my judgment that if the Congress decides not to object to a delegation of authority to act on my part to the Regional Director, it will be in the best interest of the older person.

It will make a real contribution to the achievement of the objectives that the Congress has set forth in the Older Americans Act.

Now, I appreciate the fact that reasonable people can differ on an organizational issue of this kind. But I would really like to be in the position where I, in effect, have the Regional Directors of HEW on our team in the field of aging, where I can delegate authority to act to them, and where I can hold them responsible for the way in which they delegate their authority to act.

I think if I am in that position, then I am in the best position in terms of discharging the responsibilities which have been assigned the Commissioner on Aging by the Congress, and which I know I cannot divest myself of in any way, and certainly I do not want to do this.

But it is a judgment on my part that, having those Regional Directors exercise some authority to act, delegated to them by me, that this would strengthen our program in the field of aging.

So says Dr. Flemming.

The ACTING PRESIDENT pro tempore. Does the Senator from Missouri wish to be recognized?

Mr. EAGLETON. Mr. President, I have a few remarks. Then I shall be glad to yield back the remainder of my time.

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

Mr. EAGLETON. Mr. President, I observe the presence of the distinguished senior Senator from Maryland. I understand that he wishes to address himself to the instant subject.

Mr. MATHIAS. Mr. President, I have an amendment to the amendment.

Mr. BEALL. I would be happy to see the amendment to the amendment which is being proposed by my distinguished colleague from Maryland.

I yield to my colleague from Maryland.

Mr. MATHIAS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. CRANSTON). The amendment is not in order until time on the pending amendment has expired or has been yielded back.

Mr. BEALL. Mr. President, I am perfectly willing to yield back my time on the pending amendment, with the understanding that I am going to ask for a rollcall vote on it. There may have to be some delay, however, in order to get a sufficient number of Senators here so that I may get a sufficient second.

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. BEALL. 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. BEALL. Mr. President, I ask unanimous consent that the pending amendment be laid aside, temporarily, in order to have a discussion on the amendment to be offered, and that it be in order for my colleague from Maryland to offer his amendment at this time.

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

The clerk will read the amendment offered by the senior Senator from Maryland (Mr. MATHIAS).

The legislative clerk read the amendment, as follows:

Insert the following:

Renumber "SEC. 3" on page 2, line 11, to read "SEC. 4" and insert after line 10 the following new section:

"SEC. 3. Notwithstanding the provisions of this or any other Act, the Secretary shall not delegate to any employee in any regional office any function which shall cause the transfer or relocation of employees assigned to the various functions of the Department of Health, Education, and Welfare in the Washington metropolitan area to any regional office without the prior consent of the Congress."

The PRESIDING OFFICER. The senior Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, this amendment is very simple. It is designed to prevent what could be viewed as the future disruption of one of the most important agencies of Government—the Department of Health, Education, and Welfare.

In recent months, many HEW employees have been in touch with my office concerning plans within HEW designed to decentralize and regionalize the various functions of that Department. I am sure I do not have to describe to the Senate the effect that the discussion of these plans has had on the morale and spirit of the employees at HEW.

It is too bad that hundreds of executive branch workers, because of their concern for their job security, have to come to Congress to find out whether or not they have jobs or whether they will have to give up their homes in the location where the jobs now exist or whether they will have to accept downgrading within their present assignments because plans that have been drawn up were without coordination within the departments or with Congress.

I am concerned that the pending amendment, the amendment which my distinguished colleague from Maryland (Mr. BEALL) has offered—and I know this would certainly not be his intention, but I want to be perfectly clear as to his intention, and I think it useful to determine it now, on the floor of the Senate so that there can be no doubt about it—would not be in any way interpreted as a paving of the way for such transfers of HEW employees from their jobs in the centralized National Capital area to various locations all over the country.

Because of my concern about the harmful effects of decentralization and regionalization—there are salutary effects, too, but there are also some harmful effects—last December I offered language in the supplemental appropriations conference report to block such action until the appropriate committees of Congress had had an opportunity to review carefully the decentralization and regionalization proposal.

I ask unanimous consent that that language be printed at this point in the RECORD.

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

It has come to the conferees' attention that the Department of Health, Education, and Welfare is planning to further decentralize and regionalize vital drug, alcohol and mental health programs administered by the recently organized Alcohol, Drug Abuse and Mental Health Administration. Because of the possibility that further decentralization of program decisions to the ten regional offices involves implementation of a plan for de facto revenue sharing of questionable legality which could retard development of consistent policies and frustrate current efforts to develop a more coherent administration of drug, alcohol, mental health and other health programs, the conferees expect the Secretary to defer any final decision on this matter until the appropriate committees of Congress have had an opportunity to carefully review the decentralization and regionalization proposals.

Mr. MATHIAS. What I think would be useful, if my distinguished colleague from Maryland would do so, would be to describe for the Senate whether his amendment, which the Senate will act on following action on this amendment, will have any impact upon the transfer, relocation of Washington area based HEW employees to the 10 regional offices around the country.

Mr. BEALL. In response to my colleague from Maryland (Mr. MATHIAS), we have a shared responsibility to protect the well-being of our constituents who work for the Federal Government in the Washington area. I share his concern that we not cause any economic dislocation for those people who are now performing valuable services in the Federal civil service.

I can assure my colleague that this amendment will not cause anybody to be transferred anywhere, for several reasons. First of all, we are merely delegating authority to administer a program. We are not legislating a redistribution of manpower around the country; and, more practically, the nutrition program is in its embryonic stage. It is a program which has just been started, so it is going to grow. Rather than cause people to be unemployed in the Washington area, the implementation of this program—either under the bill as written or under the bill as amended by my amendment—will lead to the hiring of additional personnel. I am sure that this program should and will continue to grow in size because it

provides great benefits to a large number of deserving people.

My only concern is that as the program grows, the attendant benefits will get to the desired beneficiaries in the most efficient and expeditious manner possible. Dr. Arthur Flemming, thinks that his delegation proposal is the best way to see that these benefits get out to all the people of the State of Maryland and the other States of the Nation.

Fortunately, as I said initially, this is a new and growing program and regionalization could, in no way, result in a loss of employment in the Washington area.

Mr. MATHIAS. I was confident that that would be the Senator's interpretation and his response. But I think it is important that we make it a matter of record so that the Senate will understand and so that those who are making future plans and policies for HEW will understand that this amendment is not to be taken as a warrant, because the Senator has been tireless in his own efforts to look after the interests of constituents who may be affected by some arbitrary plan. I think it is useful, and I fully support this amendment. I think it is an amendment that is very much needed. With the clear explanation that he has given and with, I know, his own commitment, which is a matter of record, many times of vigorously opposing any arbitrary moves, in effect, to abolish the local area jobs, I would think, Mr. President, that it is unnecessary to pursue this amendment further. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

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

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Maryland.

Mr. EAGLETON. Mr. President, will the Senator withhold that request?

Mr. BEALL. I withhold my request.

Mr. EAGLETON. I have a few concluding remarks, after which I will seek the yeas and nays not only on the Beall amendment but on the final passage of the bill on a back-to-back basis.

I may say that we have no intention of imposing decentralization. I think decentralization has some value. The only question is, Who is to make the decision? Is it to be made by the regional director, who has a multitude of duties and a multitude of responsibilities, and, perhaps, little background in matters relating to aging? Or should it be made by the man in the field who is the most cognizant and aware of the problems of aging? We think the latter. That was the thrust and purport of the Senate committee amendment, and that is why I continue my opposition to the amendment as proposed by the Senator from Maryland (Mr. BEALL).

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

The PRESIDING OFFICER. In whose time?

Mr. EAGLETON. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. BEALL. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, and I hope that this meets with the approval of the Senate, that the second vote be limited to 10 minutes, because the two votes will be back to back.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

TRANSPORTATION FOR THE ELDERLY

Mr. McGOVERN. Mr. President, I would like to commend the members of the Labor and Public Welfare Committee for their long-standing dedication and commitment to the programs for the elderly.

As chairman of the Senate Nutrition Committee, I have been particularly pleased in following the growth of the nutrition program for the elderly. Not only is this program of extreme importance to the nutritional well-being of our senior citizens, but it provides valuable social and psychological services as well.

In rural States, like my State of South Dakota, these services can be the difference between years of loneliness or years of companionship and enjoyment.

A vital and indispensable component of any program aimed at serving the elderly in rural America, Mr. President, is transportation. Indeed, without this supportive service, I cannot see how any program for the elderly could work effectively.

On March 18, the Nutrition Committee held a field hearing in Mitchell, S. Dak., to investigate the nutrition problems of the elderly. Testifying were representatives of the State office on aging, the South Dakota Advisory Council on Aging, and the title VII nutrition project directors. They were unanimous in their call for supportive transportation for the title VII program.

The most succinct summary was made by Eunice Anderson, a member of the South Dakota Advisory Council on Aging. She stated:

> However, one of the most important supportive services for South Dakota is transportation—not only in a nutrition program, but in other programs as well. It's our greatest handicap in South Dakota toward a really successful nutrition program for a great many people.

As a result of the testimony received at that hearing I introduced with Senators BURDICK, CASE, CLARK, DOLE, HUGHES, SCHWEIKER, and YOUNG, an amendment requesting $35 million for supportive transportation.

I would like to commend the leadership shown by Senators SCHWEIKER, KENNEDY, EAGLETON, and BEALL, which resulted in the favorable reporting of this amendment.

It is my hope that these funds will be used by local senior citizen centers to purchase minibuses, provide gasoline for volunteers, or applied to any other transportation service which is necessary to facilitate access to social services. Paramount is access to the congregate dining centers provided through title VII.

The very thrust of the title VII program was to attract those senior citizens who were the most isolated. Yet, because of a limited amount of funds available for transportation it was precisely those who were the most isolated that were the least able to participate in the program.

This amendment is aimed at alleviating that situation. I strongly urge its passage.

Mr. JAVITS. Mr. President, I am pleased to speak in support of H.R. 11105, which would amend the Older Americans Act relating to the nutrition program for the elderly, which would provide authorization of additional appropriations among other things.

The accomplishments of the nutritional programs previously established under the Older Americans Act are well known. Substantial progress has been made in delivering adequate meals to senior citizens at over 4,000 meal sites and there has been a major emphasis by the Administration on Aging on delivery in these programs.

However, there have been some problems that require a greater emphasis on reaching the goal not only of providing adequate nutrition, but improving the participation of the elderly in the socialization and related services offered.

It is not just enough to maintain a program such as this for the purposes of feeding the elderly; it is also necessary to bring older people into greater participation with a wider range of activities in their communities, and I would add that in order to accomplish this it is necessary to provide more adequate funds to the nutrition program of the Older Americans Act.

The nutrition program is without question one of the most popular programs for senior citizens ever enacted by the Congress and with this bill—which will provide more needed funds to expand the program—it will become more effective for older Americans everywhere.

I wish to compliment the prime movers of this bill, Senators EAGLETON, BEALL, and KENNEDY, for having taken expeditious action to bring this bill to swift enactment.

Mr. CHURCH. Mr. President, I strongly support the enactment of H.R. 11105, which would continue the title VII nutrition program for the elderly for 3 years.

This measure now takes on added

meaning because the staggering increase in food costs have been especially oppressive for older Americans.

In the past year alone, the price of food has jumped by about 20 percent.

All age groups, of course, have felt the impact of this near unprecedented increase. But older Americans have been particularly hard hit, in large part because most elderly persons are struggling on limited, fixed incomes.

The net impact is that large numbers have been forced to seek out substitutes—such as dog food—or to rummage through garbage cans for their next meals.

For many older Americans, hunger and malnutrition are everyday realities. In fact, the elderly are probably victimized by malnutrition to a much greater degree than any other age group in our society.

Hunger also takes its tragic toll in several other ways as well. Quite frequently, inadequate nutrition may intensify other problems confronting the aged.

All too often a poor diet may lead to chronic physical conditions, or even mental illness. For example, a recent study of elderly patients admitted at two psychiatric hospitals in Philadelphia revealed that 60 to 70 percent were reported to have serious nutritional problems.

During its 1 year of existence, the title VII program has proved to be enormously successful in coming to grips with these problems. In May, 664 nutrition projects were serving 188,000 meals daily at 4,714 meal sites. About 88 percent of the meals were served in group settings, such as school cafeterias, churches, senior citizen centers and other nonprofit settings. In addition, 12 percent of the meals were served to the homebound elderly.

Although the program is still in its beginning stages, several valuable lessons have already been learned.

First, the title VII program has clearly shown the wisdom of providing meals in a group setting—particularly for aged single persons who otherwise would have little incentive to cook for ourselves.

Equally important, the opportunity to meet new friends has proved to be of vital therapeutic value for many elderly persons.

Second, the program has provided nutritious meals within the price ranges of the aged's limited budgets. Moreover, many low-income persons have been benefited by the title VII nutrition program. In May, approximately two-thirds of the meals—or 121,000 in all—were served to older Americans living in poverty.

Finally, the program has offered great potential for the delivery of social services to enable the aged to live independently.

Today the price of food is the second most costly item for the elderly, just behind housing. Typically about 27 percent of their budgets is allocated for food, in contrast to approximately 16 percent for our total population.

Mr. President, as a cosponsor of companion legislation—S. 2488—to continue and expand the title VII nutrition program, I urge prompt and favorable action on H.R. 11105, which has already been overwhelmingly approved by the House.

RSVP LOCAL SHARE FUNDING POLICY

Mr. CRANSTON. Mr. President, I am delighted to have the opportunity today to join with my colleague, the Subcommittee on Aging chairman, Mr. EAGLETON, and the sponsor of H.R. 11105, Mr. KENNEDY as well as the many other supporters of H.R. 11105, an act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly, in urging Senate passage of this most important measure.

Included in the bill as reported from committee is an amendment I offered which would establish reasonable guidelines for the retired senior volunteer program—RSVP—local-share requirements for all grants and contracts entered into after enactment by permitting substantial but not excessive increases in the local share percentage from year to year but not more, ultimately, than a 40-percent share in any one year. Mr. President, I ask unanimous consent that the explanation of this amendment in the committee report No. 93–932 from pages 13 through 15 be set forth in the RECORD at this point.

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

RETIRED SENIOR VOLUNTEER PROGRAM LOCAL-SHARE SCHEDULE

In amending Section 201(a) of P.L. 93–113, the Domestic Volunteer Service Act of 1973, it is the intent of the Committee to establish reasonable guidelines for the Retired Senior Volunteer Program (R.S.V.P.) local-share requirements for grants and contracts by permitting substantial but not excessive increases in the local-share percentage from year to year but not more, ultimately, than a 40-percent share in any one year.

In a recent (December 7, 1973) national evaluation of R.S.V.P. prepared at the ACTION Agency's request by E. F. Shelley & Co., it was reported that:

. . . the Retired Senior Volunteer Program is successfully meeting its basic objectives. Senior Volunteers are provided with a recognized role in the community and a meaningful life in retirement through specific Volunteer Service to fill their own needs and the needs of the community. An indication of this is the growth of the program and the enthusiasm of the participants.

R.S.V.P. is the largest volunteer program under the ACTION Agency with approximately 601 programs and 85,000 volunteers (over age 60). The program is now basically entering its 2nd and 3rd year of operation since the time that substantial funding was provided for it. For FY 1974 $15 million has been appropriated for the program, and $16 million is requested for FY 1975.

The Committee feels that the ACTION Agency has established administrative guidelines for funding R.S.V.P. programs that are excessively stringent and self-defeating. Although the law does not require an annual increase in local funding for R.S.V.P. projects, the basic R.S.V.P. funding policy has been to provide 90-percent Federal funding in the first year, with decreasing proportions of Federal funding in subsequent years. Considerable flexibility was provided for in terms of the amount of the increase from one year to the next. The minimum local share was supposed to be 20 percent for the 2d year with 10 percentage point increase increments thereafter.

On January 1, 1974, the ACTION Agency issued a new policy that requires R.S.V.P. projects to be funded at increasing local levels up to 65 percent in the fifth year and full local funding for the sixth year and thereafter. This policy was adopted without any substantial survey of R.S.V.P. program directors or sponsors or, indeed, of the Agency's own R.S.V.P. programmers. There was no data to support the assumption that local programs could raise as much as 35-percent support in the third year, let alone 50 percent in the fourth year, 65 percent in the fifth year, or 100 percent in the sixth year.

In fact, the one available study (submitted on December 7, 1973—immediately before the new schedule was announced) demonstrated the invalidity of any such assumption. This study by the E.F. Shelly Company, referred to above, gathered data from projects, sponsors, and ACTION Agency State Program Directors/Officers from 40 R.S.V.P. programs throughout the country (chosen from 80 programs nationwide which had been in operation for at least one year by July 1, 1973). The study's data showed that two-thirds of the R.S.V.P. project directors and 10 of the 14 Program Directors/Officers of the ACTION Agency itself said the funding schedule was not realistic; and that, of the 40 sponsors (grantees), only two felt it was definitely a realistic five-year plan, whereas the other 34 which answered felt the policy was unrealistic (12), or had strong reservations (7), or would be realistic only if there were program or project changes or if local governments *could be* sold on providing the increased support (15). (It is understood that the original draft of the Shelly Co. report was very critical of this new schedule but was toned down after the Agency reviewed that draft.)

The Special Subcommittee on Human Resources has been receiving numerous complaints from across the country about the new funding schedule since April 1 or so. Projects have been thrown into a state of confusion under the new funding policy, not knowing whether it is fair to accept new grants when they know they very likely can never meet the steeply escalating new local-share requirements.

The Subcommittee Chairman (Senator Cranston), in an effort to see if a more realistic and flexible policy could be developed, initiated numerous discussions and several meetings with the Agency. On May 17, 1974, the Agency, after having adopted the policy four and one-half months earlier, finally sought out R.S.V.P. project sponsor opinion in a questionnaire, the results of which were due back on May 31, but which have not yet been forthcoming to the Subcommittee.

The new provision which the Committee proposes to add to Section 201(a) of Public Law 93–113 would establish guidelines for the amount by which the local share for R.S.V.P. grants and contracts could be required to be increased from one year to the next. Under the new provision, the first-year local share could be as much as 10 percent, the second year as much as 15 percent, the third year as much as 22.5 percent, the fourth year as much as 33.75 percent, and the fifth year as much as 40 percent (which is the maximum local share contribution permissible under the Committee amendment). In providing for this schedule, the Committee recognizes, in the case of ongoing programs which are already providing a 15, 20, or 30 percent local share, that the provision would *permit* increasing the local share *up to* 22.5 percent, 30 percent, and 40 percent, respectively for the following year for such programs.

The Committee strongly opposes any rigid, inflexible, arbitrary set of local-share regulations. It has designed the schedule in the Committee amendment to provide maximum but not minimum share-increase guidelines, and stresses that the Action Agency has discretion to require lesser local-share contributions than the maximum amounts permitted in the amendment.

The Committee believes the amendment provides a reasonable framework for a revised Agency policy. The Committee favors adoption of Agency guidelines, with percentage parameters to which considered exceptions may be made based on local economic variations and other needs.

Although supporting the goal of increasing local-share funding on a reasonable, phased basis, the Committee expects that firm local-share guidelines will not be established for funding beyond the third year until after experience with third-year grant negotiations and program operation can be analyzed. The Committee is also cognizant that the maximum increases in the amendment may need to be reduced by law hereafter if adequate data indicate that the guidelines are injurious to the program. The R.S.V.P. appropriations authorization runs through FY 1976, so the program (and the amendment) would come up for review again in any case in some 18 months.

The Committee further expects the ACTION Agency to apply a liberal in-kind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the Committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate in-kind contributions.

Furthermore, no arbitrary limit should be imposed on the total *amount* of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. Provision needs to be made in any funding guidelines for the expansion and growth of R.S.V.P. projects that show good results in meeting basic program objectives, and to support such growth both through increasing local contributions and, where indicated, through increasing Federal funds.

Mr. CRANSTON. Mr. President, when the amendment was offered in committee, the amendment sponsors indicated that if the Agency could provide adequate written assurances—regarding a reasonable local-share funding policy—to the committee and the sponsors of the amendment, assuming its adoption by the committee, prior to Senate floor action, the amendment could be modified or dropped on the floor.

The reason for retaining our amendment can best be explained in light of discussions which have taken place with the ACTION Agency since adoption of the committee amendment on June 5 and a subsequent letter which I received from the Agency only this morning. In this letter, the Agency stated that it is reestablishing the maximum local contribution requirements in effect prior to January 1974, namely, 10 percent in the first year, 20 percent in the second year, 30 percent in the third year, and, for those programs entering their fourth year during fiscal year 1975, 40 percent. A final decision as to funding requirements for the fourth and succeeding years, the letter states, will be determined later, but in no event, the Agency stated, would the final formula provide for a maximum local contribution in excess of 50 percent.

Further, the Agency assured in this letter that there would be no arbitrary limit imposed on the total amount of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. Finally, the Agency confirmed the need for flexibility including a more liberal policy for determining acceptable inkind, local-share contributions and the application of necessary mechanisms to permit considered exceptions based on demonstrated need. These latter points are all responsive to the points made at the end of the committee report excerpts set forth earlier.

Mr. President, I ask unanimous consent that the full text of this letter to me setting forth the Agency's new policy as approved by the Agency Director, be set forth in the RECORD at this point.

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

ACTION,
Washington, D.C., June 18, 1974.

Hon. ALAN CRANSTON,
Chairman, Special Subcommittee on Human Resources, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is our belief that the recent concern over the inability to meet future requirements of the formula results more from an anticipated inability to meet future requirements of the formula announced in January 1974 rather than any present inability.

Based on our experience with more than six hundred RSVP programs, we do not feel there is a need to revise our funding formula as applied to the first two years. All of the five hundred seventy-six RSVP programs which have reached their second year have achieved, or are expected to achieve, the 20% funding level.

An analysis now in progress of responses from all RSVP sponsors to Mrs. Lynch's May 17 letter regarding the RSVP funding formula is revealing some interesting data: A substantial majority of the RSVP program officials (166 out of 222 replies received to date) indicated that they believe they can maintain a healthy RSVP program in their communities with a Federal contribution of 50% or less after the fifth year. A minority (56 out of 222) expressed a need for a larger Federal share, generally averaging about 75%.

Six of the original eight RSVP programs which will enter their fourth year on June 30, expect to be able to achieve fifty percent or better local support. The exceptions are Philadelphia and Buffalo, both of which have agreed to meet a 41 percent local share.

Of the 49 programs which have reached their third year, only two have indicated that they cannot meet at least a 35% local contribution. St. Louis and Denver will be at 30 percent.

Many of the local RSVP programs have been able to achieve local contributions greatly in excess of the minimum funding levels required by ACTION. In Steubenville, Ohio, for example, the RSVP program has raised locally 41% of the cost of its second year operations—21% more than was necessary. In Dubuque, Iowa, the RSVP program entering its third year plans to achieve 47% local funding, 12% above that required. The Wilmington, Delaware RSVP program, and also the Charleston, S.C. program, report that they are confident of picking up 100% local funding after the fifth year.

Given the willingness and ability of many RSVP programs to exceed the current minimums, we believe it would be a serious mistake if a limitation on local initiative was fixed either administratively or by legislation. The statistics we are compiling from the majority of our local RSVP programs, responding to the May 17 letter, support our belief that local RSVP units are able and willing to assume a substantial portion of their own costs.

ACTION at this time is discontinuing the use of the five-year funding formula announced in January 1974 in order to consider a revision of the funding requirements for the fourth and fifth years as well as the continuation of Federal support beyond the fifth year. Additionally, ACTION is re-establishing the maximum required local contributions in effect prior to January 1974, namely 10% in the first year, 20% in the second, 30% in the third year, and for those programs entering their fourth year during FY 1975, 40%.

A final decision as to funding requirements for the fourth and succeeding years will be made within a reasonable time to permit local programs to plan their budgets on the basis of our experience with the funding of on-going programs. In no event will the final formula provide for a maximum required local contribution in excess of 50%. No arbitrary limit will be imposed on the total amount of Federal funding for a project, nor on the increase in total Federal funds from one year to the next.

ACTION recognizes the need for flexibility and reasonableness in application, including a more liberal policy for determining acceptable in-kind, local share contributions and the necessary mechanisms to permit considered exceptions based on demonstrated need.

We recognize that there will be RSVP projects particularly in low-income areas, that will be unable to meet the funding criteria established nationwide. Our national office currently reviews applications for exceptions to the funding formula and grants these on the basis of need. This process will continue taking into account local economic conditions and other needs.

In recognizing the need for a flexible funding formula, we in no way lessen our commitment to the goal of maximizing local control and local responsibility. ACTION plans to continue its efforts to encourage and facilitate local RSVP cost-sharing and self-sufficiency. We firmly believe that a formula providing for a reasonable level of local contribution is the best guarantee of a healthy and vigorous Retired Senior Volunteer Program in the future.

Sincerely,

CARLTON KAMMERER,
Assistant Director of ACTION, Congressional Affairs.

Mr. CRANSTON. The ACTION Agency's basis for establishing a maximum local share contribution not to exceed 50 percent was founded on an analysis now in progress of responses to a questionnaire distributed to all RSVP sponsors on May 17 by the Agency regarding the RSVP funding formula. The Agency states in the letter that a substantial majority of the RSVP program officials—166 out of 222 replies received as of June 14—indicated they believed they could maintain a healthy RSVP program in their communities with a Federal contribution of 50 percent or less after the fifth year.

These figures, Mr. President, are considerably different from my own tabulations of opinion regarding the funding formula as expressed in mail received in my office in the last week or so. Of these 161 letters—representing responses from 24 States—127 favor a funding policy supporting a Federal contribution of

at least 60 percent or more. Only 10 responses show a willingness on the part of the local program to support a Federal contribution of as much as 50 percent, and 24 responses indicate that they have a problem with the funding formula but do not express support for any particular formula requirement. In no case have I received a response from a program suggesting that a Federal contribution of any less than 50 percent would be acceptable, in clear contrast to the questionnaire data reported on by the Agency.

Let me make clear, Mr. President, that I am not doubting the Agency's tabulations. In fact, I think the disparate results are accounted for by the correspondents' inclinations to communicate their views in a way likely to be most sympathetically received by the recipient—the grant-making Agency, on the one hand; and the Senate sponsors of a supportive amendment, on the other hand.

In view of these conflicting reports, and the revised position of the ACTION Agency in adopting a funding formula that will still permit establishment of a maximum local-share contribution of up to 50 percent, the sponsors of the amendment feel it is necessary to go forward with the amendment.

The provision, in section 4 of the pending bill, which adds a new subsection to Section 201(a) of Public Law 93–113, would establish guidelines for the amount by which the local share for RSVP grants and contracts, made on or after the effective date of the act, could be required to be increased from one year to the next. Under the new provision, the first-year local share could be as much as 10 percent, the second year of any renewal grant or contract as much as 15 percent, the third year as much as 22.5 percent, the fourth year as much as 33.75 percent, and the fifth year as much as 40 percent—which is the maximum local-share contribution permissible under the committee amendment. In providing for this schedule, the committee recognizes, in the case of ongoing programs which are already providing a 20- to 30-percent local share, that the provision would permit increasing the local share up to 30 percent and 40 percent, respectively for the following year for such programs.

Mr. President, in no way does this amendment apply only to new first-year grants and contracts, and their subsequent renewals, negotiated after the Act becomes law. Rather, the amendment is intended to establish local-share funding guidelines for any renewal grant or contract as well as grants and contracts that are negotiated after enactment for programs beginning their first year of operation.

I also want to stress that this amendment does not in any way prohibit the Agency from accepting, as a gift pursuant to section 402(5) of Public Law 93–113, local-share amounts in excess of the maximum percentages which the Agency may required as long as such additional sums are voluntarily offered by a project sponsor.

Mr. President, the sponsors of the amendment and the members of the committee continue their strong opposition to any rigid, inflexible, arbitrary set of local-share regulations. We believe that the amendment in the bill provides a reasonable framework for a revised Agency policy, and we continue to favor adoption of reasonable Agency guidelines with percentage parameters to which considered exceptions may be made based on local economic variations and other needs.

Although supporting the goal of increasing local-share funding on a reasonable, phased basis, the committee continues to expect that firm local-share guidelines will not be established for funding beyond the third year until after experience with third-year grant negotiations and program operation can be fully analyzed and discussed with the Congress. The committee and amendment sponsors are also cognizant that the maximum increases in the amendment may need to be reduced by law hereafter if adequate data indicate that the guidelines are injurious to the program. The RSVP appropriations authorization runs through fiscal year 1976, so the program will come up for review again in any case in some 18 months.

The committee and sponsors further expect the ACTION Agency, as stated in the letter of today to me, to apply a liberal inkind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate in-kind contributions.

Furthermore, Mr. President, as the Agency has agreed in its letter to me, no arbitrary limit should be imposed on the total amount of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. The committee and amendment sponsors further believe that provision needs to be made in any funding guidelines for the expansion and growth of RSVP projects that show good results in meeting basic program objectives, and that such growth should be supported both through increasing local contributions and, where indicated, through increasing Federal funds.

Mr. President, in closing I want specially to thank the ranking minority member of the Special Subcommittee on Human Resources and of the Aging Subcommittee, Mr. BEALL; the Subcommittee on Aging chairman, Mr. EAGLETON; the principal sponsor of this bill, Mr. KENNEDY; our committee chairman, Mr. WILLIAMS; and the other subcommittee and committee members and sponsors of our amendment, for their great cooperation in this matter. I also thank the many RSVP projects and other informed persons who provided us with such valuable insights and information and responded to our requests for advice.

Mr. CLARK. Mr. President, the Senate has demonstrated its concern for older Americans by passing H.R. 11105—the nutrition program—under title VII of the Older Americans Act. The vote was unanimous, 90–0.

The nutrition program has been one of the most effective programs for senior citizens ever enacted by the Congress. The nutrition program not only has provided at least one nutritious meal a day to people participating in the program, but it also has provided a meaningful opportunity for older people to get together with one another and to participate in community activities.

I was a cosponsor of the Senate bill, S. 2488, introduced by my friends and colleagues, Senators KENNEDY and PERCY, and I wish to congratulate them and Senator EAGLETON, chairman of the Senate Labor and Public Welfare's Subcommittee on the Elderly, for their fine leadership in getting this legislation approved.

H.R. 11105 would provide for higher appropriations than the original Senate bill introduced last September. Considering the rampant inflation of the past year, and the resulting higher food costs, the higher authorization levels provided for in H.R. 11105 are necessary and fundamental to the continuation of the nutrition program.

I am pleased to note that the Senate has included in this bill a special authorization under title III of the Older Americans Act for supportive transportation services with special emphasis on the nutrition program. Hopefully, this money can be used to increase the mobility of senior Americans and help provide them with the necessary means to participate fully in our society.

The importance of this bill cannot be underestimated. And its impact certainly will be apparent in the months and years ahead.

Mr. SCHWEIKER. Mr. President, I commend the Senate leadership for moving quickly to bring up H.R. 11105, which extends title VII of the Older Americans Act for 3 years. This bill contains an amendment which I introduced in the Labor and Public Welfare Committee to provide $35 million for supportive transportation for the elderly participating in title VII programs.

H.R. 11105 increases the authorization for the elderly nutrition program from its current funding level of $100 million to $150 million in fiscal year 1975, $200 million in fiscal year 1976, and $250 million in fiscal year 1977. Such increases are absolutely necessary if this vital program is to continue its current effectiveness and expand to meet increasing demand.

As you are well aware, Mr. President, soaring food costs are becoming a way of life in the United States. While none of us enjoy footing an ever-increasing food bill, it is our Nation's elderly who feel the greatest pressure. They are living on fixed incomes hovering near the poverty level, and in many cases are unable to purchase nutritionally balanced meals at existing market costs. Furthermore, physical ailments often prevent an older person from shopping regularly or even preparing their meals.

It is for these persons the elderly nutrition program was developed. In addition, as this program has developed and grown, it has become increasingly necessary for the local meal programs to provide some form of supportive transporta-

tion services for the participants. As the program is currently administered, 20 percent of the funds for each elderly meal center can be used for supportive services, which includes transportation. In other words, for every dollar spent on supportive transportation, one dollar less is spent on the real purpose of title VII programs—meals for the elderly.

My amendment, which provides $35 million for fiscal year 1975, will go a long way toward helping develop much needed transportation services supporting participants in the meal program. No longer will it be necessary to constantly bleed food money from the program to transport older persons to the meal centers. A separate fund will help cover many of these needed costs. Also, the amendment is designed to allow transportation facilities purchased under this bill to be used for other elderly needs, such as taking them to shopping areas and banks.

Mr. President, I am very much pleased with the response I have received from Senators in support of this supportive transportation concept, and I commend Senators McGOVERN, BEALL, BURDICK, CASE, CLARK, DOLE, HUGHES, MANSFIELD, METCALF, MONDALE, and YOUNG for their interest in this amendment.

Furthermore, I am pleased with the interest shown by the Department of Transportation and the Administration on Aging for their recognition of this problem.

Mr. TAFT. Mr. President, this Nation has a high stake in providing a better life for older Americans. Hunger and malnutrition in America result generally from an inadequate income and/or limited knowledge of what foods are best for health and how to prepare them. However, the elderly have a high level of malnutrition relative to other age groups because older persons face other problems due to physical mobility—making it difficult to shop for or prepare food, many are ill or weak, perhaps living alone, and may not have the stamina to prepare nutritious, well-balanced meals for themselves.

I, therefore, am happy to support H.R. 11105, a bill to extend for 3 years title VII of the Older Americans Act relating to the nutrition program for the elderly.

For the physically mobile elderly, not only do they receive daily hot meals under this program, but they also have social contact, thus promoting companionship and recreation to alleviate the social isolation suffered by so many of the elderly.

Hot meals are delivered to the homebound. This can mean the difference between institutionalization and independent living to the older person who does not have the physical stamina to shop for food or to prepare his own meals.

Through legislation such as the pending bill, we can continue to alleviate the problem of malnutrition among the elderly.

Mr. DOLE. Mr. President, I was pleased to have been a cosponsor of the Senate bill extending the nutrition programs for the elderly, and wish now to express my enthusiastic support for the companion House measure presently before us.

SCOPE OF NUTRITION PROJECTS

The federally financed hot meal service—in congregate settings and with delivery to home-bound individuals—has proven highly successful since its inception and is certainly worthy of continuation. As expanded, it will be providing five meals weekly to more than 200,000 older persons—3,179 having been served daily in Kansas alone during full implementation of the program in fiscal year 1974.

Moreover, the new congregate nutrition projects under title VII of the Older Americans Act have a special note of optimism in their concept of dealing with elderly. For in addition to providing hot the "isolation" problem of many of our meals for a vast number of citizens—up to 7,500 in Kansas with adequate funding—they bring persons aged 60 and older together in a community center social atmosphere for that much-needed association with others having their same interests and situations.

FUNDS PROVIDED

Last year, I cosponsored the older Americans bill which authorized more than $2.3 million in support of Kansas elderly programs. And just this past month, I was pleased to announce a $1,176,919 allocation by the Department of Health, Education, and Welfare for the continuation of those operations.

The current bill will authorize $600 million over the next 3 years for title VII plans. And of this amount, the Kansas aging services will receive some $7.2 million for the administration of its older Americans programs.

TRANSPORTATION NEEDS

Perhaps the most laudable aspect of H.R. 11105 is its amendment, reported out by the Labor and Public Welfare Committee's Subcommittee on Aging, establishing a special $35,000,000 authorization for a new transportation program—to be operated under title III of the act, but in conjunction with the title VII nutrition projects. This will mean an additional $420,000 for the State of Kansas, with priority to be given areas having no public transit system.

As a representative of the senior citizens of Kansas, I would like to underscore the need for such supportive transportation services, particularly in our rural areas where it is so badly lacking. For in many such locations, a nutrition project is useless unless transportation can be provided for a substantial number of participants.

The problem, of course, has been that the elderly are often unable to receive full benefits from the hot-meals programs because of their difficulty in covering the long distances to reach a project setting. This situation also prevails in many urban communities, like Kansas City, as well—where adequate mass transportation is not always available. The 20-percent limitation for transportation under previous programs has been totally inadequate to meet the need, so this new authorization is completely justified.

HOME-DELIVERED MEALS

Although certainly the most recurring complaint about the past operation of nutrition programs has been this necessity for more transportation services, I am pleased that the committee also sought to clarify a common misunderstanding about the "10 percent limitation" on home-delivered meals.

Since in many instances such a restriction may reduce the effectiveness of a project, it is important for local directors to know that this "suggestion" to limit deliveries to recipients to 10 percent of the total meals served is not absolute or binding. This will be very helpful, I believe, in providing the flexibility to meet the particular local needs in our State.

NEW FORMULA

Finally, Mr. President, I would like to comment on the formula to be utilized in determining the amount of funds each State shall receive with respect to the transportation authorizations. While the present method of computing allocations—that is, basing it on the percentage of elderly which a State has in comparison with the overall number nationwide—is quite fair for the nutrition programs themselves, I think some future adjustments should be considered for the special supportive services fundings.

I say "future" because I realize that any significant proposal to change the present formula in the act might tie the bill up in controversy and jeopardize its enactment in time for inclusion with the regular fiscal year 1975 appropriations. However, it does seem to me that factors other than population need to be evaluated.

Specifically, transportation problems of the elderly are greater in basically rural States, such as Kansas—where nutrition program participants are widely scattered—than in the more urbanized States with well-established mass transportation and concentrations of qualified citizens. Nevertheless, the current formula would provide more transportation money to the latter, strictly because of the number of persons involved.

The distribution would be much more equitable, I feel, if an investigation of the respective transportation needs of States would be required before the special additional allocations are made. It is my hope, therefore, that this approach will be discussed when the transportation program itself is up for extension next year.

CONCLUSION

In conclusion, let me reemphasize the importance of this bill to the elderly nutrition programs in Kansas and across the Nation. Its strong endorsement by the Senate here today, followed by acceptance by the House conferees of the most critical transportation authorization amendment, will represent a great step forward in giving our senior citizens the recognition and assistance which they so richly deserve.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time on the amendment and on the bill.

Mr. BEALL. I yield back the remainder

of my time on the amendment and on the bill.

The PRESIDING OFFICER (Mr. HOLLINGS). All remaining time has been yielded back. The question is on agreeing to the amendment (No. 1474) of the Senator from Maryland (Mr. BEALL). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), and the Senator from New Hampshire (Mr. MCINTYRE), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 35, nays 56, as follows:

[No. 258 Leg.]

YEAS—35

Aiken	Dominick	Pearson
Baker	Fannin	Percy
Bartlett	Fong	Roth
Beall	Goldwater	Scott, Hugh
Bellmon	Griffin	Scott, William L.
Bennett	Gurney	Stevens
Brock	Hansen	Taft
Buckley	Hatfield	Thurmond
Byrd, Harry F., Jr.	Helms	Tower
Case	Hruska	Young
Dole	Javits	
Domenici	Mathias	
	Packwood	

NAYS—56

Abourezk	Haskell	Montoya
Allen	Hathaway	Moss
Bentsen	Hollings	Muskie
Bible	Huddleston	Nelson
Brooke	Hughes	Nunn
Burdick	Humphrey	Pastore
Byrd, Robert C.	Inouye	Pell
Cannon	Jackson	Proxmire
Chiles	Johnston	Randolph
Church	Kennedy	Ribicoff
Clark	Long	Sparkman
Cranston	Magnuson	Stennis
Eagleton	Mansfield	Stevenson
Eastland	McClellan	Symington
Ervin	McGee	Talmadge
Fulbright	McGovern	Tunney
Gravel	Metcalf	Weicker
Hart	Metzenbaum	Williams
Hartke	Mondale	

NOT VOTING—9

Bayh	Cotton	McIntyre
Biden	Curtis	Schweiker
Cook	McClure	Stafford

So Mr. BEALL's amendment (No. 1474) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) and the Senator from New Hampshire (Mr. MCINTYRE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

[No. 259 Leg.]

YEAS—90

Abourezk	Goldwater	Montoya
Aiken	Gravel	Moss
Allen	Griffin	Muskie
Baker	Gurney	Nelson
Bartlett	Hansen	Nunn
Beall	Hart	Packwood
Bellmon	Hartke	Pastore
Bennett	Haskell	Pearson
Bentsen	Hatfield	Pell
Bible	Hathaway	Percy
Brock	Helms	Proxmire
Brooke	Hollings	Randolph
Buckley	Hruska	Ribicoff
Burdick	Huddleston	Roth
Byrd, Harry F., Jr.	Hughes	Scott, Hugh
Byrd, Robert C.	Humphrey	Scott, William L.
Cannon	Inouye	Sparkman
Case	Jackson	Stennis
Chiles	Javits	Stevens
Church	Johnston	Stevenson
Clark	Kennedy	Symington
Cranston	Long	Taft
Dole	Magnuson	Talmadge
Domenici	Mansfield	Thurmond
Dominick	Mathias	Tower
Eagleton	McClellan	Tunney
Eastland	McGee	Weicker
Ervin	McGovern	Williams
Fannin	Metcalf	Young
Fong	Metzenbaum	
	Mondale	

NAYS—0

NOT VOTING—10

Bayh	Curtis	Schweiker
Biden	Fulbright	Stafford
Cook	McClure	
Cotton	McIntyre	

So the bill (H.R. 11105) was passed.

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 a bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

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

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes;

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship *Independence;* and

H.R. 14354. An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

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

HOUSE BILL REFERRED

The bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON ADMINISTRATION OF NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HASKELL) 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 herewith transmit the Sixth Annual Report on the administration of the Natural Gas Pipeline Safety Act of 1968. This report has been prepared in accordance with section 14 of the act, and covers the period January 1, 1973, through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, *June 19, 1974.*

VIETNAM-ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1964

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to the consideration of S. 2784, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 2784) to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educa-

tional assistance allowances, and the special training allowances paid to eligible veterans and persons under chs. 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under ch. 34 of such title; to improve and expand the veteran-student services program; to establish a veterans' education loan program for veterans eligible for benefits under ch. 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL ASSISTANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "disability" and inserting in lieu thereof "arose out of service during World War II, the Korean conflict, or after January 31, 1955."; and

(3) by amending the table contained in section 1504(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$201	$249	$293	$21
Three-quarter-time	151	188	221	17
Half-time	100	125	147	11
Farm cooperative, apprentice, or other on-job training:				
Full-time	175	212	245	17";

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1651 "(consisting of payment of a monthly educational assistance allowance and a partial tuition assistance allowance)" after "program";

(2) by striking out in the last sentence of section 1677(b) "$220" and inserting in lieu thereof "$260";

(3) by inserting in section 1681 (a) and (b) "and partial tuition assistance allowance" after "allowance" in each place it appears;

(4) by inserting in section 1682(a)(1) "and partial tuition assistance allowance as" after "allowance"; and by amending the table contained therein to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	[1] $260	[1] $309	$352	$21
Three-quarter-time	195	[2] 232	[2] 265	17
Half-time	[2] 130	[2] 155	[2] 176	11
Cooperative	209	246	279	17

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title";

(5) by striking out in section 1682(b) "$220" and inserting in lieu thereof "$260";

(6) by inserting in section 1682(c) (1)(C) and (2) "and partial tuition assistance allowance" after "allowance" in each place it appears; and by amending the table contained therein to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	[1] $209	[1] $246	[1] $279	$17
Three-quarter-time	[2] 157	[2] 184	[2] 209	13
Half-time	[2] 105	[2] 123	[2] 139	8

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

and

(7) by striking out in section 1696(b) "$220" and inserting in lieu thereof "$260".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1731(a) "and a partial tuition assistance allowance" after "allowance";

(2) by inserting in section 1731(b) "or partial tuition assistance allowance" after "allowance";

(3) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance and partial tuition assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents in section 1682(a)(1) of this title.";

(4) by striking out in section 1732(a)(2) all after and including "of (A)" and inserting in lieu thereof "prescribed for less-than-half-time pursuit of an institutional program by an eligible veteran in section 1682(b)(2) of this title.";

(5) by striking out in section 1732(b) "$177" and inserting in lieu thereof "$209";

(6) by inserting in section 1733(a) a comma and "and, as appropriate, a partial tuition assistance allowance" after "allowance"; and

(7) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on his behalf a special training allowance computed at the basic rate of $260 per month. If the charges for tuition and fees applicable to any such course are more than $82 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $82 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $8.69 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 104. Chapter 36 of title 38, United States Code, is amended by adding after section 1780 the following new section:

"§ 1780A. Partial tuition assistance allowance

"(a) The Administrator shall pay the partial tuition assistance allowance to be paid, as specified in sections 1682(a)(1) and (c), 1691(a)(2), 1732, and 1733 of this title, in addition to the educational assistance allowance payable to an eligible veteran or eligible person under the provisions of such sections directly to such veteran or person pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis in such amounts (up to $720 per ordinary school year) as specified in such sections 1682(a)(1) and (c) and 1732.

"(b) In no event shall the payment made to any veteran or person under the authority of subsection (a) of this section be based upon charges that exceed the customary tuition (or established fee in lieu of tuition) charged other similarly circumstanced students in the same institution, and in no case shall a veteran be charged an out-of-State tuition rate if such veteran was resident in such State immediately prior to such veteran's entry into the armed services.

"(c) No partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprentice, and other on-job, or PREP training.

"(d) Payment of the partial tuition assistance allowance authorized by subsection (a) of this section shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine (1) that the veteran or person has enrolled in and is pursuing a program of education at the educational institution, and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by such veteran or person. Subject to the limitations set forth and referenced in subsection (a) of this section, each payment of partial tuition assistance allowance shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled, and shall be in a ratio which the

length of such term, quarter, or semester bears to the length of the ordinary school year. In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year, and payment of the partial tuition assistance allowance shall be made in such increments as the Administrator, by regulation, shall determine.

"(e)(1) Payments of partial tuition assistance allowances shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof.

"(2) Upon delivery of any such payment, the institution shall submit a certification of delivery under the same terms as provided for in section 1780(d)(6) of this title.

"(f) In the event that a veteran or person fails to commence a program of education, or terminates enrollment before the end of the enrollment period for which a partial tuition assistance allowance has been paid to such individual, and has been paid a partial tuition assistance allowance, then an overpayment shall be declared and shall be recovered by the Administrator in the same manner as any other debt due the United States from the individual or educational institution in accordance with the following:

"(1) If the veteran or person has failed to commence a program of education within thirty days after the date prescribed for enrollment, the full amount of the partial tuition assistance allowance shall be considered an overpayment and shall be recovered from such individual or from the educational institution in the event that the individual has paid the full tuition to the educational instiution.

"(2) If the veteran or person has failed to commence a program of education, but has paid part of the tuition to the educational institution, the full amount of the partial tuition assistance allowance retained by the individual and not paid to the educational institution shall be recovered from such individual, and that portion of the partial tuition assistance allowed paid to the educational institution shall be recovered from such institution.

"(3) If the veteran or person has commenced a program of education, but has terminated such program before the end of the enrollment period, that portion of the partial tuition assistance allowance retained by the individual shall be recovered from such individual in a ratio which the amount of the partial tuition assistance allowance paid to such individual bears to the uncompleted portion of the program, and the Administrator shall recover from the educational institution so much of the partial tuition assistance allowance paid to such institution by the veteran or person as is provided for in the refund policy which each such institution shall establish in accordance with guidelines prescribed by the Administrator.

"(g) The Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowances.

"(h) The Administrator shall promptly report to the Attorney General of the United States for appropriate action any violation by an individual of section 3502 of this title (relating to fraudulent acceptance of payments) and any violation by an educational institution, or by any officer, employee, or agent of an educational institution, of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or of any other Federal criminal statutory provision.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1780A. Partial tuition assistance allowance."

after

"1780. Payment of educational assistance or subsistence allowances.".

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

SEC. 201. Section 1652(a)(3) of title 38, United States Code, is amended by inserting "except as provided therein," after "1661(a),".

SEC. 202. Section 1661 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "36 months" and inserting in lieu thereof "45 months";

(2) adding at the end of subsection (a) the following:

"For purposes of this subsection, in determining the period to which any eligible veteran is entitled to educational assistance under this chapter, the initial period of active duty for training performed by him under section 511(d) of title 10 shall be deemed to be active duty if at any time subsequent to the completion of such period of active duty for training such veteran served on active duty for a consecutive period of one year or more."; and

(3) striking out in subsection (c) "thirty-six" and inserting in lieu thereof "45".

SEC. 203. Section 1662 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by striking out "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by striking out "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year" in each place, respectively; and

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

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing such veteran's 10-year period of eligibility for educational assistance, any period during which such veteran was so detained and any period immediately following his release from such detention during which such veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.".

SEC. 204. Section 1673 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

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

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of chapter 34 of this title) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.".

SEC. 205. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance and a partial tuition assistance allowance based upon the rate payable as set forth in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance and partial tuition assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.".

SEC. 206. Section 1685 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by striking out all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of $625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours".

(b) Subsection (a) is further amended by striking out the last sentence and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours.".

(c) Subsection (c) is amended by striking out "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

SEC. 207. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "$50" and inserting in lieu thereof "$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "$450" and inserting in lieu thereof "$720".

SEC. 208. (a) Section 1712 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by striking out "eight" in subsection (f) and inserting in lieu thereof "10".

(b) Section 604(a) of Public Law 92-540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

SEC. 209. Section 1723 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears;

and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training,"; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree".

SEC. 210. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a half-time basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance and a partial tuition assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance and partial tuition assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents in section 1682(c)(2) of this title.".

SEC. 211. Section 1780(a)(2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

SEC. 212. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$550.
Over $5,000 but not exceeding $10,000.	$1,000.
Over $10,000 but not exceeding $35,000.	$1,000 for the first $10,000 plus $925 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000.	$6,050.
Over $40,000 but not exceeding $75,000.	$6,050 for the first $40,000 plus $800 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000.	$12,000.
Over $80,000	$12,000 for the first $80,000 plus $700 for each additional $5,000 or fraction thereof.".

(2) by amending section 1784(b) to read as follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either chapter 34, 35, or 36 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to report to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under chapter 34, 35, or 36 of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable.".

SEC. 213. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "$220" and inserting in lieu thereof "$260";

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$189	$212	$232	$9
Second 6 months	142	164	184	9
Third 6 months	95	117	137	9
Fourth and any succeeding 6-month periods	47	70	90	9";

and

(3) by amending section 1787(b)(2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be computed at the rate prescribed for an eligible veteran pursuing such a course in section 1787(b)(1) of this title.".

SEC. 214. Section 1788(a) of title 38, United States Code, is amended as follows:

(1) by striking out in clause (1) "offered on a clock-hour basis below the college level" and inserting in lieu thereof "not leading to a standard college degree offered on a clock-hour basis";

(2) by striking out in clause (2) "offered on a clock-hour basis below the college level" and inserting in lieu thereof "not leading to a standard college degree offered on a clock-hour basis";

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

(4) by adding at the end of such subsection the following:

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection): *Provided*, That (A) the academic portions of such courses require outside preparation and are measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses are measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses are measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester: *Provided further*, That in no event shall such course be considered a full-time course when less than eighteen hours per week of attendance is required.".

SEC. 215. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out all of section 1795;

(2) by inserting in lieu thereof the following new section:

"§ 1795. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to part 3.11 of the Federal Trade Commission Rules of Practice, to cease and desist against any institution the courses of which are approved under this chapter or chapters 34 and 35, such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to subsection (a), disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and

disposition of all cases arising under this section."; and

(3) striking out in the table of sections at the beginning of chapter 36 of such title

"1795. Limitation on period of assistance under two or more programs."

and inserting in lieu thereof.

"1795. Limitation on certain advertising, sales, and enrollment practices."

SEC. 216. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Evaluation and data collection

"(a) The Administrator shall measure and evaluate the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program evaluated.

"(b) Not later than ninety days after the date of enactment of this section, the Administrator shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. The annual report submitted pursuant to section 214 shall describe the actions taken as a result of these evaluations.

"(c) In carrying out evaluations under this title, the Administrator shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs carried out under this title about such programs.

"(d) The Administrator shall publish the results of evaluative research and summaries of evaluations of program impact and effectiveness not later than ninety days after the completion thereof. The Administrator shall promptly submit to the appropriate committees of the Congress copies of all such completed research studies and evaluation summaries.

"(e) The Administrator shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"(f) Such information as the Administrator may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.

"(g) In order to carry out this section, the Administrator shall collect, collate, and analyze on a continuing basis, full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of space, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title. The Administrator shall make available to the public and provide to the appropriate committees of the Congress on a regular basis (but not less often than bi-monthly) tabulations and analyses of all such data.".

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding at the end thereof

"§ 219 Evaluation and data collection.".

SEC. 217. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(a) Section 241 of such title is amended by—

(1) inserting "in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services".

(2) inserting in paragraph (2) "to eligible veterans and eligible dependents" after "information" the first time it appears.

(b) Section 242(b) of such title is amended by striking out "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible porgrams and services including special telephone and mobile facilities,".

(c) Resdesignate sections 243 and 244 as 244 and 245, respectively, and add the following new section after section 242:

"§ 243. Veterans' representatives

"(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, or 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to —

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in suppport or benefit claims submitted;

"(C) maintain active liaison and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments and of partial tuition assistance allowance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings, to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I. institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions, provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title), and carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more particular educational institutions.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.".

(d) Section 244 (as redesignated by subsection (c) of this section) of such title is amended by—

(1) striking out "may" and inserting in lieu thereof "shall utilize his authority to enter into contracts or agreements under section 213 of this title where he determines that a community-based national or local organization or agency has special expertise in facilitating communication with and the provision of services to particular groups of veterans, especially those who do not have a high school education or the equivalent and those who are disadvantaged by virtue of linguistic or other socioeconomic factors, and shall"; and

(2) inserting "and provide for" after "conduct" in paragraph (5).

(e) The table of sections at the beginning of such chapter is amended by striking out

"243. Utilization of other agencies.
"244. Reports to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.
"244. Utilization of other agencies.
"245. Report to Congress."

SEC. 218. (a) Chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Interagency Advisory Council on Veterans' Services

"§ 250. Establishment of Advisory Council

"There is established within the Veterans' Administration an Interagency Advisory Council on Veterans' Services (hereinafter referred to as the 'Council'), of which the

Administrator shall serve as Chairman and which shall be composed of the heads of the following departments or agencies (or their designees whose positions are executive level IV or higher): Department of Defense; Department of Labor; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Department of the Treasury; Department of Agriculture; United States Postal Service; Civil Service Commission; Small Business Administration; and such other departments and agencies as the President may designate.

"§ 251. Functions of Advisory Council

"(a) The functions of the Council shall be to seek to promote maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all Federal departments, agencies, and instrumentalities, especially in terms of the plan provided for under subsection (b) of this section.

"(b) The Council shall make recommendations to the President in order to develop in the President's annual budget submitted to the Congress a coordinated plan for the provision of services to veterans and their dependents under all programs and activities carried out by or under all Federal departments, agencies, and instrumentalities.

"(c) The Council shall report annually on its activities to the Congress and the President, and shall from time to time submit such reports and recommendations to the Congress and the President as it deems appropriate for improvements in, and more effective coordination of existing Federal laws, programs, and activities affecting veterans.

"(d) The Council shall meet at the call of the Chairman but not less often than four times annually, and shall provide for the employment of such full-time staff as required for it to carry out its functions under this section.

"§ 252. Cooperation of other Federal departments and agencies

"Each Federal department, agency, and instrumentality shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

"Sec.
"250. Establishment of Advisory Council.
"251. Functions of Advisory Council.
"252. Cooperation of other Federal departments and agencies.".

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

SEC. 301. (a) Chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

"(a) Each eligible veteran shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran satisfies the requirements set forth in subsection (c) of this section.

"(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2)(A) The amount needed by a veteran to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran which may be reasonably expected to be expended by him for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which he is enrolled.

"(B) The term 'total amount of financial resources' of any veteran for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran less Federal income tax paid or payable by such veteran with respect to such income.

"(ii) The amount of cash assets of the veteran.

"(iii) The amount of financial assistance received by the veteran under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran under this chapter other than under this subchapter.

"(v) Financial assistance received by the veteran under any scholarship or grant program other than those specified in clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran is enrolled.

"(3) The aggregate of the amounts any veteran may borrow under this subchapter may not exceed $260 multiplied by the number of months such veteran is entitled to receive educational assistance under section 1661 of this title, but not in excess of $2,000 in any one regular academic year.

"(c) An eligible veteran shall be entitled to a loan under this subchapter if such veteran—

"(1) is in attendance at an approved institution and enrolled in a course leading to a standard college degree on at least a half-time basis;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

"(d) Any agreement between the Administrator and a veteran under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations held by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"(e) If a veteran who has received a loan under this section dies or becomes permanently and totally disabled, the Administrator shall discharge the veteran's liability on such loan by repaying the amount owed on such loan.

"§ 1699. Sources of funds; insurance

"(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

"(b)(1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the 'Fund') shall be available to the Administrator for making loans under section 1698 of this title. The Administrator shall set aside out of such Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans are entitled under section 1698 of this title.

"(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time such funds are set aside.

"(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1698 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, 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 of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury but at a rate no less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

"(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1698(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

"(e) A fee shall be collected from each veteran obtaining a loan made under this section for the purpose of insuring against defaults on loans made under this subchapter, and no loan shall be made under this section until the fee payable with respect to

such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the Administrator to discharge his obligations under subsection (c) of this section.".

(b) the table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"Sec.
"1698. Eligibility for loans; amount and conditions of loans; interest rate on loans.
"1699. Source of funds; insurance.".

SEC. 302. (a) Subchapter IV of chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1737. Education loans

"Any eligible person shall be entitled to the benefits provided an eligible veteran under subchapter VII of chapter 34 of this title (if the program of education is pursued in a State) and shall be entitled to an education loan in such amount and on such terms and conditions as therein specified.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1737. Education loans."

after

"1736. Specialized vocational training courses.".

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 401. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability,

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37, and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

"(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.".

(b) Section 2002 is amended by (1) inserting "and eligible persons" after "eligible veterans" and (2) inserting "and persons" after "such veterans".

(c) Section 2003 is amended by—

(1) striking out in the first sentence "250,000 veterans" and inserting in lieu thereof "250,000 veterans and eligible persons";

(2) striking out in the fourth sentence "veterans and eligible persons' ";

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence "and eligible persons" after "eligible veterans each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence "or an eligible person's" immediately after "eligible veteran's"; and

(5) inserting in clause (4) of the fifth sentence "and persons" immediately after "such veterans".

(d) Section 2005 is amended by inserting "and eligible persons" immediately after "eligible veterans".

(e) The last sentence of subsection (a) of section 2006 is amended by striking out "veterans" and inserting in lieu thereof "eligible veterans and eligible persons".

(f) Section 2007 is amended by—

(1) inserting in subsection (a)(1) "and each eligible person" immediately after "active duty,";

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b):

"(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section."; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) "and other eligible veterans" and inserting in lieu thereof "other eligible veterans, and eligible persons".

SEC. 402. Chapter 42 of title 38, United States Code, is amended by striking out in the third sentence of section 2012(a) "The" and inserting in lieu thereof "In addition to requiring that such special emphasis be given to the employment of such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the".

SEC. 403. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 2014. Employment within the Federal Government

"(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

"(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS-5, as specified in subchapter II of chapter 51 of title 5, United States Code, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted: *Provided,* That the eligibility of such a veteran shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

"(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93-112 (87 Stat. 391, September 26, 1973), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

"(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

"(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) thereof, the Commission may include a report of such activities separately in the report required to be submitted by section 501(d) of such Public Law 93-112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

"(f) Notwithstanding section 2011 of this title, the terms 'veteran' and 'disabled veteran' as used in this section shall have the meaning provided for under generally applicable civil service laws and regulations.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"2014. Employment within the Federal Government.".

SEC. 404. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

"Chapter 43—VETERANS' REEMPLOYMENT RIGHTS

"Sec.
"2021. Right to reemployment of inducted persons; benefits protected.
"2022. Enforcement procedures.
"2023. Reemployment by the United States, territory, possession, or the District of Columbia.
"2024. Rights of persons who enlist or are called to active duty; Reserves.
"2025. Assistance in obtaining reemployment.
"2026. Prior rights for reemployment.

"§ 2021. Right to reemployment of inducted persons; benefits protected

"(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes

application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

"(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

"(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

"(B) if such position was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case, unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so: *Provided,* That nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this chapter.

"(b) (1) Any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

"§ 2022. Enforcement procedures

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b)(1), (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits of such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent: *Provided,* That no State statute of limitations shall apply to any proceedings under this chapter.

"§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

"(a) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the Armed Forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

"(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

"(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term 'agency in the executive branch of the Government' means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

"(b) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment to which such person claims restoration, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such person after August 1, 1961, does not exceed five years: *Provided*, That the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b)(1) Any person who, after entering the employment to which such person claims restoration, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights, over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be restored by that employer or his successor in interest to such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining by a preinduction or other examination physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to that rejection or examination, such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or sections 206, 301, 309, 402, and 1002 of title 37, is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

"§ 2026. Prior rights for reemployment

"In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by adding at the end thereof

"43. Veterans' Reemployment Rights. § 2021."

SEC. 405. Section 9 of the Military Selective Service Act is amended by—

(1) repealing subsections (b) through (h); and

(2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE V—EFFECTIVE DATES

SEC. 501. Except as otherwise provided therein, title I of this Act shall become effective on July 1, 1974.

SEC. 502. Title III of this Act shall become effective on September 1, 1974.

SEC. 503. Titles II and IV of this Act shall become effective on the date of their enactment.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The time for debate on this bill shall be limited to 1 hour, to be equally divided and controlled by the Senator from Indiana (Mr. HARTKE) and the Senator from South Carolina (Mr. THURMOND) with 30 minutes on any amendments and 20 minutes on any debatable motions or appeals.

The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, it is my privilege as chairman of the Committee on Veterans' Affairs to urge my col-

leagues to support the provisions of my bill, S. 2784, the Vietnam Era Veterans Readjustment Assistance Act of 1974 as unanimously reported by the committee.

Since the formation of the Committee on Veterans' Affairs just over 3 years ago, the readjustment problems of Vietnam era veterans—our newest generation of veterans—have been of particular concern to me and to each of the members of the committee. I believe the legislation we consider today takes a major step in completing our journey to the goal of providing truly adequate educational opportunities for all Vietnam-era veterans.

As Senators will recall, this committee began its journey to that goal when it reported legislation in 1972 which as unanimously passed by the Senate and would have increased educational assistance rates by 43 percent as well as provide new direct low cost Federal loans to students attending higher cost schools. While because of administration opposition we ultimately had to compromise on that measure, legislation finally enacted as the "Vietnam Era Veterans Readjustment Assistance Act of 1972"—Public Law 92-540—did take significant steps forward by providing for an average increase of 26 percent in the assistance rates. Following enactment of Public Law 92-540, participation in the GI bill program increased 8 percent that fall. This past fall revealed a 14-percent increase in the participation rates over the year before.

As we know, on June 22 the Nation will celebrate the 30th anniversary of the signing of the first GI bill. When he signed that bill, President Roosevelt said:

> This law gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down.

Our obligation to veterans of Vietnam is no different today than it was for the veterans of World War II. We did not let the World War II veteran down and we must not break faith with the Vietnam veteran. Almost 8 million World War II veterans received education and training under the GI bill. The cost was approximately $14.5 billion but the entire cost has been paid back 3 to 6 times in additional tax revenues from those whose earning power increased as a result of the education they received under the bill. Thus, Mr. President, the bill which we consider today, while it involves substantial expenditures of money, should be properly considered as an investment, an investment not only in our young people, but also in the future of our Nation.

Mr. President, the bill before you today would, I believe, open the doors of educational opportunity to even greater numbers of Vietnam era veterans.

Before I briefly summarize the provisions of S. 2784. I want to take this opportunity to express my deep gratitude and appreciation to each member of the committee, which I am privileged to chair, for their hard work, their dedication, and their typically bipartisan approach to this bill which has characterized their efforts with respect to all veterans legislation which has been considered by the Committee. The Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Iowa (Mr. HUGHES), the Senator from California (Mr. CRANSTON), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD) and the Senator from Idaho, (Mr. MCCLURE) have all worked hard on this bill and have contributed to the final product which you see before you.

In particular, I would like to commend Senator THURMOND for his outstanding efforts in helping the committee arrive at the partial tuition assistance allowance formula which it ultimately approved. Particular and special mention should also go to Senator ALAN CRANSTON for his invaluable assistance in the development and drafting of various provisions contained in the bill. The typical thoroughness and expertise of the senior Senator from California has been of real benefit to the committee.

Finally, special mention should go to four of my colleagues who, although not members of the Committee on Veterans' Affairs, have exhibited a continuing and keen interest in the problems of young veterans during this past year. I refer, of course, to the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maryland (Mr. MATHIAS), the Senator from Hawaii (Mr. INOUYE) and the Senator from Kansas (Mr. DOLE). Their continued welcomed concern and legislative suggestions have proved valuable to the committee and have aided the committee in fashioning the bill before us today.

GENERAL SUMMARY OF THE PROVISIONS OF S. 2784

Mr. President, there are five titles in S. 2784, containing 28 major provisions which are the product of intensive work and discussion by the members of the Committee on Veterans' Affairs. Briefly summarized they are as follows:

TITLE I

Title I of S. 2784 would amend title 38 as follows:

First, increases the rates for the monthly educational assistance allowance by 18.2 percent for eligible veterans under chapters 31 and 34 and for eligible wives, widows, and children training under chapter 35. The monthly allowance for a single veteran with no dependents is increased from $220 to $260.

Second, establishes a partial tuition assistance allowance of up to $720 a school year for eligible veterans and persons under which the VA will pay according to the following formula: 80 percent of a school's yearly tuition charges up to $1,000 after excluding the first $100 of such tuition.

Third, liberalizes eligibility requirements for disabled Vietnam veterans to train under the vocational rehabilitation provisions of chaper 31 to equalize them with those in effect for veterans of World War II and the post-Korean conflict.

Fourth, clarifies and liberalizes the circumstances under which disabled veterans training under the vocational rehabilitation provisions of chapter 31 may qualify for individualized tutorial assistance.

TITLE II

Title II of S. 2784 would amend title 38 as follows:

First, permits the initial 6 months of active duty training by Reserve and National Guard members to be counted toward entitlement for educational assistance under chapter 34, if the Reserve or Guard members subsequently serves on active duty for a consecutive 12 months or more.

Second, extends the maximum entitlement of educational benefits to veterans from 36 to 45 months.

Third, extends to 10 years the current 8-year delimiting date for veterans and eligible wives and widows to complete their programs of education—and excludes in computing the delimiting date the period of time that those veteran-civilians were held as prisoners of war during the Vietnam conflict.

Fourth, clarifies and strengthens certain administrative provisions of the VA educational assistance program to prevent abuses.

Fifth, authorizes up to 6 months of refresher training for veterans eligible under the current GI bill to update knowledge and skills in light of the technological advances occurring in their fields of employment during and since the period of their active military service.

Sixth, liberalizes the veteran-student programs by raising the maximum work-study allowance from $250 to $625—increasing the maximum number of hours a veteran may work from 100 to 250 hours—and removing any statutory ceiling on the number of veterans who can participate in the program.

Seventh, liberalizes the tutorial assistance program by extending the maximum assistance period from 9 to 12 months and increasing the monthly tutorial allowance from $50 to $60.

Eighth, liberalizes permissible absences for courses not leading to standard college degrees by excluding customary vacation periods established by institutions in connection with Federal or State legal holidays.

Ninth, permits any joint apprenticeship training committee which acts as a training establishment to receive the annual reporting fee of $3 for each eligible veteran or person enrolled in VA educational programs in return for furnishing the VA with the reports or certificates of enrollment, attendance, and terminations of such eligible veterans.

Tenth, increases by 18.2 percent the monthly training assistance allowance payable to eligible veterans or persons

pursuing a full-time program of apprenticeship or other on-job training program and provides similar increases for veterans or eligible wives and widows pursuing a program of education by correspondence.

Eleventh, provides that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis.

Twelfth, repeals the current 48-month limitation on any person training under more than one VA educational assistance program.

Thirteenth, provides that the Administrator shall not approve the enrollment of any eligible veteran or person in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type.

Fourteenth, directs the Administrator to measure and evaluate all programs authorized by title 38 with respect to their effectiveness, impact, and structure and mechanisms for the delivery of services, and to collect, collate, and analyze, on a continuing basis, full data regarding the operation of all such programs and to publicize the results of his findings.

Fifteenth, increases the allowance payable by the Administrator for administrative expenses incurred by State approving agencies in administering educational benefits under title 38.

Sixteenth, clarifies and strengthens the Administrator's functions and responsibilities under the VA outreach program to include greater use of telephone and mobile facilities and peer-group contact.

Seventeenth, establishes a veterans representative program to station a full-time VA employee at each educational institution where at least 500 veterans are enrolled to serve as a liaison between the VA and the school and to identify and resolve various problems with respect to the educational assistance program.

Eighteenth, establishes an Interagency Advisory Committee on Veterans Services composed of the heads of various Federal departments and agencies, of which the Administrator is chairman, to promote maximum feasible effectiveness, coordination of, and interrelationship among all Federal programs affecting veterans and dependents and to make recommendations to the President and Congress regarding the annual budget and the development, coordination, and improvement of Federal programs and laws affecting veterans and their dependents.

TITLE III

Title III of S. 2784 would amend title 38 as follows:

Authorizes supplementary assistance to veterans or eligible wives, widows, and children by direct loans to such individuals from the Veterans' Administration—utilizing the national service life insurance trust fund—of up to $2,000 a year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs.

TITLE IV

Title IV of S. 2784 would amend title 38 as follows:

First, extends chapter 41 benefits of job counseling, training, and placement services to wives and widows eligible under chapter 35.

Second, expands and strengthens the administrative controls which the Secretary of Labor is directed to establish in order to insure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training or receive some other specific form of employment assistance; also requires the Secretary of Labor to establish standards for determining compliance by State public employment service agencies with the provisions of chapters 41 and 42.

Third, clarifies and strengthens existing law requiring that Federal contractors take actions in addition to job listing in order to give "special emphasis" to the employment of qualified disabled and Vietnam era veterans.

Fourth, provides that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam era veterans, and provides for special Federal appointment authority and other mechanisms to carry out that policy.

Fifth, provides for the recodification into title 38 of existing law on veterans' reemployment rights, and further extends those rights to veterans who were employed by States or their political subdivisions.

TITLE V

Title V of S. 2784 would amend title 38 as follows:

Except as otherwise provided, the rate increases and other provisions of title I of this act shall become effective on July 1, 1974; the new loan program in title III on September 1, 1974; and the provisions in titles II and IV on the date of their enactment.

SUPPORT FROM VETERANS ORGANIZATIONS FOR S. 2784

Mr. President, I have received a number of letters in support of S. 2784 as reported to the Senate. I ask unanimous consent that a letter received from Robert L. Eaton, National Commander of the American Legion be inserted in the RECORD at this point.

There being no objection, the letter was ordered printed as follows:

THE AMERICAN LEGION,
Washington, D.C., June 19, 1974.

Hon. VANCE HARTKE,
Chairman, Senate Committee on Veterans Affairs, Russell Senate Office Building, Washington, D.C.

DEAR CHAIRMAN HARTKE: The American Legion fully supports S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as reported by your Committee on June 10, and commends you and the Members of the Committee for your comprehensive and constructive legislative approach to the education and training needs of Vietnam veterans and their survivors.

In addition to an 18.2 percent increase in education and training allowances, the Legion views the partial tuition assistance allowance of up to $720 per school year as critically needed and long overdue. The majority of student veterans are currently experiencing difficulty in pursuing their education for lack of sufficient funds. With continuing spiralling inflation and an anticipated nine percent increase this fall in the average cost of tuition in tax supported institutions, many student veterans will be forced to discontinue their education and training unless relief is provided. The partial tuition payment would permit thousands of veterans not now enrolled to do so.

The American Legion also strongly supports the provision that would authorize direct student loans to veterans pursuing a course of education leading to a standard college degree and those attending higher cost institutions. It would provide the means for student veterans to pursue the courses of their choice which may not be offered at the institutions they can presently afford to attend.

S. 2784 also provides safeguards against abuses of the program for payment of tuition assistance allowance. In addition to the existing criminal statutes, the Administrator of Veterans Affairs would be granted wide discretionary authority to prescribe the necessary rules and regulations to closely supervise the program.

Other provisions of the bill such as the two year extension of eligibility, raising the maximum period of training from 36 to 45 months, equalization of eligibility for vocational rehabilitation and improvements in work-study programs are also supported by The American Legion. That portion of the bill dealing with veterans employment assistance, preference and reemployment rights would, if enacted, satisfy six of our current resolutions dealing with this subject.

The American Legion hopes S. 2784 will be passed by the Senate without amendment and that the House will agree to its provisions at the earliest possible moment.

Sincerely yours,

ROBERT E. L. EATON,
National Commander.

Mr. HARTKE. Mr. President, we have also received communications from the Veterans of Foreign Wars and I ask unanimous consent that their letter in support of S. 2784 be included in the RECORD at this point.

There being no objection the letter was printed as follows:

VETERANS OF FOREIGN WARS,
Washington, D.C., June 19, 1974.

Hon. VANCE HARTKE,
Chairman, Commitee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Veterans of Foreign Wars commends your Committee for developing and reporting the comprehensive Vietnam era Readjustment Assistance Act of 1974, S. 2784, and which is scheduled for consideration and vote by the full Senate this week.

As Ray Soden, Commander-in-Chief of the Veterans of Foreign Wars of the United States, stated to your Committee when he presented the V.F.W. legislative program on March 11, 1974, a Priority Legislative goal of the Veterans of Foreign Wars for this year is enactment into law of comparable readjustment assistance for Vietnam veterans, as was provided veterans of previous wars.

Approval of S. 2784 will carry out the

V.F.W. goal of meaningful, effective, equal GI Bill assistance for the millions of Vietnam veterans who are trying to make a successful readjustment to civil life.

Your bill will help all veterans by its proposing to increase the rates by about 18.2 percent. However, your bill addresses itself to the problem of skyrocketing inflation regarding the costs of education by establishing a partial tuition assistance allowance of up to $720 a school year. Further, your bill meets the problems of Vietnam veterans who are accepted to attend high cost schools by establishing a VA loan program of up to $2000 a year for eligible veterans.

The 18.2 percent increase in rates, together with the tuition assistance allowance, will about double present maximum GI Bill assistance. For those who also avail themselves of the proposed low-cost loan, which, of course, must be repaid in full, the available assistance would be about three times the present authorized amount. These three provisions of S. 2784 should be sufficient to take care of the majority of costs of most veterans including the few who attend most of the higher-cost schools.

About 300,000 veterans will lose their GI Bill benefits, unless the eight year delimiting date is extended. Your bill would take care of this problem by extending the GI Bill from eight to ten years.

Another V.F.W. goal is extending the maximum entitlement, which your bill implements, by its provision to extend entitlement from 36 to 45 months.

S. 2784 also contains a provision which carries out the long-time V.F.W. goal of permitting vocational rehabilitation for service-connected disabled veterans, who have a 10 percent or more disability, rather than the present requirement of 30 percent or more. Reducing the requirement to ten percent will place service-connected veterans on a parity with veterans of World War II and the Korean war in this regard.

S. 2784 reflects the recommendations of the V.F.W. over the years to do everything possible to improve the employment situation regarding veterans, especially the Vietnam veteran. The V.F.W. has been distressed over the continually, scandalously high unemployment rate among veterans and especially the younger Vietnam veterans. Your bill has a number of provisions which propose to involve the Federal Government, especially with Federal contractors, to help veterans obtain employment in the private sector. If the Federal Government had the will and the desire, most of the hundreds of thousands of Vietnam veterans, who are on the unemployment list, would soon be employed. Your bill will help strengthen the hand of the Department of Labor in this regard by giving the Department of Labor more muscle to counsel and find jobs for the Vietnam veteran.

One of the unforeseen developments of the World War II GI Bill was widespread abuses which developed in so-called proprietary schools which were established to train and educate veterans. The V.F.W. commends your Committee for writing into the law, as indicated in the report on S. 2784, necessary controls which will make it clear that no abuses regarding veterans education and training programs will be tolerated by the Congress.

In summary, S. 2784 will, as Commander-in-Chief Ray Soden told your Committee, carry out the V.F.W. goal of comparability of assistance for the Vietnam veteran as was available for the World War II veteran.

Accordingly, the prompt approval of S. 2784 by the full Senate will be deeply appreciated by the more than 1.8 million members of the Veterans of Foreign Wars of the United States.

With kind personal regards, I am

Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. HARTKE. Mr. President, the Disabled American Veterans have voiced strong support for the amendments made to the vocational rehabilitation training program under chapter 31 for disabled veterans and the provisions contained in chapter 35 for wives, widows, and orphans.

I ask unanimous consent that their letter in support of S. 2784 be placed in the RECORD at this point.

There being no objection it was ordered printed as follows:

DISABLED AMERICAN VETERANS,
June 18, 1974.

Senator VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: On behalf of the Disabled American Veterans, I extend heartfelt thanks and appreciation to you and your colleagues on the Veterans' Affairs Committee for approving S. 2784, the "Vietnam-Era Veterans Readjustment Assistance Act of 1974."

We are especially grateful for the provisions of the bill which will improve and expand benefits and services to those veterans who suffered disabilities as a result of service with our armed forces.

The bill, as we see it, will serve to keep the VA Vocational Rehabilitation Program focused on its original and proper purpose, that of training and preparing disabled veterans for meaningful jobs. We see it also as providing a strong impetus for serving those veterans who are most in need and most likely to benefit from vocational rehabilitation services.

In addition to the generous increases in subsistence allowances for disabled veterans, for wives, widows and children, the bill contains many other features strongly supported by the DAV. It will fill a need in the lives of many young, disabled veterans by making tutorial assistance more easily available to them. It rightly and justifiably reduces from 30 percent to 10 percent the service-connected disability requirement for entitlement to training under the VA Vocational Rehabilitation Program.

The DAV is also very pleased to support the many fine provisions intended to improve training and employment opportunities for Vietnam-Era and service-connected disabled veterans, and for the wives and widows training under the War Orphans and Widows Educational Assistance Program.

We know that you will exercise your firm leadership to bring about approval of S. 2784 when it reaches the floor of the Senate for a vote.

Again, many thanks for your efforts to improve the economic and social well-being of our young, deserving war veterans.

Sincerely yours,

CHARLES L. HUBER,
National Director of Legislation.

Mr. HARTKE. Mr. President, the National Association of Concerned Veterans, an organization composed exclusively of Vietnam-era veterans has also written in support of S. 2784 and I ask unanimous consent that their letter be inserted in the RECORD at this point.

There being no objection, the letter was ordered printed as follows:

NATIONAL ASSOCIATION
OF CONCERNED VETERANS,
June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Association of Concerned Veterans (NACV) strongly supports S. 2784, the "Vietnam Era Veterans' Readjustment Assistance Act of 1974."

S. 2784, as reported, contains many important improvements in today's veterans' readjustment programs. Among these provisions are: a partial tuition assistance allowance for GI Bill enrollees; extension of the maximum entitlement of educational benefits to veterans from 36 to 45 months; and 18.2 percent raise in the education and training assistance allowances; increased Federal employment preference and reemployment rights for disabled veterans and Vietnam Era veterans; expansion of chapter 41 benefits of job counseling, training, and placement to include wives and widows; and a liberalization of the VA student services program.

The NACV is also very pleased that section 204 of this bill would require a 50 percent placement rate from all VA approved courses with a vocational objective. Additionally, section 215 adds new curbs on erroneous, misleading, or deceptive advertising, sales, or enrollment practices of such institutions serving veterans. The NACV's experience has led to agreement with the findings of the Boston Globe's series of articles on vocational schools—that many veterans are simply being "ripped-off".

The NACV believes that you and the Members of the Committee have performed excellent service to Vietnam Era veterans in formulating the bill which you have reported to the Senate. We urge Senate passage of all provisions of S. 2784, as amended.

Respectfully yours,

TIMOTHY L. CRAIG,
President.

Mr. HARTKE. Finally, I ask unanimous consent that the letters received from the American Veterans Committee and the Leadership Conference on Civil Rights supporting S. 2784 also be inserted in the RECORD.

There being no objection, the letters were ordered printed as follows:

AMERICAN VETERANS COMMITTEE,
Washington, D.C., June 18, 1974.

Senator VANCE HARTKE,
Chairman, Senate Veterans Affairs Committee, Washington, D.C.

DEAR SENATOR HARTKE: The American Veterans Committee strongly urges the passage of S. 2784, the bill reported out of the Senate Veterans Affairs Committee to increase and improve educational benefits for Vietnam-era veterans. We in AVC have strongly supported enactment of legislation to bring the Vietnam GI Bill to parity with the World War II GI Bill, which has benefitted the nation greatly. Many of the members of AVC went to colleges, graduate schools, and other post-secondary institutions with the benefits of the World War II GI Bill.

AVC is very much in favor of the separate tuition subsidy provided in S. 2784, which would assist those veterans who need educational benefits most—the undereducated and disadvantaged. Furthermore, the separate tuition subsidy would provide a much wider choice of schools and training to the

veteran. Increasing the current allowance from which the veteran must pay his school costs and his living expenses is just not enough.

We think that the abuses that occurred with the World War II bill do not form a basis for an argument against enactment of a separate tuition subsidy. S. 2784 has written in clear safeguards against the possible profiteering of irresponsible and unscrupulous schools. For example, Sections 204 and 215 spell out procedures to prevent erroneous advertising that would mislead veterans who were seeking specific training and set forth requirements that certain vocational and technical schools be required to prove that at least half of their graduates find employment in the fields that they are supposed to provide training.

AVC believes that the benefits of this important bill to the Vietnam-era veterans, to education and to society itself, far outweigh possible abuses. The lessons of the World War II bill have been learned—S. 2784 has been carefully written to eliminate either swindling of the veteran or of the federal government.

We hope that with your leadership the Senate will pass S. 2784.

Sincerely yours,

ARTHUR S. FREEMAN,
National Chairman.

LEADERSHIP CONFERENCE
ON CIVIL RIGHTS,
Washington, D.C., June 18, 1974.

Senator VANCE HARTKE,
Chairman, Veterans' Affairs Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR HARTKE: The Task Force of Veterans and Military Affairs of the Leadership Conference on Civil Rights strongly endorses S. 2784 as essential legislation to make veterans' educational benefits meaningful to Vietnam veterans, particularly disadvantaged veterans.

We believe that the separate tuition subsidy provided in S. 2784 to supplement the veteran's monthly allowance will allow more minority veterans (as well as other veterans) to continue their education and training. We have been very concerned that recent studies have conclusively shown that black and other minority veterans are using the GI Bill at a lower rate than white veterans. Enactment of S. 2784 will be an important factor in helping bring disadvantaged veterans into the mainstream of our society.

We commend you and the members of the Senate Veterans' Affairs Committee for reporting out this bill, and hope that the Senate will pass S. 2784.

Sincerely yours,

JUNE A. WILLENZ,
Chairperson, Task Force on Veterans and Military Affairs.

Mr. HARTKE. Mr. President, the provision of S. 2784, which I have previously summarized are described more fully in the committee report. These include a general discussion of the more major provisions of the reported bill and additional background material and expressions of committee views which are set forth in the section-by-section analysis. Such views are important to our consideration of the bill and I ask unanimous consent that appropriate excerpts from that report be placed in the RECORD at this point.

There being no objection, the material is ordered printed in the RECORD as follows:

BACKGROUND AND DISCUSSION

VETERANS' ADMINISTRATION EDUCATIONAL ASSISTANCE PROGRAMS

Educational assistance to facilitate a veterans' readjustment to civilian life will have been part of American law for thirty years on June 22, 1974. Over 19.1 million veterans, almost 10 percent of the entire population of the United States, have received educational assistance under the GI bill since 1944.

The Committee believes the impact of the GI bill on the American society cannot be underestimated. For each dollar spent in educational benefits, the Federal Government has received from $3 to $6 in additional tax revenue from veterans whose education has given them increased earning capacity. As the Bradley Commission noted in 1956:

"By any standard, the readjustment program . . . was one of the greatest efforts in human history to assure the well-being of millions of persons. . . . The Commission believes there is little question that the veterans' education program has been a great benefit to millions of veterans and to the Nation. The veterans' education program was a major contribution to the national welfare, and the country would be weaker educationally, economically, and in terms of national defense, if educators, Veterans' organizations, the President and the Congress has not seen this new and momentous educational enterprise."

The Committee believes it should also be noted that in fiscal year 1973 the Veterans' Administration paid out $1.8 billion for higher education or 29 percent of all such Federal expenditures.

Under the current system of educational benefits which was enacted as Public Law 89–358 on June 1, 1966, over 4.1 million veterans and 225,000 wives, widows and war orphans had taken advantage of their GI bill benefits. The current program provides educational benefits for a myriad of education and training courses for both veterans and wives, widows and war orphans. The following table shows the number of veterans and dependents who have received educational benefits under the current program through fiscal year 1973, by type of program:

TABLE 1.—TRAINEES UNDER THE GI BILL CUMULATIVE THROUGH FISCAL YEAR 1973 BY TYPE OF TRAINING

Training programs	Veterans (ch. 34)	Dependent (ch. 35)
Total all types of training	4,102,814	225,557
COLLEGE LEVEL		
Total	2,099,950	181,021
Academic degrees—field not specified—total	1,091,803	85,398
Associate in arts	332,362	14,541
Associated in science	41,460	1,840
Associated degree, n.e.c.	160,535	9,962
Bachelor of arts	122,417	12,211
Bachelor of science	87,874	6,178
Bachelor's degree, n.e.c.	235,110	36,911
Master of arts	26,305	1,032
Master of science	14,919	252
Master's degree, n.e.c.	50,384	2,090
Doctor of philosophy	17,190	258
Doctor's degree, n.e.c.	3,084	123
Postdoctoral, n.e.c.	163	17,736
Business and commerce	310,196	21,101
Education	122,003	5,686
Engineering	75,905	2,225
English and journalism	11,054	4,014
Fine and applied arts	26,237	501
Foreign languages	3,056	1,276
Law	37,734	1,559
Liberal arts (major not specified)	50,125	11,225
Life sciences—total	83,731	11,557
Agricultural sciences	13,088	1,249
Biological sciences	15,915	2,449
Medical and health sciences	54,728	7,859
Mathematics	7,849	964
Physical sciences	14,339	1,698
Social sciences	71,323	7,218
Theology	10,161	563
Technician courses—total	148,679	5,914
Business and commerce	28,766	1,025
Engineering and related	4,877	96
Medical and related	8,397	1,706
Other technician courses	106,639	3,087
All other academic fields	35,755	2,386
BELOW COLLEGE		
Total	1,659,354	44,449
Arts	105,832	2,016
Business	314,378	14,717
Services	109,132	12,408
Technical courses—total	192,980	2,240
Electronic	135,179	745
Engineering	33,284	219
Legal	8,116	0
Medical and related	7,123	917
Other technical, n.e.c.	9,278	359
Trade and industrial—total	649,847	11,810
Air-conditioning	90,040	389
Construction	23,103	4,124
Electrical and electronic	205,541	1,670
Mechanical	182,755	3,507
Metal work	50,236	1,051
Other trade and industrial	98,172	1,069
Other institutional	185,664	1,258
Flight training—total	101,521	0
MAJOR OCCUPATIONAL JOB TRAINING		
Total	343,510	87
Technical and managerial	36,510	----
Clerical and sales	7,904	----
Service occupations	53,327	----
Farming, fishery, forestry occupations	2,519	----
Trade and industrial—total	228,565	----
Processing occupations	8,794	----
Machine trades occupations	62,453	----
Benchwork occupations	11,829	----
Structural work occupations	145,489	----
Miscellaneous occupations	14,685	----

Individuals receiving educational assistance allowances may attend approved courses at colleges, universities, business and technical schools, high schools and, in some cases, even schooling below the high school level. Assistance may also be provided for on-job training, farm training, flight training and correspondence courses.

Some 51.2 percent of the post-Korean and Vietnam era trainees who have used the current GI bill through November 1973, have taken college level courses. About 40 percent were involved in below college level training. On-job training accounted for 8.4 percent of the veteran trainees and farm cooperative training for 0.4 percent. The following table compares the types of training pursued by veterans under the World War II and Korean conflict GI bills with participants under the current bill:

TABLE 2.—GI BILL PARTICIPATION BY PROGRAM

[In percent]

Type	WW II	Korean conflict	Post-Korean and Vietnam era	Vietnam era	
				Veterans	Servicemen
Total	100.0	100.0	100.0	100.0	100.0
College	28.6	50.7	51.5	56.5	23.3
Below college	44.6	36.0	45.8	32.4	76.7
On job	17.9	9.3	8.5	10.8	----
Farm	8.9	4.0	.4	.3	----

PARTICIPATION RATES

Although a comparison of the participation rates under the Vietnam era GI era bill for the first ninety months of the program is about identical with that of the World War II program (50.1 percent vs. 50.4 percent) the Committee believes that the Vietnam era participation rates should be much higher given the greater educational

attainment of today's veteran and the greater importance society places on postsecondary education today as compared with immediately following World War II. For instance, only 18.9 percent of Vietnam era veterans do not have high school diplomas compared with 54.6 percent of World War II veterans. As such, the Committee believes the participation for the current program should be much higher.

The Educational Testing Service (ETS) in its "Final Report on Educational Assistance to Veterans: A Comparative Study of Three GI Bills", conducted pursuant to section 413 of Public Law 92–540, concluded that:

"At the time of separation from the Armed Forces, the Vietnam era veteran is better educated, younger, and has fewer dependents than veterans of World War II. These factors suggest that the Vietnam era veteran should be better suited to pursue postservice education; however, Vietnam veterans have not participated at a higher rate than World War II veterans. Although enrollment in all types of postsecondary education has increased, the usage of the GI bill over the three periods has remained about the same.

"In view of these factors, equality of participation rates for the three GI bills is not an adequate measure of their relative success in providing readjustment assistance. If 48 percent of the veterans of World War II used their benefits when postsecondary education played a much less important role in career preparation, veterans of the current period should be expected to use their benefits at a higher rate to parallel the corresponding increase in enrollment in postsecondary education."

It is further obvious to the Committee that the level of educational assistance benefits has a strong influence on participation rates.

It should be observed that with each increase in the educational assistance rates, participation in the program has increased, particularly the numbers in training following the enactment of the Veterans Education and Training Act of 1970 (P.L. 91–219) and of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). During the fall of 1971, when veterans had the full benefit of the increases provided by the 34.6 percent increases in P.L. 91–219, and during the fall of 1972, when veterans first had the benefit of the increases provided in P.L. 92–540, the enrollment of veterans in educational programs increased by 33 percent and 8 percent, respectively, over the previous year; and in the fall of 1973 the numbers participating showed a 14 percent increase over 1972. In numbers, this past fall approximately 300,000 more veterans enerolled than the VA had projected.

NEED FOR INCREASES IN EDUCATIONAL ASSISTANCE BENEFITS

Since the effective date of the last increase in the monthly educational assistance allowance, on September 1, 1972 (from $175 to $220 for a single veteran), the cost of living has increased 14.6 percent. Pertinent data and the changes in the Consumer Price Index are reflected in the following table:

TABLE 3.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS—CONSUMER PRICE INDEX

[1967=100]

	1972	1973	1974
January	123.2	127.7	139.7
February	123.8	128.6	141.5
March	124.0	129.8	143.1
April	124.3	130.7	144.0
May	124.7	131.5	
June	125.0	132.4	
July	125.5	132.7	
August	125.7	135.1	
September	126.2	135.5	
October	126.6	136.6	
November	126.9	137.6	
December	127.3	138.5	

Given the continuing unchecked inflationary rate which has occurred since the effective date of Public Law 92–540 the cost of living can be expected to approach 18 percent by the beginning of this year's fall school term.

The Committee wishes to emphasize, however, that the Consumer Price Index is a conservative indicator when dealing with educational costs for which the VA educational assistance allowance is in large part intended. The following chart shows increases in tuition and fee charges at public and private institutions of higher learning from 1957 to 1970 as compared with increases in the Consumer Price Index.

In order to measure comparability of educational benefits, it is necessary to take into consideration the significant changes in the economy that have taken place over the 25 years between 1948 and 1973. During this period, the Consumer Price Index rose from a 1948 average of 72.1 (1967=100) to 144.0 as of April 1974. Average monthly earnings rose from $212 in 1948 to some $617 as of May 1973. During the same period, average tuition and fees at 4-year public institutions more than doubled and tuition at 4-year private institutions increased fivefold. Increases of a similar nature occurred in other postsecondary institutions. The most dramatic changes occurred in the decade of the 1960's and continue to the present.

Currently, a single veteran receives an educational assistance allowance of $1,980 per academic year ($220 a month for nine months) to cover all school and subsistence costs. The Office of Education, Department of Health, Education, and Welfare, in its publication "Higher Education, Basic Student Charges," figures an estimated average for tuition, room, and board in the 1973–74 school year at $1,492 for public schools and $3,281 for nonpublic schools. Public two-year school charges average $1,235, while their private counterparts average $2,814, according to the same study. The following table shows estimated average charges in current dollars for full-time independent resident degree students in institutions of higher learning by institution type and control in the United States for the period 1960–61 to 1973–74:

TABLE 4.—ESTIMATED AVERAGE CHARGES (CURRENT DOLLARS) PER FULL-TIME UNDERGRADUATE RESIDENT DEGREE-CREDIT STUDENT IN INSTITUTIONS OF HIGHER EDUCATION, BY INSTITUTIONAL TYPE AND CONTROL: UNITED STATES, 1960–61 TO 1973–74

[Charges are for the academic year and in current unadjusted dollars]

Year and control	Total tuition, board, and room				Tuition and required fees			
	All	University	Other 4-yr	2-yr	All	University	Other 4-yr	2-yr
1960–61:								
Public	$850	$919	$765	$576	$211	$252	$171	$81
Nonpublic	1,602	1,806	1,503	1,124	857	1,001	785	490
1961–62:								
Public	869	947	788	599	218	265	182	88
Nonpublic	1,666	1,882	1,570	1,198	906	1,059	838	537
1962–63:								
Public	901	986	814	615	222	268	192	97
Nonpublic	1,724	2,022	1,608	1,271	944	1,149	869	600
1963–64:								
Public	926	1,026	846	630	234	281	215	97
Nonpublic	1,815	2,105	1,700	1,313	1,012	1,216	935	642
1964–65:								
Public	950	1,051	867	638	243	298	224	99
Nonpublic	1,907	2,202	1,810	1,455	1,088	1,297	1,023	702
1965–66:								
Public	983	1,106	903	671	258	327	240	109
Nonpublic	2,004	2,317	1,898	1,559	1,154	1,369	1,086	769
1966–67:								
Public	1,026	1,171	947	710	275	360	259	121
Nonpublic	2,124	2,456	2,007	1,679	1,233	1,456	1,162	845
1967–68:								
Public	1,063	1,199	997	790	283	366	268	144
Nonpublic	2,204	2,544	2,104	1,763	1,297	1,534	1,238	893
1968–69:								
Public	1,117	1,245	1,063	883	295	377	281	170
Nonpublic	2,321	2,673	2,237	1,876	1,383	1,638	1,135	956
1969–70:[1]								
Public	1,196	1,340	1,144	957	319	412	308	188
Nonpublic	2,518	2,903	2,433	2,063	1,516	1,795	1,470	1,064
1970–71:[1]								
Public	1,274	1,434	1,224	1,029	343	448	337	207
Nonpublic	2,712	3,127	2,625	2,252	1,650	1,950	1,604	1,174
1971–72:[1]								
Public	1,354	1,509	1,289	1,087	363	478	361	222
Nonpublic	2,875	3,318	2,789	2,416	1,765	2,085	1,723	1,272
1972–73:[1]								
Public	1,414	1,603	1,372	1,160	388	515	390	241
Nonpublic	3,075	3,551	2,989	2,611	1,902	2,246	1,862	1,387
1973–74:[1]								
Public	1,492	1,699	1,457	1,235	412	552	420	261
Nonpublic	3,281	3,788	3,197	2,814	2,044	2,412	2,008	1,507

[1] Projected.

Note: Data are for 50 States and the District of Columbia for all years.

Source: U.S. Department of Health, Education, and Welfare, Office of Education, publications: (1) "Higher Education Basic Student Charges," 1961–62 through 1964–65, 1966–67, and 1968–69; and (2) "Opening (fall) Enrollment in Higher Education," 1961 through 1964, 1966, and 1968.

Further, the Committee believes that there is no reason to doubt that the trend of spiraling increases in the cost of education will continue. Information obtained from the College Entrance Examination Board indicates that for the next school year further increases in costs can be anticipated. It is expected that the cost of education in the coming school year will increase 13.6 percent for private two-year colleges. For public four-year colleges, an 8.6-percent increase is expected, and for private four-year colleges a 7.1-percent increase is anticipated. The Committee believes it should be noted that the public two-year institutions have had increases in education cost over the past five years of over 70 percent. The Committee finds this especially critical because of the large number of Vietnam era veterans attending such schools.

Appendix A of this report also contains resident and nonresident undergraduate tuition charges at State colleges and universities for the 1973–74 academic year for each State.

NEED FOR PARTIAL TUITION ASSISTANCE ALLOWANCE

In addition to the obvious need for increases in monthly educational assistance allowances, the Committee also gave close attention to the differences in participation rates by veterans residing in different States. These participation rates vary widely with the highest State having an overall participation rate (60.8 percent) nearly twice that of the lowest State (30.6 percent), as shown in the following table:

TABLE 5.—CH. 34: PARTICIPATION RATE FOR VIETNAM ERA VETERANS, BY STATE AND TYPE OF TRAINING (CUMULATIVE THROUGH NOVEMBER 1973)

State	Veteran population	Trainees[1] Number	Trainees[1] Percent of veteran population Total	IHL	Other schools	OJT	Correspondence[2]
Total	6,787,000	3,400,017	50.1	26.3	19.0	4.8	9.9
Alabama	97,000	48,507	50.0	24.5	21.0	4.5	4.8
Alaska	12,000	4,340	36.2	21.1	12.3	2.8	4.4
Arizona	67,000	39,610	59.1	37.4	14.9	6.8	7.8
Arkansas	55,000	25,142	47.5	21.1	19.0	5.6	5.9
California	798,000	431,885	54.1	39.5	11.1	3.5	4.9
Colorado	89,000	46,812	52.6	30.9	17.4	4.3	9.3
Connecticut	100,000	38,402	38.4	20.0	11.0	7.4	5.8
Delaware	21,000	7,524	35.8	20.7	10.8	4.3	6.8
District of Columbia	25,000	15,208	60.8	34.1	20.8	5.9	4.5
Florida	238,000	109,285	45.9	27.6	13.9	4.4	5.4
Georgia	158,000	70,906	44.9	18.7	21.5	4.7	5.3
Hawaii	30,000	15,716	52.4	30.7	13.5	8.2	6.0
Idaho	23,000	11,813	51.4	31.4	15.5	4.5	11.1
Illinois	337,000	139,879	41.5	23.1	13.6	4.8	7.6
Indiana	175,000	62,190	35.5	14.9	16.1	4.5	10.7
Iowa	86,000	36,413	42.3	20.4	17.9	4.0	9.6
Kansas	72,000	33,607	46.7	27.5	16.0	3.2	7.3
Kentucky	90,000	35,138	39.0	18.0	17.4	3.6	10.2
Louisiana	102,000	47,197	46.3	22.4	18.0	5.9	5.9
Maine	31,000	13,277	42.8	19.1	15.8	7.9	8.4
Maryland	147,000	56,905	38.7	22.4	11.9	4.4	5.9
Massachusetts	197,000	69,509	35.3	21.0	10.3	4.0	4.5
Michigan	278,000	121,426	43.7	24.3	14.4	5.0	8.8
Minnesota	140,000	65,036	46.5	22.0	18.1	6.4	6.5
Mississippi	49,000	20,291	41.4	22.4	14.1	4.9	5.0
Missouri	153,000	66,480	43.5	23.4	15.6	4.5	6.9
Montana	24,000	11,931	49.7	28.0	14.5	7.2	6.6
Nebraska	47,000	23,912	50.9	26.1	16.8	8.0	7.4
Nevada	21,000	8,052	38.3	19.6	15.1	3.6	7.9
New Hampshire	29,000	10,474	36.1	18.1	10.7	7.3	6.5
New Jersey	219,000	74,438	34.0	18.0	11.7	4.3	5.7
New Mexico	34,000	19,884	58.5	32.4	21.9	4.2	9.0
New York	501,000	201,737	40.3	22.3	11.4	6.6	5.6
North Carolina	148,000	71,517	48.3	25.6	14.8	7.9	5.5
North Dakota	16,000	10,907	68.2	37.5	22.1	8.6	8.5
Ohio	352,000	128,804	36.6	18.0	14.5	4.1	9.4
Oklahoma	94,000	44,930	47.8	28.6	15.8	3.4	5.6
Oregon	84,000	39,886	47.5	32.4	11.1	4.0	5.8
Pennsylvania	375,000	146,076	39.0	17.2	16.5	5.3	9.4
Rhode Island	35,000	14,249	40.7	23.8	12.6	4.3	5.6
South Carolina	83,000	39,314	47.4	21.4	19.8	6.2	5.8
South Dakota	16,000	9,372	58.6	29.5	22.9	6.2	12.0
Tennessee	124,000	56,692	45.7	22.1	18.8	4.8	7.9
Texas	372,000	169,467	45.6	28.0	14.7	2.9	6.7
Utah	41,000	19,249	46.9	31.5	12.7	2.7	9.4
Vermont	16,000	4,903	30.6	13.5	9.3	7.8	5.9
Virginia	165,000	63,398	38.4	21.4	11.9	5.1	6.9
Washington	149,000	74,896	50.3	30.8	15.9	3.6	8.2
West Virginia	47,000	21,131	45.0	20.0	17.7	7.3	9.5
Wisconsin	137,000	61,816	45.1	23.0	16.8	5.3	9.9
Wyoming	11,000	5,533	50.3	31.3	13.0	6.0	8.8
Outside United States (total)[3]	77,000	27,361	35.5	23.1	10.8	1.6	4.3

[1] Total includes 407,500 servicemen trainees. Since these servicemen are not distributed proportionately by State they are omitted from State comparisons.

[2] Correspondence trainees are already counted in IHL or "Other schools," as appropriate.

[3] Area includes Puerto Rico, U.S., possessions, and outlying areas and foreign countries.

Upon investigation the Committee cannot explain these differences in participation rates other than by the fact that the higher cost of education (in both public and private institutions) in those States where participation rates are low deny a veteran easy access to higher education. The veteran, is in effect, "priced-out" of higher education. Differences in tuition result in disparate amounts of GI bill allowances available for living expenses as shown in the following table:

TABLE 6.—COSTS OF TUITION, OTHER EXPENSES, AND REMAINDER OF BENEFITS AVAILABLE FOR LIVING EXPENSES AT SELECTED 4-YR PUBLIC INSTITUTIONS, 1973–74

	GI bill benefits	Tuition	Other expenses	Remainder for living expenses	Living funds for 1 month[1]
University of California	$1,980	$544	$500	$736	$81.78
Florida State	1,980	570	600	810	90.00
University of Illinois	1,980	[2] 0	600	1,380	153.33
University of Massachusetts	1,980	[2] 0	600	1,380	153.33
University of Michigan	1,980	[3] 800/904	600	580/476	64.44/52.89
University of Missouri	1,980	540	600	840	93.33
State University of New York	1,980	[3] 750/900	600	630/480	70.00/53.33
University of North Carolina	1,980	439	600	941	104.56
Pennsylvania State University	1,980	900	600	480	53.33
Texas Technical University	1,980	292	600	1,088	12.89

Source: Derived from "National Association of State Universities and Land-Grant Colleges 1973–74 Student Charges."

[1] Based on a 9-month academic year.

[2] Illinois and Massachusetts provide free tuition for resident veterans at public institutions.

[3] First figure for freshmen and sophomores and 2d figure for juniors and seniors.

[4] The median figure estimated as the amount needed to cover "other expenses" for the academic year was $600, based on responses from 80 member institutions.

Most significantly, the Committee gave close consideration to the Final Report of the Educational Testing Service which concluded:

"In general, the "real value" of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam conflict when adjustments are made for the payment of tuition, fees, books and supplies.

"When educational allowances for the Vietnam veteran are adjusted for the average tuition, fees, books and supplies at a 4-year public institution, the benefits remaining are insufficient to meet the veteran's estimated living expenses.

"When total resources available to the veteran for an academic year are compared with his estimated living expenses for a similar period, substantial need exists for additional resources to meet educational costs.

"The accessibility of postsecondary education for the Vietnam conflict veteran is a function of not only his military service but also his particular State of residence. The effectiveness of the benefits is directly related to the availability of low-cost readily accessible public institutions. The current veteran seeking to use his educational benefits finds that equal military service does not provide equal readjustment opportunities with respect to attendance at postsecondary schools. This is particularly true of institutions of higher education.

"To restore equity between veterans residing in different States with differing systems of public education, some form of variable payments to institutions to ameliorate the differences in institutional costs would be required."

Testimony before the Subcommittee almost unanimously supported the foregoing conclusions. Witness after witness testified both as to the need for substantial increases in the monthly educational assistance allowance coupled with some form of variable tuition assistance. Particular concern was evidenced by Senators McGovern, Mathias, Inouye, and Dole and other cosponsors of S. 2789 who urged the adoption of some form of "tuition equalizer". While not adopting the particular approach contained in S. 2789, the Committee has concluded that both substantial increases in monthly educational assistance allowances and the creation of a partial tuition assistance allowance are necessary as part of an effort to deal effectively with the GI bill educational assistance comparability problem.

Accordingly, the reported bill would provide for an 18.2-percent across-the-board increase in the monthly educational assistance allowance. The full-time instruction rate for a veteran with no dependents would be increased from $220 to $260 a month. The rate for a veteran with one dependent would be increased to $309 a month from the current rate of $261. The addition of one child would increase the rate from $298 to $352 a month, with an additional $21 a month for each dependent in excess of two.

As an integral part of the package of educational benefits available to veterans under chapter 34 and eligible dependents under chapter 35, the Committee has also authorized a partial tuition assistance allowance which pays 80 percent of tuition after ex-

cluding the first $100 up to a maximum tuition charge of $1,000. Under this proposal, a veteran may receive up to $720 a school year as a partial tuition assistance allowance in addition to the increased monthly educational assistance allowance.

The Veterans' Administration estimates that approximately 1,652,000 veterans in the coming year will receive and benefit from the partial tuition assistance allowance authorized under the reported bill.

The Committee believes that the reported bill's 18.2-percent rate increases, coupled with the up to $720 partial tuition assistance allowance and the new education loan (up to $2,000) program, take a great stride forward in providing educational opportunities for today's veterans to those which were equally available to veterans following World War II.

VETERANS' EDUCATIONAL LOAN PROGRAM

A new educational loan program would also be authorized in the reported bill for eligible veterans and dependents. The Committee is aware that for those choosing to pursue a course of education leading to a standard college degree and attending certain higher cost institutions, additional sums, even beyond the 18.2-percent increases in the monthly educational assistance allowance and the partial tuition assistance allowance of up to $720 per school year, will be required. To the extent that the additional costs are beyond the resources available to the veteran (including existing Federal loan programs) direct low-interest loans from the Veterans' Administration of up to $2,000 per academic year from the National Service Life Insurance Trust Fund are authorized. The Veterans' Administration estimates that approximately 136,000 veterans will receive loans in the first full year under this new loan program.

CONTROLS TO PREVENT ABUSES

S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans' educational assistance program. The Committee is aware of and shares the deep concern of certain senior and influential Members of Congress about abuses of the GI bill program in general and the anticipated problems associated with the payment of a partial tuition assistance allowance. In response to these concerns, a number of specific controls with respect to the tuition payment system were adopted to reduce the possibility of abuse. Additionally, ample discretionary authority is granted to the Veterans' Administration to prescribe such rules and regulations as are "necessary to implement and prevent abuses of the program for payment of partial tuition assistance allowances." There are also a number of Federal criminal statutes presently in existence which would be applicable to any person or institution which acted to abuse the program.

At the same time, it should be noted that while it is true that any increase in the amount of Federal funds a veteran has available to purchase services will serve as a strong economic incentive for certain schools to seek out and enroll these veterans, the Committee believes that the basic problem is *not* in the level or manner of payment of Federal funds. Rather, the fundamental problem rests either with the quality of services offered or with deceptive erroneous or misleading advertising, sales, or enrollment practices. In the first instance, lack of effectiveness in the basic approval process to qualify institutions for VA payments can result in Federal expenditures for inferior services. An example would be vocational objective courses which do not qualify the veteran to obtain the job for which he trained. In an extensive investigative reporting series concerning the vocational school industry, the Boston Globe's Spotlight Team concluded, for example, that:

"[T]he career-training field has been cornered by a profit-making school industry which is dominated by a fast-buck mentality that sees students as dollar signs.

"This highly profitable, publicly subsidized market has exploded in the past five years spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.

". . . [T]he Spotlight Team . . . found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses."

In the second situation illustrating the basic opportunity for abuse, institutions or their employees which utilize advertising, sales, or enrollment practices making oral or written claims which are erroneous, deceptive, or misleading—either by actual statement, omission, or intimation—deny the veteran accurate, useful information necessary for him to compare and make an informed judgment about possible enrollment in a course.

The Committee believes that the recent proceedings of the National Invitational Conference on Consumer Protection in Post-Secondary Education, the long investigative series on vocational schools conducted by the Boston Globe, the draft report of the Brookings Institution Study for the Office of Education entitled "Private Accreditation and Public Eligibility," and the Federal Trade Commission's File No. 722-3149 covering practices and performance of the proprietary vocational and correspondence school industry to which the Committee was granted access, all chronicle the problems mentioned and confirm the foregoing analysis.

The Brookings study, like the 1972 Newman report on higher education which preceded it, raised important questions concerning the reliance upon "accreditation" as a key to eligibility for public funds. The preliminary draft study quotes an unidentified Federal official as saying:

"Direct and indirect Federal financial support . . . has played a major role in the growth of the private vocational school industry with only the most minimal safeguards. . . . Thus, the Government itself has underwritten the development of school abuses and has a major responsibility to ensure that the abuses of the industry are reformed.

As a consequence, the reported bill clarifies and extends VA authority consistent with the objectives of avoiding abuses. Statutory authority has been tightened and generally made applicable to schools regardless of whether they are "accredited or nonaccredited." In this connection, the Committee concurs with the 1970 testimony of the Veterans' Administration on the Federal Trade Commission's proposed guides for private vocational and home-study schools, which concluded:

"There is a need for guidelines to be established which would control the content and the operation of the courses of education which are offered by the schools, accredited and nonaccredited. *These guidelines should be over and above those established by the National Home Study Council and National Association of Trade and Technical Schools.*"

Additionally, the reported bill clarifies and strengthens the law with respect to the Administrator's authority to disapprove enrollment of veterans in institutions which utilize advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading and provides for greater coordination with the Federal Trade Commission.

EXTENDING THE TIME PERIOD TO UTILIZE GI BILL BENEFITS

Veterans training under the current Vietnam era GI bill have 8 years within which to utilize their educational assistance benefits. Subsection (a) of section 1662 of title 38, United States Code, currently provides that:

No educational assistance shall be afforded an eligible veteran in this chapter beyond the day 8 years after his last discharge or release from active duty after January 31, 1955.

Post-Korean conflict veterans who served after January 31, 1955, and who were discharged prior to June 1966, were made retroactively eligible for educational assistance benefits when the current GI bill was first authorized by Congress in Public Law 89-358. Thus, for those veterans the 8-year "delimiting period" runs from June 1, 1966, the effective date of the act. With limited exceptions approximately 4 million post-Korean veterans currently eligible for educational assistance benefits would have become ineligible on May 31, 1974, the eighth anniversary of the current GI bill, but for the passage of S. 3398 which was enacted as Public Law 93-293 on May 31, 1974. S. 3398 provided a thirty-day temporary extension of the delimiting date.

Of that number, the Veterans' Administration estimates that approximately 530,000 will have been in training during the current fiscal year. This includes 387,000 post-Korean veterans who served between 1955 and 1964 and an additional 143,000 Vietnam era veterans discharged in fiscal years 1965 and 1966. As of May 31, it is estimated that 285,000 veterans, subject to the immediate cutoff of benefits would have actually been in training at the time. Others had finished their spring college semester prior to that date or had completed short-term vocational training.

Approximately 55.8 percent of veterans in training this year who would have been affected by the May 31 cutoff date were enrolled in college level training. Veterans enrolled in correspondence courses comprised another 25.9 percent of the total with 4.3 percent participating in on-job training and the remaining 14 percent enrolled in other postsecondary vocational education.

The following table shows the number of veterans by type of training, would have been affected by the May 31 date, who are in training or who have trained under the GI bill since eligibility was first authorized in 1966.

TABLE 7.—TRENDS IN PARTICIPATION IN GI BILL EDUCATION PROGRAMS BY VETERANS DISCHARGED, 1955-66

Type of education	Participation by fiscal year								
	1967	1968	1969	1970	1971	1972	1973	[1] 1974	[1] 1975
Institutions of higher learning	305,825	312,503	250,625	242,541	258,164	275,624	294,006	315,000	297,000
Below college level	60,719	70,771	59,682	51,379	58,593	63,674	66,878	70,000	60,000
Correspondence	43,263	93,284	98,498	106,860	116,265	137,026	146,422	145,000	143,000
Total	409,807	467,558	408,805	300,780	433,022	476,324	507,306	530,000	500,000

[1] Estimate.

Probably no one amendment to the current GI bill program has occasioned more mail or comment this year than the proposed extension of the time period within which to utilize GI bill benefits. In establishing GI bill benefits, Congress declared in section 1651 of title 38, United States Code, that:

"The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955, and (4) aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country."

In carrying out the purposes outlined above, Congress established an eight-year period within which a veteran could utilize benefits to accomplish his "readjustment" to civilian life. Though it would appear on first impression that an eight-year period is a sufficient period of time for a veteran to complete his educational training, testimony before the Committee indicated a variety of factors which have prevented many veterans from fully utilizing their benefits before the cutoff date. The Committee believes the primary reason for not using benefits prior to the expiration of eight years has been the inadequate level of benefits. As originally enacted in 1966, a single veteran received $100 a month for full-time training which was $10 a month *less* than a veteran received 14 years prior under the Korean conflict program in 1952. The following table shows the level of benefits available to a veteran since 1966:

TABLE 8.—FULL-TIME EDUCATIONAL ASSISTANCE RATES UNDER THE GI BILL SINCE 1966

Year	Number of dependents: None	1	2	Each dependent above 2
1966	$100	$125	$150	
1967[1]	130	155	175	$10
1968	130	155	175	10
1969	130	155	175	10
1970[2]	175	205	230	13
1971	175	205	230	13
1972[3]	220	261	298	18
1973	220	261	298	18
1974	220	261	298	18

[1] Public Law 90-77, effective Aug. 31, 1967.
[2] Public Law 91-219, effective Mar. 26, 1970.
[3] Public Law 95-540, effective Sept. 1, 1972.

Thus, many veterans were financially unable to attend school until just recently when rates have reached a more adequate level.

As a result, the overall GI bill participation rate for eligible veterans discharged prior to 1966 is lower than for those discharged after that date. Further, post-Korean veterans who have enrolled in training reflect a lower college participation rate.

The median age for veterans first entering training is higher for the pre-1966 veteran (25.8 years) than for those discharged after 1966 (24.5 years). And, there is a greater likelihood that this veteran will be enrolled in less than full-time training. All of these factors were considered by the Committee in its decision to extend the period in which to use benefits.

That participation bears a close relationship to the level of benefits as reflected in part by the number of post-Korean veterans in training today. The number of those veterans in training for this fiscal year (530,000), and for the preceding fiscal year (507,306), were greater than the number in training in any other single year since eligibility was first granted in 1966, as reflected in table 1 cited previously.

Indeed, in comparing the number of veterans in training in November 1972 with those in training in November 1973, the most striking change occurred with regard to post-Korean conflict veterans who registered a 17.2-percent increase. By contrast, those post-Korean veterans in training in November 1972 had reflected an increase of only 0.9 percent over the previous November 1971.

The lack of adequate and aggressive outreach programs by the Veterans' Administration and other organizations also has a bearing on participation of veterans discharged prior to 1966 who were often unaware that they were granted benefits retoactively. Many were unable to relate the opportunities available under the GI bill to their present lives. It was only recently that many have been contacted by outreach workers. The Veterans-Cost-of-Instruction Program authored under the Higher Education Act by Committee member Senator Alan Cranston, for example, did not really begin until the fall of 1973. Consequently, veterans prior to that time were not the subject of any organized on-campus college programs (except in isolated instances), and were reached primarily by printed brochures from the Veterans' Administration and scattered outreach programs.

The Veterans of Foreign Wars characterized in their testimony before the Committee as to veterans who were discharged between 1955 and 1966:

"In this group, many of them of course came from economic and social groups that did not have much education or much money. Many of them are attending college for the first time in their lives. This deadline is more important to them."

In this connection it should be noted that an examination of veterans enrolled in training revealed that a higher percentage of those discharged before 1966 do not have a high school education (21 percent) than those discharged after 1966 (18.9 percent).

A veteran affected by the May 31 cutoff date wrote in a letter that:

"I graduated from high school in June of 1960 and June 24 of that same year I entered the United States Air Force. In August of 1962, because of medical reasons I was discharged. Since that time I have been employed as a driver-salesman for a Detroit area beer distributor. I have recently enrolled in a night-time college program.

"Up until this time I have not had the opportunity to use any of my benefits. Now that I have begun I am very enthusiastic about a chance to better myself.

"I would never have believed that after being out of school for so many years I could do the amount of work that I have accomplished so far. I do now believe that an education is something that no one can take away from you. But, in order to obtain my degree, the benefits would need to be extended from eight to ten years.

"The job opportunities awaiting me when I obtain my degree are vast. The chances to better myself and my family are important to me. Your support will be appreciated by all of us."

Another veteran who served during the Berlin crisis noted that he had moved several times since his discharge from the service and that this among other factors had precluded him from entering educational training. He is now enrolled as a part-time evening law student. He wrote the Committee to say:

"Needless to say, financial assistance from my GI bill has substantially underwritten my cost of attendance. As the father of five children maintaining a household, funds for educational programs are hard to come by. I am sure you will recognize that my situation is not unique and is shared by many other veterans who are just recently taking full advantage of the expanded benefits available to them."

A third veteran wrote:

"I entered Morningside College, Sioux City, Iowa, on probation. But, 21 months later I have completed 90 semester hours with a grade average of almost 3.6 on a 4.0 scale. I did this while working 30 to 40 hours a week to support my family. My wife also worked outside the home, and the children helped any way they could. Needless to say, the GI bill was the basis which made this possible. In May of this year, I will have eight months of eligibility left on the GI bill. The time limit will prevent me from using it . . . How many others are in a similar position? In the middle of their education facing the cutoff due to time limit, an ever increasing inflation is eating up all available savings and making it impossible to live on part-time earnings."

In addition to thousands of letters received from individual veterans, the Committee received strong testimony from all major veterans organizations and educational associations. Dr. Charles Palmer, Executive Director of the South Carolina Comprehensive Technical Education Board, testified that:

"As of May 31 there will be substantial numbers of veterans in South Carolina who will no longer be eligible to continue their training program. It will be an awful waste if they cannot complete that which they have started. It will be worse for veterans who have not yet started if they are not given an opportunity to continue without interruption in the program of his or her choice."

The Adult Education Association in a resolution urging the extension for two years of GI bill benefits noted that:

"Veterans of this age group as well as persons of all age groups now have a greater opportunity for basic adult education and post-secondary education than was available during and immediately following the 1955 to 1966 period; and, because of new concepts and implementation in the area of adult and continuing education, many of the veterans of this group can now be served educationally more readily and more effectively than at any previous time; and that period of time from now until June 1974 is not adequate to complete effective educational service."

Thus, men who held off getting an education, hoping either to save enough money to supplement an inadequate GI bill or hoping Congress would recognize the need for more realistic assistance, have found themselves running out of the allotted time period before they were in a position to use up their benefits.

UNEMPLOYMENT AMONG VIETNAM ERA VETERANS

The Committee also recognizes the continued difficulty young veterans are having finding jobs is aggravating readjustment problems. Unemployment among Vietnam era veterans has been a problem, at times more severe than others, since the late 1960's when as many as a million men and women a year were leaving the service. In early 1971, unemployment among young veterans was reaching as high as 12 percent with joblessness among veterans 20 to 24 years old and minority group veterans substantially higher. The Committee responded to this situation with a number of amendments included to strengthen unemployment services provided veterans which were enacted as part of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540). To spur enrollment in apprenticeship and on-job training, rates were increased by 48 percent. In addition, provisions of chapter 41 of title 38, relating to job counseling, training, and placement services for veterans required of the State Employment Security Agencies, were rewritten and strengthened

considerably in the 1972 Act. Some 2,400 local offices throughout the country which received Federal funds pursuant to Wagner-Peyser Act were instructed to improve the quantity and quality of their services to young unemployed veterans. The Secretary of Labor was directed by the revised statute to ensure that any veteran seeking work was:

"Promptly placed in a satisfactory job or job-training opportunity to receive some other specific form of assistance designed to enhance his employment prospects substantially, such as individual job development or employment counseling services."

A full-time local employment representative was required to be assigned to each local employment office unless the Secretary determined that he was not needed, based on a demonstrated lack of need for such services. A formula included in the statute mandated that some 68 new Federal employment representatives—Assistant Veterans' Employment Representatives (AVER's) were to be hired to actively monitor the State employment system. Yet over a year later only 1 had been hired and, as of the date of Committee hearings on April 30, 1974, approximately one-third were yet to be on the job and working. Failure to hire these additional AVER Federal monitors and to actively promote job counseling, training and placement services for veterans showed up in Employment Service Automated Reporting systems (ESAR's) data (particularly ESAR's Table 91) obtained by the Committee.

In spite of the statutory mandate for prompt placement for job and job-training opportunities, figures show that in the past fiscal year only 16 percent of the available Vietnam era veteran applicants were placed in a job in excess of three days and less than 2 percent were enrolled in Federal training programs. ESAR's data further revealed that only 7.7 percent of available Vietnam era veterans had been counseled in the last fiscal year despite a study by the Department of Labor showing that counseling of job seekers, particularly veterans, resulted in job placements at nearly twice the rate for those who had not been counseled.

For the first six months of this fiscal year the number of veterans counseled declined to an even lower rate of less than 5 percent. The unemployment statistics for the first quarter of calendar 1974 have also added to the problem. Over 61 percent of the young veterans currently out of work are unemployed because they have lost their jobs. Nearly 10 percent of all younger veterans seeking work are unemployed compared with a 7.6-percent rate for their nonveteran counterparts. Unemployment in the first three months of 1974 for minority group veterans was nearly 10 percent, over twice the rate for the previous quarter.

Perhaps most disturbing was ESAR's data which indicated large numbers of Vietnam veterans whose names were removed from the active employment service files without receiving any service whatsoever. Last year over 1.1 million young veterans had their applications purged from the active files of local employment service offices without any indication that they received any service: no job, no job training, no counseling, no testing. As a consequence additional amendments are provided in the reported bill to strengthen administrative controls to ensure that State employment agencies comply with the provisions of title 38 or take corrective action where their plans of service fall short. Where local employment offices are unable to find satisfactory job openings for unemployed veterans, the Committee believes they should actively seek to place veterans in job training opportunities or in educational programs authorized under title 38 to equip the veteran with skills needed to obtain meaningful employment. The Committee has also added clarifying language with regard to the provisions requiring Federal contractors to give "special emphasis" to unemployed qualified Vietnam era veterans seeking employment. Finally, amendments are added to ensure that the Federal Government's role in the hiring of veterans, and particularly Vietnam era and service-connected disabled veterans, is consistent with those responsibilities we have placed on private employers.

EDUCATIONALLY DISADVANTAGED VETERANS

This Committee continues to be very concerned with the plight of educationally disadvantaged veterans. Every index reveals that these are people who bore a disproportionate share of combat in Vietnam whose level of skill training and education increased little in service, and who, to an alarming degree, do not take advantage of the very educational benefits that could serve them so well.

The term "educationally disadvantaged" veteran generally means one who has less than a high school education or equivalency, and by this standard, during the Vietnam era, from August of 1964 through 1973, 959,000 men and women who had less than high school educations were honorably discharged from the military as shown in the following table:

TABLE 9.—ESTIMATED NUMBER OF VIETNAM ERA VETERANS SEPARATED FROM THE ARMED FORCES WHO HAD COMPLETED LESS THAN A HIGH SCHOOL EDUCATION

[Numbers in thousands]

Fiscal year of separation	Total separations	With honorable discharge and 6 months or more of active duty service		
		Total	Did not complete high school	
			Percent of total separations	Number
August 1964–June 1965	496	455	22.2	110
1966	550	505	16.9	93
1967	576	502	18.2	105
1968	788	698	16.0	126
1969	972	871	14.4	140
1970	1,043	930	13.9	145
1971	995	876	11.3	112
1972	870	753	9.5	83
1973	614	504	7.3	45
Vietnam era	6,904	6,094	13.9	95

Equally disturbing, the President's Committee on the Vietnam Veteran reported that test results revealed that 30 percent of high school graduates scored as poorly or worse than the average score of those who had not completed high school. Using this figure as a minimum, another 1.4 million veterans should properly be categorized as "educationally disadvantaged."

While the educationally disadvantaged veteran population is not synonomous with the minority-group veteran population, there is considerable overlap, and the problems of both groups are similar and similarly severe in contrast to other veterans. In this connection, it is worthwhile to point out that black veterans constituted 20 percent of combat fatalities in Vietnam even though blacks comprised only 12.6 percent of military forces during the course of war.

To insure that the educationally disadvantaged veteran would have access to the GI bill, it became clear to the Congress, even before the formation of this Committee, three years ago, that special help ought to be provided.

Over the past five years, programs have been set up and strengthened that would provide academic and vocational brushup work to servicemen with education and training deficiencies before and after separation.

A Predischarge Education Program (PREP) providing academic assistance was established in Public Law 91–219 by Congress, and the Transition Program providing for vocational training was established by the Defense Department, both programs focusing on servicemen before separation. Monies have been provided in the GI bill for veterans to get high school diplomas, take refresher courses, and to receive individual tutorial assistance where needed, all without charge to their basic entitlement.

To gauge the success of these programs, this Committee requested the Government Accounting Office to survey a sampling of educationally disadvantaged veterans.

Pursuant to our request, the GAO was able to secure about 1,200 completed detailed questionnaires from educationally disadvantaged veterans. All had been discharged between May 1968 and November 1972; most were married, and most were not currently enrolled in school or training. Data was compiled and sent to this Committee in October 1973.

According to the data, 90 percent of the educationally disadvantaged never heard of the PREP program before or during their time in service. About 60 percent never were aware of it.

Only about 30 percent of those questioned knew about the Transition Program before or during their time in service; 40 percent never heard of it.

Yet, among valid responses, 58 percent said they would have used the PREP and Transition Programs had they known about them.

While these figures are distressing, on their face, they cause even further concern in light of the contention in a study by the Educational Testing Service of Princeton, New Jersey, "that preservice exposure to postsecondary education is a major influence of GI bill use." (The study was mandated by the Congress in Public Law 92–540 as a review of the comparability provided under the World War II, Korean conflict, and Vietnam era GI bills.)

Congress hoped that tutorial assistance for those in postsecondary education would have a major impact on encouraging educationally disadvantaged veterans to enroll. The step up from high school to college is a substantial one in terms of ability, work, and discipline required. A veteran could receive immediate, one-to-one help in courses he was finding particularly troublesome. Tutors could shore up academic deficiencies and confidence.

Public Law 91–210 thus provided $50 a month for up to nine months of individually tutorial assistance for veterans having academic difficulties, and Public Law 92–540 liberalized and clarified the guidelines governing this program.

Yet, in fiscal years 1971 through March of 1974, only 40,501 veterans had taken advantage of tutorial assistance, and only for an average of 2.3 months.

While 61 percent of the disadvantaged veterans questioned by GAO never heard about tutorial assistance, 55 percent said they would be encouraged to enter an education or training program if they knew that tutorial assistance was available for any courses they took after completing a high school curriculum.

As well known as the GI bill is, more than 10 percent of those queried never heard of it at all, and more than 50 percent had never used it.

Of the 1,200 respondents, 70 percent didn't participate in PREP, 71 percent did not participate in the Transition Program (the Transition Program has been phased out by the Defense Department as of the end of June 1974), and 75 percent did not take advantage of tutorial assistance. (The reported bill would extend maximum tutorial assistance benefits from 9 to 12 months and increase the assistance rate from $50 to $60 a month.)

The Committee believes all of these are conservative figures because some of the re-

sponses were invalid and some questions were not answered.

What is so particularly disturbing to the Committee is the recognition that a major reason educationally disadvantaged do not use their benefits is because they do not know about them.

There are a plethora of programs and plans, spelled out as law and as congressional intent, that make special provision for these veterans to overcome their educational deficiencies. Vigorous informational and outreach efforts are supposed to be underway—in the Defense Department, the Veterans' Administration, the Labor Department, and other Federal agencies—to insure that these veterans know about and are encouraged to use the full range of the benefits to which they are entitled.

Yet, 71 percent of respondents in the GAO study did not receive personal counseling from the Veterans' Administration or a representative of a service organization to explain available benefits; more than 83 percent of the educationally disadvantaged veterans questioned said that a personal interview either would or might have influenced them to seek an education with VA benefits.

Of those who continued their educations under the GI bill, only 14 percent said they were most influenced in that decision by a military advisor, VA, or veterans' service organization representative.

Data in the Educational Testing Service report shows that only 5 percent of educationally disadvantaged veterans in training or education had received counseling at a VA facility and only 2.9 percent received counseling from a VA contact officer.

This last figure is particularly distressing in view of the Committee's belief that outreach (particularly by peer group veterans) is vital in giving information and encouragement to educationally disadvantaged veterans.

With this in mind, a work/study program—called "veteran-student services"—was adopted in 1972 in Public Law 92–540. With the moneys provided, approximately 16,000 young veterans were authorized to be employed by the VA yearly to work on college campuses or at the Veterans' Administration. They could work 100 hours a school-year, at $2.50 an hour.

Besides providing extra money to needy veterans, a major purpose of the work/study program was to increase peer group outreach efforts to encourage young veterans to utilize their educational benefits, and the law so provided.

Faced with the continuing problem of the underutilization of the GI bill by the educationally disadvantaged veteran, the reported bill would substantially expand the work/study program to bolster outreach efforts. It would increase the number of hours a veteran could be employed by the VA from 150 to 250 and remove any limit on the number of veterans who could be utilized, thus clearing the way for the Veterans' Administration to enter into work-study agreements as many part-time veteran students as it deemed necessary.

Amendments are also made to strengthen and expand the Veterans' Outreach Service program enacted in 1970 in subchapter IV of chapter 3, including requiring greater personal contact with the veteran and requiring the VA to enter into contracts to utilize community-based national or local organizations which have particular expertise in communicating with and providing services to disadvantaged veterans.

The Committee believes that these amendments together with an expansion of the work/study program offer a rare opportunity to break the cycle of poverty and disillusionment into which so many educationally disadvantaged veterans are locked.

VOCATIONAL REHABILITATION FOR DISABLED VETERANS

The welfare of 398,000 disabled Vietnam era veterans continues to be of great concern to the Committee. These are the disabled veterans who have been and will continue to be most severely affected as a result of their military service.

Since the end of World War II, the Congress has recognized the need for special vocational assistance, beyond compensation, to help disabled veterans find a new career and train for it.

Disabled veterans are entitled to a monthly stipend, and Government payment of tuition, books, supplies, and equipment in pursuing a course of study that furthers the vocational goal decided on by the veteran in consultation with a VA counselor.

World War II and Korean conflict disabled veterans with a compensable rating automatically were entitled to the whole range of benefits.

However, current law provides that this special program (contained in chapter 31) is automatically available to Vietnam era veterans with a disability rating of 30 percent or more. Those Vietnam era veterans with a 10- or 20-percent disability rating can apply to the VA for chapter 31 eligibility if the disability can "clearly be proven to have caused a pronounced employment handicap."

There are 164,000 Vietnam era veterans with a 30 percent or higher disability rating, and 43,200 (26 percent) are in training and receiving chapter 31 benefits. There are 233,900 Vietnam era veterans with a disability rating of less than 30 percent, but only 5,800 (2.5 percent) have received chapter 31 benefits.

The Committee believes that the present law, which was adopted as a peacetime standard in 1955, is inappropriate, inconsistent, and discriminates against some 233,900 disabled Vietnam era veterans. Therefore, the reported bill amends the law to allow these veterans the same wider range of benefits available to World War II and Korean veterans with 10 and 20 percent disabilitity ratings.

Further, the Committee increases the rate of payment of the disabled veteran's monthly subsistence allowance by 18.2 percent, consistent with other rate changes made by this act.

A single disabled veteran, training under chapter 31, in addition to full tuition, will now receive $201 a month. With one dependent, the disabled veteran would receive $249; with two dependents, $293. The monthly check would be increased $21 for each dependent beyond two.

Finally the law is clarified to correct an excessively narrow administrative interpretation which has the effect of denying individualized tutorial assistance to many disabled veterans who need it. Currently, it is more difficult for disabled veterans to obtain tutorial assistance under chapter 31 than is the case with nondisabled veterans training under chapter 34.

BENEFITS FOR WIVES, WIDOWS, AND ORPHANS

In the past two decades, the Congress has recognized the need to provide assistance to the orphans and widows of servicemen killed in action and to the wives of men totally disabled while in the service.

In 1956, the Congress provided such assistance to orphans; in 1968, to wives and widows; and in 1972, under Public Law 92–540, to the wives of prisoners-of-war and those missing in action. This assistance is provided under chapter 35 of title 38.

Generally, the Congress has held that the death, total disability or prolonged absence of the father and husband threatens the economic well-being of families and marriages. Children might not be able to go on to school if the earning power of the father is not available to the family. Wives and widows may be forced to a life of bare subsistence.

In June of 1968, Veterans' Administrator William J. Driver reported to Congress that "it is preferable and necessary to encourage widows to return to the 'mainsteam' both economically and socially. This goal could be furthered through additional education."

Latest VA data indicates that a total of 47,325 wives, widows, and orphans are trainees under chapter 35. Of these, 40,052 are orphans; 7,273 wives and widows.

Ninety-two percent of all those receiving benefits under chapter 35 are enrolled in college.

The purpose of benefits to veterans and to wives, widows, and orphans is largely to increase their economic competitiveness, and so, the Committee strongly believes that chapter 35 beneficiaries should have their level of benefit payments keep pace with veterans receiving benefits under chapter 34.

Accordingly, the reported bill provides that recipients of chapter 35 benefits will be entitled to an 18.2-percent increase in their monthly rates and also be eligible for partial tuition assistance payments of up to $720 as provided for in the reported bill. Wives and widows will also receive an additional two years within which to use their benefits.

Consistent with past congressional efforts to equalize, where appropriate and feasible, chapter 35 benefits with those available to veterans under chapter 34, the reported bill also provides that these wives, widows, and children will now be eligible to participate in institutional farm training programs.

Finally, the reported bill provides that wives and widows shall receive the full range of benefits, including priority referral to jobs, job training and counseling, as that now provided veterans by State Employment Service offices under chapter 41 of title 38.

VETERANS' TRAINING BY CORRESPONDENCE

As part of its continuing legislative oversight activities, the Committee requested the General Accounting Office to examine the implementation and operation of amendments to the title 38 provision governing training programs by correspondence made in 1972 (Public Law 92–540). Those amendments provided for full disclosure of the obligations of both the institution and the veteran as well as a 10-day mandatory cooling-off period following which there must be a written affirmation by the veteran before he becomes financially obligated in any way. Public Law 92–540 also required correspondence schools to refund tuition to veterans who terminate prior to course completion on a lesson-completed basis rather than time-elapsed basis.

At the request of the Committee, the General Accounting Office examined the implementation of these provisions at eight correspondence schools. These schools (all accredited by the National Home Study Council) as of December 31, 1973, had a combined veteran enrollment of 180,000 or 63 percent of the 288,000 veterans enrolled in correspondence training nationwide under the GI bill. In addition to talking with school officials and examining student files, the General Accounting Office also contacted on a random selection basis, 160 veterans or 20 from each school, evenly divided between current enrollees and veterans who had discontinued the training before course completion. In its report to the Committee, the General Accounting Office found that the schools they visited were:

"Generally adhering to the major provisions of Public Law 92–540. For the most part contracts and refund policies have conformed to the requirements of the law."

In summary, we did note the following:

Certain actions by the schools did not appear to fully comply with the spirit and intent of the law.

The VA could take action in some instances to facilitate compliance with the law.

There is confusion as to how to precisely compute the ten day period for reconsideration of enrollment.

The wording on the VA affirmation forms seems to be confusing.

At two of the eight schools, veterans had to notify the schools of their intent to cancel at least twice before refund would be made.

At one school collection letters were sent to the veterans indicating the refund provision would be canceled unless tuition payments were made.

13 percent of the veterans we talked to stated they were not aware the VA would pay for only 90 percent of the cost of the course.

20 percent of the veterans indicated they did not fully understand the school's refund policy.

A good number of the problems just noted are, according to the General Accounting Office, directly connected either with "unclear wording on the affirmation form" or in the "methods of delivery of affirmation forms to the veterans." The official affirmation form developed and distributed by the Veterans' Administration is as follows:

"I have read and I understand the enrollment agreement that I entered into with the above named school and the date indicated in item four. I hereby affirm such enrollment agreement and certify under penalty of law that have not signed this affirmation until after the expiration of 10 days from the date I signed the aforesaid enrollment agreement. (VA form 22–1999 C)

Investigators found two schools used exact copies of the VA form while the other six were using their own forms (apparently in contravention of VA regulations). In its report to the Committee the General Accounting Office observed:

"The wording of both the VA and school designed form may confuse the veteran. Neither form states that the purpose of the affirmation is to allow veterans time to reconsider their decision to enroll. One-third of the veterans contacted who remembered signing affirmation forms told us they did not understand the purpose of the document.

Thus, in order to clearly effectuate the intent of the law the Committee (based upon the information supplied by the General Accounting Office) directs that the Veterans' Administration rewrite the affirmation form and ensure that it is utilized by all correspondence schools enrolling eligible veterans, wives, or widows. The affirmation form should clearly reflect the intent of the law that the veteran has at least 10 calendar days after signing the contract to reconsider his decision to enroll in the correspondence course, and further that the veteran is not financially obligated in any way unless he reaffirms those intentions following the 10-day "cooling-off" period.

The Veterans' Administration should also take appropriate steps to ensure that sales representatives do not distribute or secure the veteran's affirmation when he *initially* signs the enrollment agreement (*or shortly thereafter*). The affirmation form should be executed only following the expiration of the ten-day period.

Additionally, in light of the fact that a significant number of veterans were not aware that the VA paid for only 90 percent of the cost of the course or did not fully understand the schools' refund policy, the Committee also strongly believes that readily understandable information concerning both of these matters should be included on the affirmation form.

The Committee is particularly disturbed by the report of the General Accounting Office which indicates that schools were slow in making refunds to those who terminated the course and in certain circumstances would not make a refund to a nonaffirmed veteran upon the receipt of the first notification to cancel. These schools required at least two notices to cancel and if the veterans did not respond, enrollment was canceled but no refund was made. Thus, the Committee has found that the affirmation notice should clearly indicate the conditions under which refunds are made and that the Veterans' Administration should take necessary administrative steps to ensure that all institutions promptly refund monies within 30 days following receipt of notification of cancellation or nonaffirmation by the veteran.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION ON S. 2784, AS REPORTED

Section 1

This section provides that the Act may be cited as the "Vietnam Era Veterans' Readjustment Act of 1974."

TITLE I—VOCATIONAL REHABILITATION AND EDUCATION ASSISTANCE RATE ADJUSTMENTS

Section 101

This section amends chapter 31 of title 38, United States Code, which provides vocational rehabilitation training for disabled veterans. First, the monthly subsistence allowance payable to disabled veterans in training under this chapter would be increased by 18.2 percent (veterans training under this chapter have their full tuition paid by the Veterans' Administration). Second, eligibility requirements are liberalized so that they are identical with those in effect for disabled veterans of World War II and the Korean conflict.

The Committee has been quite concerned that disabled Vietnam era veterans are utilizing their benefits under chapter 31 for vocational training at a far lower rate than veterans of World War II and the Korean conflict. It believes the lack of participation is due in large part to the fact that benefits are automatically available to those only with disability ratings of 30 percent or more. Veterans of World War II and the Korean conflict with any compensable disability automatically qualify for benefits. Although the statute provides that Vietnam era veterans ratings of under 30 percent may train under chapter 31 if this disability can "be clearly shown to have caused a pronounced employment handicap," the Committee believes that this standard and the strict administrative interpretations thereof, have resulted in denying benefits to deserving disabled veterans. In 1973, only 1,160 veterans with a disability of less than 30 percent were enrolled in chapter 31 programs. In contrast, 39,000 veterans with less than a 30-percent disability rating were enrolled in chapter 34 programs.

The Veterans' Administration statistics reveal that 80 percent of the applications for chapter 31 benefits by Vietnam era veterans with disabilities of under 30 percent were denied. The following table indicates the participation rate in chapter 31 vocational rehabilitation programs for veterans of the three wars:

TABLE 10.—DISABLED VETERANS PARTICPATION IN CHAPTER 31 PROGRAMS

	Total disabled (VA compension)	Trained under ch .31	Participation rate (percent)
World War II:			
Less than 30 percent	1,430,000	321,000	22.4
30 percent or more	793,000	300,400	37.9
Korean conflict:			
Less than 30 percent	175,000	30,900	17.7
30 percent or more	127,000	46,100	36.3
Vietnam era:[2]			
Less than 30 percent	[1]233,900	5,800	2.5
30 percent or more	164,400	43,200	26.3

[1] Eligible only when impairment imposes a significant vocational handicap, as established through vocational counseling.
[2] Through April 1973.

The Committee believes that amendment of the law to provide automatic qualification to chapter 31 benefits for any Vietnam era veteran with a compensable disability rating, which is the standard identical to that of the World War II and Korean conflict programs, will result in a much higher disabled veteran participation rate than the current 26.3 percent participation rate for those with a 30 percent or greater rating and the extremely low 2.5 percent rating for those with less than 30 percent disabilities. The Committee also points out that in its review of chapter 31 it discovered many inconsistencies and much outdated terminology. In addition, regulations issued thereunder are of little assistance in further interpreting the chapter. The Committee thus strongly recommends that the Veterans' Administration thoroughly review chapter 31 for possible legislative and administrative changes, particularly in light of recent legislative action taken by Congress in the Rehabilitation Act of 1973 (Public Law 93–112), which substantially restructured and redefined concepts regarding handicapped individuals, the employment and services opportunities for them. In this connection appropriate officials of the Veterans' Administration should consult with the Commissioner of the Rehabilitation Services Administration. Following such a review, the Committee would anticipate reenacting chapter 31 in order to clarify and update the language which is difficult to understand and often appears to be archaic.

Clause 1 amends section 1501(2) of chapter 31 by providing that the definition of the term "vocational rehabilitation" shall also include and mean all appropriate "individualized tutorial assistance." In its review of the vocational rehabilitation program, the Committee discovered that it is more difficult for a veteran enrolled in a program of training under chapter 31 to obtain tutorial services than for a veteran enrolled in a program of training under chapter 34, under the special tutorial program established in section 1692 in 1972.

Chapter 31 VA regulations presently allow little room for any tutorial services except under very restrictive conditions. Title 38 of the Code of Federal Regulations provides in section 21.278 that "as a general principle, therefore, private tutoring at Government expense should be authorized only in exceptional cases." It would appear by this regulation that only illness or some other unavoidable absence from class will permit chapter 31 veterans to make up specific material without undue delay. Thus, in effect, disabled veterans enrolled in chapter 31 programs are not allowed to take remedial, tutorial services at Government expense (as are nondisabled veterans under chapter 34) should they be doing poorly or failing in a course of instruction. The Committee believes that at a very minimum, chapter 31 veterans should be entitled to tutorial serv-

ices under qualifying conditions at least as generous as those applied to chapter 34 veterans. Accordingly, the Committee directs that the Veterans' Administration modify its regulations as soon as possible after enactment of this clarification to make tutorial services more available to the disabled veteran.

Clause 2 amends section 1502 of chapter 31, to provide that veterans of the Vietnam era (and veterans discharged prior thereto since January 31, 1955) shall receive the same vocational rehabilitation benefits as those granted veterans of World War II and the Korean conflict. At that time veterans were automatically granted such benefits if they had a compensable disability. Presently, veterans of the Vietnam era must be rated 30 percent or more in order to be automatically entitled to such benefits. The Committee believes that standards of equity require that post-Korean conflict disabled veterans be given the same benefits as those provided to World War II and Korean conflict veterans. Since August 5, 1964, approximately 30,000 less than 30-percent disabled veterans have applied for chapter 31 benefits, of which 24,000 have been denied. Approximately 198,000 Vietnam era veterans rated 10 or 20 percent disabled were receiving disability compensation as of June 30, 1973. Of that number, it is estimated for their training that 12,200 will receive training under this section with a first year cost of $36.6 million.

Clause 3 amends the subsistence allowance table in section 1504(b) to provide an 18.2 percent across-the-board increase in the monthly subsistence allowance rates for chapter 31 trainees. The full-time institutional rate for a veteran with no dependents would be increased from $170 to $201 a month. For a veteran with one dependent, the rate per month would be increased to $249; with two dependents to $293; and $23 would be added for each dependent in excess of two.

The Veterans' Administration estimates that approximately 28,000 veterans will train under this section, with a first year cost of $8.8 million decreasing at the end of five years to 26,000 in training at a cost of $8.2 million.

Section 102

Clause 1 amends section 1651 which sets forth the purpose of chapter 34 to reflect amendments made by the reported bill, by providing that the education program created by that chapter consists of payments of a monthly educational assistance allowance and a partial tuition assistance allowance.

Clause 2 amends section 1677(b) of chapter 34 to provide an 18.2-percent increase in the flight training program assistance. Under existing law, the Veterans' Administration pays 90 percent of the cost of such course. Accordingly, the period of entitlement of any veteran will be reduced one month for each $260 (currently $220) paid to a veteran for such flight course training. According to the Veterans' Administration, an estimated 23,000 veterans plus 6,000 servicemen, totaling 29,350, will train under this section in the current fiscal year. The VA estimates a total number of trainees for fiscal year 1976 of 27,000, decreasing to 22,000 in 1977, 21,000 in 1978, and 19,000 in 1979 for a five-year total of 118,350.

Clause 3 amends section 1681 to reflect the addition of the partial tuition assistance allowance made by the reported bill.

Clause 4 amends section 1682(a)(1) to provide an 18.2-percent increase in the monthly educational assistance allowance and to provide for payment of a partial tuition assistance allowance of up to $720 a school year. The full-time instruction rate for a veteran with no dependents would be increased from $220 to $260 a month. The rate for a veteran with one dependent would be increased to $309 a month from the current rate of $261. The addition of a child would increase the rate from $298 to $352 a month, with an additional $21 a month for each dependent in excess of two. Three-quarter and half-time training rates are also adjusted upward proportionately by an 18.2-percent rate. The partial tuition assistance allowance provision provides that if a veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 percent of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year, shall be paid after excluding the first $100 of such tuition. Veterans training on a three-quarter or half-time basis shall be paid on a proportionately reduced basis on the same terms and conditions as a veteran training in a full-time basis. Partial tuition assistance allowance payments are to be made in accordance with the provisions prescribed in new section 1780A (discussed in section 104, *infra*).

Clause 5 amends section 1682, relating to the pursuit of a program of education while on active duty or on less than a half-time basis, by providing for an 18.2-percent increase.

Clause 6 amends section 1682(c) to provide for an 18.2-percent increase in the monthly assistance rates payable to veterans pursuing the farm cooperative program as well as authorizing a partial tuition assistance allowance. The Committee has been and continues to be quite concerned about the extremely low participation levels in farm cooperative programs. Currently, only about 1 percent of the GI bill trainees under the farm cooperative program as compared with the World War II and Korean conflict have respective participation rates of 3.6 and 1.6 percent. Amendments made by the Senate bill in 1972, which as modified were ultimately enacted in Public Law 92-540, reduced in required number of clock hours in a year from 528 to 440 for a farm cooperative program. This reduction in yearly clock hours which is in accord with current educational philosophy, was coupled with changes in the program which gave added flexibility to permit a veteran's curriculum to be prescheduled to provide a minimum of classroom instruction during peak periods of farming activity and conversely a maximum class scheduled during off-season periods. As a result of these amendments, participation in farm cooperative training increased in the first year 64.4 percent and last year increased another 64.9 percent.

Nevertheless, the participation rates remain low, as the overall participation in the farm cooperative program during the Vietnam era is reflected in the following table:

TABLE 11.—*Participation under farm cooperative training programs during Vietnam era through April 1974*

State	Farm trainees
Alabama	12
Alaska	3
Arizona	11
Arkansas	3,073
California	100
Colorado	17
Connecticut	3
Delaware	2
District of Columbia	2
Florida	446
Georgia	13
Hawaii	2
Idaho	6
Illinois	65
Indiana	781
Iowa	2,412
Kansas	32
Kentucky	5
Louisiana	50
Maine	2
Maryland	5
Massachusetts	5
Michigan	8
Minnesota	2,045
Mississippi	3
Missouri	972
Montana	19
Nebraska	1,591
Nevada	1
New Hampshire	3
New Jersey	5
New Mexico	2
New York	17
North Carolina	722
North Dakota	467
Ohio	5
Oklahoma	791
Oregon	4
Pennsylvania	7
Rhode Island	0
South Carolina	9
South Dakota	740
Tennessee	105
Texas	40
Utah	3
Vermont	1
Virginia	59
Washington	16
West Virginia	1
Wisconsin	610
Wyoming	29
Puerto Rico	1
U.S. total	15,328

In view of the extremely low participation levels in most States of veterans in farm cooperative programs, the Veterans' Administration is instructed to use existing facilities to promote and coordinate the establishment of such programs. The Administrator is directed to work together with officials of State education organizations and institutions, the Secretary of Agriculture, the Commission of Education, and State directors of Agriculture Extension Services to insure close contact between these groups in identifying the need of veterans involved in farming and creating farm cooperative programs to meet those training needs. The Administrator should also work closely with the State Agriculture Extension Services, State school and education officials and veterans' organizations in determining the number and location of veterans who might participate in and benefit from farm cooperative programs so that these programs might be better organized. Coordination and improvement of these efforts should also be sought through the new Inter-Agency Committee on Veterans' Services established by section 218 of the reported bill.

Clause 7 amends section 1696 (b) to provide an 18.2-percent increase in the maximum of educational assistance allowances payable under the Predischarge Education Program (PREP).

The Veterans' Administration estimates that over 1.5 million veterans in the first year will benefit from the rate increase provided in section 102 at a cost of $432.7 million decreasing gradually to participation of 927,000 veterans at a cost of $262.9 million.

Section 103

Clauses 1 and 2 amend section 1731 (a) and (b) to provide that each parent or guardian of an eligible person pursuing a program of education under chapter 35 of title 38, United States Code, shall upon application receive a partial tuition allowance (as provided for in the reported bill) in addition to the edu-

cational assistance allowance now authorized by this section.

Clauses 3 and 4 amend section 1732(a) (1) and (2) to provide that the educational assistance allowance paid to an eligible person pursuing a program of education under chapter 35 shall be paid on the same terms and conditions and at the same rates as prescribed for a veteran with no dependents in section 1682 (a)(1) or (b)(2) of this title, as appropriate.

Clause 5 amends section 1732(b) to provide an 18.2-percent increase in the monthly educational assistance allowance rates to eligible persons pursuing a full-time course of training in a business or industrial establishment with the training in the establishment being strictly supplemental to the institution portion. The monthly allowance rate as raised from $177 to $209.

Clause 6 amends section 1733(a) to authorize a partial tuition assistance allowance, where appropriate, for wives and widows receiving special assistance for the educationally disadvantaged.

Clause 7 amends section 1742(a) to increase the special restorative training assistance allowance by 18.2 percent from $220 to $260 a month payable to the parent or guardian of the child in need of such training. In addition, if the tuition and fees applicable for any such course are more than $82 (presently $69) per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed that monthly figure if the parent or guardian elects to have the entitlement reduced by one day for each $8.69 (presently $7.35) that the special training allowance paid exceeds the basic monthly allowance.

The Veterans' Administration estimated that the number of persons affected and the cost for this section is minimal.

Section 104

This section amends chapter 36 of title 38, United States Code, by adding after section 1780 the following new section:

§ 1780A. Partial tuition assistance allowance

Subsection (a). Provides that the Administrator shall pay the partial tuition assistance allowance directly to the eligible veteran or person as specified in section 1682 (a) or (c), 1691(a)(2), 1732 (a) or (c), or 1733 of title 38, pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis, in amounts specified in sections 1682 (a)(1) and (c) and 1732 of title 38 up to a maximum of $720 per ordinary school year based on the following formula:

80 percent of a school's yearly tuition charges up to $1,000 (excluding the first $100).

Subsection (b). Provides that in no event shall an eligible veteran or person be paid a partial tuition assistance allowance in excess of the customary tuition (or established fees in lieu of tuition) charged other similarly circumstanced students in the same institution. These provisions are aimed at avoiding some of the principle criticisms of the World War II program which concerned the problems and abuses that arose from improper or discriminatory charges assessed veterans. Charges to veteran students and eligible wives and widows must not differ from those applied to similarly circumstanced nonveteran students. And, unlike the World War II program which permitted this practice, the reported bill clearly states that VA payment for tuition charges to veterans may not be based upon nonresident rates unless the veteran is, in fact, a bona fide nonresident under the applicable laws of that State. If a veteran was a resident of a State immediately prior to the veteran's entry into the armed service, VA payment is authorized only on the basis of the school's in-state resident tuition charges.

The Committee is aware that a number of States do not charge tuition but instead have "fees in lieu of tuition". The Committee amendment would permit payment of those fees if they are in fact charges applicable to all students and relate to the instructional or academic process. Such fees could include, for example, standard laboratory fees charged to all students, library fees, and fees for services such as counseling available to all students. This section does not contemplate the inclusion of such fees as student activity fees, athletic fees, parking fees, or charges for books, equipment, or fees applicable to any particular course.

Subsection (c). Provides that no partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprenticeship and other on-job, or PREP training.

Subsection (d). Provides that payment of the partial tuition assistance allowance shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine that (1) the eligible veteran or person has enrolled in the educational institution and is pursuing a program of education and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by any eligible veteran or person.

The Committee believes this section grants ample authority to the Administrator to establish such controls as he deems necessary and appropriate at his discretion to ensure against abuses of the program either through improper payment to a veteran or by the establishment of improper tuition or fees by the institution involved. Establishment of a veterans' representative program in the reported bill (see section 217 and discussion thereunder) which will station a VA employee on campus, will further enable the Veterans' Administration to design and to implement effectively such controls as are deemed necessary.

Subject to the limitations in subsection (a), each payment of the partial tuition assistance payment shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled and shall be in a ratio which such term, quarter, or semester bears to the ordinary school year.

In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year. Payment of the partial tuition assistance allowance shall be made in such increments as the Administrator shall determine by regulation. The provision for phased payments is designed to serve as an additional control against improper payments.

Subsection (e). Provides that the payment of partial tuition assistance allowance shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof. By providing for payment directly to the veteran this procedure follows the traditional practice established since the Korean conflict program. Direct payment to the veteran follows recommendations of the House Select Committee, chaired by the Honorable Olin E. Teague in 1952, which were intended to avoid the abuses of the World War II program. To establish even greater controls however, payments will be mailed to the educational institution in the same manner as advance payment checks currently provided for in section 1780. The Committee believes that the new veteran's representatives who will be stationed on campus (pursuant to new section 243 added by section 217 of the reported bill) will be in a position to oversee payment and delivery and to avoid both abuses as well as the problems which plagued the initial implementation of the Advance Payment program by the Veterans' Administration in 1973.

Subsection (f). Provides that if an eligible veteran or person who has been paid a partial tuition assistance allowance fails to commence a program of education or terminates his enrollment before the end of the enrollment period, then an overpayment shall be declared and recovered by the Administrator in the same manner as any other debt due to the United States. It should be noted that the Veterans' Administration has an impressive record in recovering overpayments. VA officials have informed the Committee that currently it collects at least 97 cents out of each dollar of overpayment. According to figures supplied by the Veterans' Administration, overpayments in the Korean conflict program constituted 0.27 percent of the total expenditures. Even under the World War II program with its attendant abuses, overpayments constituted only 1.73 percent of the $14.5 billion expended under the program. Under this section, overpayment shall be declared and recovered in accordance with the following:

(1) If the veteran or person has failed to commence his program of education within 30 days after the date prescribed for enrollment, the full amount of the allowance shall be considered an overpayment and shall be recovered from the veteran or person or from the educational institution if all the tuition has been paid to the institution;

(2) If the veteran or person has failed to commence his program of education but has paid part of his tuition to the educational institution, the full amount of the allowance retained by the veteran or person and not paid to the institution shall be recovered from the veteran or person and the portion paid to the institution shall be recovered from the institution;

(3) If the veteran or person has commenced his program of education but has terminated his program before the end of the enrollment period, the portion of the allowance retained by the veteran or person shall be recovered from such veteran or person in a ratio which the amount of the partial tuition allowance bears to the uncompleted portion of the program. The Administrator shall recover from the educational institution the allowance paid to such institution based on a refund policy which each institution shall establish in accordance with guidelines prescribed by the Administrator.

Subsection (g). Provides that the Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowance. In this connection, the Committee notes further that the General Accounting Office pursuant to existing statutory authority also has right of access for the purpose of audit and examination to any books, accounts, records, reports, files and other pertinent materials of institutions eligible under title 38. The Committee would expect the Comptroller General to assign such personnel and resources as he deems necessary to monitor the implementation and operation of this program to ensure against abuses.

Subsection (h). Provides that the Administrator shall promptly report to the Attorney General for appropriate action any violation by (1) a veteran, of section 3502 of title 38 (relating to fraudulent acceptance of payments), or (2) an educational institution, or any officer, employee, or agent thereof of section 371 of title 18 (relating to conspiracy

to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or any other Federal criminal statute. The Committee initially considered providing new criminal provisions relating to the partial tuition assistance program but concluded that existing statutes provide ample authority for criminal prosecution for any abuse of the program established by the reported bill.

Subsection (b) of the reported bill amends the table of sections at the beginning of chapter 36 by adding reference to the new section 1780A.

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

Section 201

This section makes technical amendments to section 1652(a), the "Definition" section of chapter 34, to reflect other amendments made by section 202 of the reported bill (discussed hereinafter) to section 1661(a) to permit the counting for educational benefits entitlement of the initial six months of active duty training by Reserve and National Guard members under certain circumstances. Section 1652 currently defines "active duty" to exclude the initial period of training (usually six months) served by Reserve and National Guard members pursuant to the provisions of section 511(d) of title 10, United States Code.

Section 202

Clauses 1 and 3 amend section 1661 to provide an additional 9 months of entitlement to any veteran who has earned the present maximum of 36 months.

The GI bill was designed, among other things, to allow a veteran to obtain a bachelor's degree for those who made full use of their benefits.

However, the high price of education, the loss of credits involved in transferring from one institution to another, and the lack of adequate benefits in the GI bill heretofore, have all combined to make it very likely that many Vietnam era veterans will not be able to complete baccalaureate degree requirements within four school years.

The relatively low level of benefits has caused many veterans to devote excessive hours to earn money to supplement their monthly benefit checks in order to obtain an education under the GI bill.

The National Association of Concerned Veterans (NACV, formerly National Association of Collegiate Veterans) testified before the Committee that:

"Under the existing GI bill, many veterans are forced to work in order to stay in school. The problem is, specifically, that many veterans find themselves forced to work more hours than they can successfully balance with their academic studies.

VA statistics indicating that 48.8 percent of GI bill trainees have dependents, only underscores the problem. Under current law, veterans can receive full monthly benefits for 12 credit-hours of study. But, as NACV pointed out in its testimony, 12 credit-hours per semester add up to 96 credit-hours after four school years, or 24 credit-hours short of the 120 required for graduation. On a quarter system, four years of the minimum requirement will accumulate 144 or 36 short of the 180 necessary for graduation.

Based on extensive contacts with its affiliated schools, the American Association of Community and Junior Colleges testified before the Committee that "most veterans averaged only 12 hours for an average semester."

A NACV survey of veterans in schools in Montana, New Jersey, Ohio, Wisconsin, Minnesota, Mississippi, Missouri, West Virginia, Michigan, and Nebraska indicates that 49.4 percent "would not be able to obtain an undergraduate degree within the allotted 36 months of entitlement."

High living and education costs have further combined to force young veterans to find and enroll in the least expensive educational institutions available. According to November 1973 Veterans' Administration statistics, junior and community college trainees represented 42.9 percent of all veterans training in colleges in November 1973; up from 37.3 percent in November 1972.

The Committee is also aware that in crowded public institutions, where most veterans turn for education, it is extremely difficult to gain admission to courses required for graduation. According to a recent survey, it took 690 veterans an average of five years to complete their degrees at the California University at Fullerton and the University of California at Irvine.

It seems clear to the Committee that extension of entitlement must be provided to insure that veterans—taking reduced credit loads, forced to work, and facing technical and administrative bottlenecks—will be able to complete their undergraduate degrees.

Since the adoption of the first GI bill, 30 years ago this month, the nature of the American work force has changed radically. Considering the exclusiveness of higher education after the World War II the GI bill was very much of a bonus. Today, it is very much a necessity.

Certainly, a major aspect of readjustment assistance is to make the veteran economically competitive. In 1950, 7.1 percent of those in the 25-to-29 age bracket in the Nation had baccalaureate degrees; in 1973, 19 percent had undergraduate degrees in the same age bracket.

In its testimony before the Committee, NACV said that:

"The employment market today requires, in many instances, the applicant to attain a higher than bachelor's level degree in order to compete with others. It is possible for an individual to graduate from college, enter the employment market, and not even qualify to fill out an employment form, much less compete for a job."

According to the VA, only 8.5 percent of Vietnam era veteran trainees did not have at least a high school education, compared with 45.2 percent for World War II trainees.

A recent report by the Carnegie Institute on Higher Education points out that educational requirements imposed by employers. State licensing agencies, and professional certification boards demand increasing periods of higher education.

It seems clear to the Committee that everything that can be done, including extension of the monthly entitlement period, should be done to assure veterans that they can obtain undergraduate degrees in order to make them minimally competitive in today's job market.

While the Committee looks with favor on the ability of some veterans to go on to a master's degree, it reiterates its strong support for the extension of eligibility from 36 to 45 months as a means to insure that veterans are getting at least an undergraduate degree.

Clause 2 would amend section 1661(a) to permit the initial period of active duty for training performed under section 511(d) of title 10 to be counted as active duty for the purposes of entitlement to educational assistance under chapter 34, if the Reserve or National Guard member subsequently serves on active duty for a consecutive period of one year or more.

At present, educational benefits may be granted to those veterans who served on active duty for a period of more than 180 days (any part of which occurred after January 31, 1955) and who were discharged or released therefrom under conditions other than dishonorable or were discharged or released from active duty after such date for a service-connected disability. Specifically barred from inclusion in the computation of active duty are (1) periods of time an individual was assigned full time to a civilian institution for a course of education which was substantially the same as established courses offered to civilians; (2) time served as a cadet or midshipman at one of the service academies; and (3) active duty under the provisions of section 511(d).

The traditional reason for not counting a Reserve or Guard member's initial period of active duty training for purposes of establishing entitlement to veterans educational benefits, according to the Veterans' Administration, has been that the "short period of orderly planned service" did not constitute a sufficient "interruption" of an individual's civilian activities to warrant the granting of educational assistance benefits. Section 1651 declares that the intent of the educational program created under chapter 34 is, in part, for the purpose of:

"(3) providing the vocational readjustment and restoring lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by reason of active duty training after January 31, 1955."

Whatever merit concept the argument may have in not counting initial time by a Reserve or Guard member, in normal circumstances, the Committee believes that there has been sufficient "interruption" by subsequent active duty service for a consecutive period of a year or more to warrant full entitlement to benefits for all active duty for training.

The Committee also believes that the assurance that any initial training period will be counted if a unit is called up for a subsequent period of one year or more of active duty should aid in the recruitment of personnel for the Reserves and National Guard which have fallen below maximum strength levels in the past year.

The Veterans' Administration estimates that the cost of this provision should be "insignificant," with approximately 500 veterans training in the first and second year at a cost of about $540,000 a year, thereafter decreasing to 100 veterans training at an annual cost of $100,000 in the succeeding three years. Their cost estimates are based on the following assumptions:

(a) Of those who had active duty for training prior to 1968 only 2 percent were called to active duty in the active Armed Forces and only 1 percent who trained after 1968 have been called; (b) of those called to active duty, 30 percent served more than one year and less than 18 months; (c) because most veterans do not utilize their full entitlements, it is anticipated that of those eligible, only 20 percent would take advantage of the additional months of entitlement; (d) of those using the added entitlement, an average of six months would be used; and (e) of those veterans who were discharged prior to 1967, very few would utilize this benefit.

Of course, should international or other situations subsequently develop which would require the calling to active duty of substantial numbers of Reserve or Guard members for periods of a year or more, costs would increase accordingly.

Section 203

Clauses 1, 2, and 3, of section 203 would amend section 1662 to extend to ten years the current eight-year delimiting date for veterans to complete their programs of education. (Section 208, discussed *infra*, would

provide a similar extension of benefits for eligible wives and widows training under chapter 35.) Approximately 4 million eligible veterans who were discharged between January 31, 1955 and June 1, 1966 would be immediately affected by this amendment. The following table shows the number of veterans affected by date of their discharge prior to 1966:

TABLE 12.—*Net separations from military service, 1955–66*

Fiscal year:	Veterans separations
1955 [1]	4,000
1956	26,000
1957	156,000
1958	383,000
1959	399,000
1960	434,000
1961	388,000
1962	375,000
1963	465,000
1964	507,000
1965	495,000
1966	507,000
Total	4,139,000

[1] 2d half of fiscal year only.

For the next five fiscal years the following table shows the number of veterans who would be affected if the delimiting date were not extended:

TABLE 13.—*Net separations from military service, 1967–72*

Fiscal year:	Veterans separations
1967	533,000
1968	745,000
1969	940,000
1970	1,012,000
1971	975,000
1972	850,000
Total	5,055,000

The Veterans' Administration estimates that approximately 500,000 of these veterans affected by the delimiting date would enter or continue training at a first-year cost of $731 million. The number of men is expected to decline to 396,000 at an annual cost of $578.9 million by the end of the fifth year.

The Committee believes that the cost estimates supplied by the Veterans' Administration are open to considerable question and should be examined in light of a more detailed discussion found in the report under Cost Estimates, *infra*.

Clause 4 would add a new subsection (d) to section 1662 which would exclude in computing the delimiting date for those veteran-civilians held as prisoners of war in the Vietnam theater of operations the period of time during which they were detained plus any period of time during which they were hospitalized immediately subsequent to their release.

Included among the prisoners of war released last year were 24 civilian prisoners of whom 17 were veterans who had military service which would otherwise qualify them for VA educational benefits. These are individuals who, because of circumstances beyond their control, have been unable to utilize their potential entitlement. This provision would, in the case of these 17 individuals, exclude, in computing their delimiting date for utilizing their entitlement, those periods of time during which they were detained and were thus unable to use their benefits, plus any period of hospitalization they were required to undergo immediately subsequent to their release from detention. This provision is, therefore, entirely equitable and fully justified in the case of this limited group of individuals.

The provision is supported by the Veterans' Administration which estimates there would be a minimal cost impact.

Section 204

Clause 1 amends section 1673(a)(2) to expand the provisions of the section to apply to all courses with a vocational objective the existing minimum 50-percent placement requirement. This amendment is consistent with current VA authority and administrative practice which requires, as a condition of initial or continued approval for VA payment, that a substantial number of vocational course graduates obtain employment in the occupation for which the course trained them. A "program of education" is defined in section 1652(b) as a course of study or training "which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified education, professional, or vocational objective." The Veterans' Administration, Department of Veterans' Benefits, Program Guide for the Implementation of Regulations under title 38 states in pertinent part that:

Any program not leading to a high school diploma, a college degree, or a postdoctoral certificate from an accredited college or university must lead to a vocational or professional objective. A vocational or professional objective is a recognized occupation that is listed in the Dictionary of Occupational Titles or one that is subject to listing therein. . . . A vocational school course may be authorized for an occupational objective if graduates of the course generally qualify for employment in the stated job objective. If there are licensing requirements in the State for the occupation, completion of the course must meet the requirements for taking the licensing examination. If completion of the course will not meet the requirements for taking the licensing examination, the vocational course should not be authorized as a program of education. If there are no licensing requirements, completion of the course must be generally recognized by prospective employers as qualifying for employment in the stated occupation. If graduates of the course can not obtain employment in the community where the course is given because they are not considered qualified, the vocational course should not be authorized as a program of education.

In order to determine whether a school offering a course in fact fulfills the requirement for attainment of an occupational objective, the Veterans' Administration has for a number of years instructed the State approving agencies to require that a school demonstrate that a substantial portion of its students who complete the course has in fact obtained employment in the jobs for which the course trained them. Instructions covering State Approving Agency reimbursement contract for fiscal year 1975 issued by the Veterans' Administration on March 27, 1974 (DVB CIRC 22–74–2) state for example:

8. *Program of Education—Vocational:* We continue to receive complaints from veterans concerning some vocational courses. The complaints generally are centered around course content, quality of the course, the instructional materials, and the fact that completion of the course is not generally recognized by industry as meeting the vocational requirements for the occupation for which the course purports to train the veteran. The State Approving Agency, in approving a course or in reviewing a course already approved, should be certain (a) that the curriculum is adequate to accomplish the training objective for which the course is designed, (b) that the quality of the instructors assure competent and complete training for the vocational objective, and (c) that the course completion by itself is generally being accepted by the industry for employment purposes. For example, courses may have as their stated vocational objectives, insurance adjuster, motel-hotel manager, or computer programmer. A course leading to any one of these objectives, or any other vocational objective, should not be approved, or the approval continued unless the school can demonstrate that a substantial number of its graduates are thereby able to obtain employment in the occupations for which trained by the course.

The foregoing has been a longstanding concern of the Veterans' Administration, and, in an appearance before the Federal Trade Commission on proposed guides for proprietary vocational home study schools in 1970, VA officials testified that:

"A common complaint of the veterans is that of not obtaining a job upon completion of the course. They claim that it has been part of the salesman's routine to promise the veteran that the school would find him employment after he had successfully completed the course. . . .

"For vocational courses, employment opportunities play an important role in a student's decision to take a particular course. Students upon completion of a course in most instances are under the impression that they would then qualify for a job in their field of training. . . ."

The continued complaints noted by the VA in its instructions issued pursuants to the Fiscal Year 1975 State Approving Agency contracts indicates that the requirement of substantial placement is not in fact being met.

In this connection, a recent outstanding investigative series concerning proprietary vocational institutions conducted by the Boston *Globe* found, for example, that the Massachusetts State Approving Agency was not following VA requirements concerning substantial placement. According to the *Globe*:

"In a bulletin to all its State agents in charge of approving the schools to train veterans, the VA directed the institutions show 'substantial placement' of its graduates in jobs before being cleared.

"In Massachusetts, VA Approval Agent James E. Burke said he 'just never received the bulletin' and approved 130 schools without checking for substantial placement.

"Veterans' complaints persisted and in May 1971, the VA sent State agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and 'immediately implemented it by requiring 50 percent placement.'

"Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the schools to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith."

The *Globe* further found that claims of high job placement by school salesmen for many vocational schools were at considerable variance with the actual facts. While the *Globe* found that area public vocational schools consistently had high job placement ranging from 62 percent to 95 percent, many profit-making vocational schools had very poor placement rates. The series cited a proprietary school offering courses which trained dental assistants in which only 22 percent of its students had found jobs. The *Globe* also quoted a knowledgeable former employee of another school as saying that a survey by a proprietary vocational school found that 70 percent of the graduates of the school's medical and dental assistants

courses and over 95 percent of its broadcasting graduates had *not* found employment.

This contrasted with Northeastern University's dental assistant course in which 83 percent of its students received employment as dental assistants. Another former employee of a computer school is quoted as saying that only 50 percent of the school's enrolled students graduated and of its graduates only 10 percent had gotten "decent jobs." Again, by contrast, a public regional technical school in the same area revealed that 82 percent of the students who enrolled had completed its data processing course and that, of that number, 95 percent were placed in jobs for which they were trained.

The Committee believes that reputable public and private institutions offering vocational objective programs should not encounter any difficulties with the amendments made by this section. Information obtained from the fiscal year 1972 annual reports of the States to the Office of Education pursuant to the Vocational Education Act of 1963, as amended, reveal that 62.6 percent of the graduates of those public postsecondary vocational schools utilizing Federal funds under that 1963 act secured full-time employment in the field for which they were trained. It should also be noted that the completion rate for all these courses exceeds 70 percent. The following table shows placement percentages for such public postsecondary vocational schools in various specific occupational categories grouped by broader generic classifications:

TABLE 14.—FISCAL YEAR 1972 PLACEMENT OF STUDENTS COMPLETING POSTSECONDARY VOCATIONAL EDUCATION PROGRAMS UNDER THE VOCATIONAL EDUCATION ACT OF 1963, AS AMENDED

Occupations	Completions	Employed full-time	Placement percentage
Agriculture	8,622	5,446	63.2
Distributive education	26,070	15,891	60.9
Health	64,173	44,998	70.1
Home economics	8,688	4,752	54.8
Office	88,916	53,625	60.3
Technical	40,990	23,985	58.5
Trade and industry	89,641	55,951	62.4
Total	327,100	204,948	62.6

Similarly, a 1972 in-depth study of students in the Texas Community College system enrolled in postsecondary vocational education conducted by the Specialty Oriented Student Research System found that 75.3 percent of its graduates were employed in training-related jobs. The following table shows the results of the survey (which was taken 7 months following completion of training) broken down by veterans and nonveterans:

TABLE 15.—PERCENTAGE OF EMPLOYED GRADUATES OF TEXAS PUBLIC VOCATION EDUCATION PROGRAMS IN TRAINING-RELATED JOBS, 1972

Student	Number	Percentage
Veterans	228	69.5
Nonveterans	1,019	76.8
Total	1,247	75.3

The new provision in the reported bill would thus require evidence that at least half of the veterans completing the course within the most recent two-year period were in fact employed in a specific occupational category for which the course was designed to provide training. Obviously, a course which purports to train veterans to become operators of large earthmoving equipment with high paying salaries will not fulfill this requirement if a graduate obtains employment at a much lower salary in which the only earthmoving equipment he utilizes is a hand shovel as a manual laborer. To cite other examples, there are large differences in specific occupational categories (as well as in salaries) between "computer programmers" and "key punch operators", between large diesel semitruck operators and local delivery men. As the Veterans' Administration Veterans' Benefits Program Guide currently directs:

"School officials, applicants, and job establishment officials sometime state the occupational objective at a higher level than it is possible for the trainee to reach as a result of completing the program. A certificate of eligibility should not be issued for an objective unless the program outlined will qualify the eligible veteran or person for employment in the occupation without additional training.

"The Veterans' Administration Liaison Representative and the State Approving Agency officials should assist schools and establishments in identifying the appropriate vocational objective for each approved program. When a program does not provide sufficient training to qualify a person for a skilled journeyman job, it may be that a lower level job can be established as the objective. An example would be 'Electrician Helper, DOT Code 829.887' for a lower level course and 'Electrician DOT Code 824.281' for a higher level course."

Thus, it is intended that the amendment in the reported bill provided for in this section should accomplish two results. First, to ensure that the school would be approved only if it could demonstrate that at least one-half of its graduates have in fact obtained employment for the specific vocation for which the course had trained them. Second is to ensure that the institution accurately states to the prospective veteran enrollee what in fact is the actual and reasonably anticipated vocational objective of the course.

The Committee also wishes to emphasize that, as a supplement to the amendments made by this section, the VA should continue to exercise its general authority to ensure that any course offered qualifies as a "program of education" under section 1652(b). To do so, the course must be generally accepted as necessary to fulfill requirements for the attainment of a vocational objective. To be "generally accepted," a course must be recognized by government or industry as providing the quality and quantity of training to furnish the skills needed to perform the job, and the course must be a proven means of acquiring such skills. If, for example, the customary method of training in a geographical area for a particular job is by apprenticeship, a school's course purporting to lead to the same objective may not be considered as "generally accepted" unless there is clear evidence that the course definitely qualifies the trainee for a specific occupation.

If training for a particular job is customarily furnished by the employer and little or no weight is given school training for such job by employers in the industry, such a school course may not be considered as "generally accepted."

If a job requires a license, the course must satisfy all of the educational requirements for licensure before it may be considered "generally accepted." If licensure is by examination, the course must have any approval required for the examination. For example, the only school courses that qualify an individual to take an aircraft mechanic license examination are those certificated by the Federal Aviation Administration. A noncertificated course may not be considered as "generally accepted" under section 1652(b).

Any prerequisite to obtaining the job other than the training itself must be a prerequisite to, or part of taking the course. For example, if employers customarily require a high school diploma for a particular job, any course purporting to train for that job must include a high school diploma as an entrance requirement.

A course must fulfill requirements for the attainment of the objective. This means that it must fulfill all requirements. The course must be complete and must provide all of the training needed, so that a graduate will be qualified to perform the job for which he is trained. On the other hand, if a job requires little or no training, a course leading to that job objective is not "generally accepted" as necessary.

Additionally, the VA should ensure that the State Approving Agency actually do determine that a course is in fact generally accepted as necessary by *prospective employers*. Employers should be asked specifically what weight, if any, they would give the course in considering an application for employment.

Clause 2 would amend paragraph (3) of section 1673(a) to provide that the Administrator shall not approve the enrollment of an eligible veteran in any course if he finds the advertising for the course contains significant avocational or recreational themes. Section 1673(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of veterans in "any type of course which the Administrator finds to be avocational or recreational in character" with certain exceptions if the eligible individual can submit justification that the course will be of "bona fide use in the pursuit of his present or contemplated business or occupation." Among the courses which the Veterans' Administration currently "presumes" to be avocational or recreational in character are any photography or entertainment course, any music course, instrumental or vocal public speaking courses, and courses in dancing or sports or athletics (such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating or other sport or athletic courses).

Given the foregoing, the Committee has been quite concerned about the recent proliferation of extensive two-page color advertisements in national magazines by institutions seeking to enroll veterans which stress recreational or avocational themes. Certain correspondence schools (accredited by the National Home Study Council) enrolling eligible veterans advertise "home entertainment electronic" systems courses in which veterans are told, among other things, that "you'll be dynamite" and "do it for fun."

In order to gain approval by a State Approving Agency and to avoid the statutory prohibition of section 1673(a)(3), these correspondence courses assert they are designed to equip the veteran with a particular vocational skill in order to earn his livelihood, such as a TV repairman, for example. While the courses offered may, in fact, furnish the skills needed to obtain that vocational objective (although completion rates are distressingly low and there is little available specific information as to the subsequent employment history of its students) the advertising for the courses is often at variance with its stated intent. These advertisements suggest in a variety of subtle and not so subtle ways that enrollment in the course (which typically costs about $1,500), will enable the veteran to obtain valuable merchandise such as a 25-inch color television set which the veteran can assemble in his spare leisure time, and which is principally to be paid for by the Veterans' Administration. In addition, the advertising will often typically note that the veteran can acquire skills that will enable him to repair his personal electronic equipment or will

present an "opportunity" to obtain "part-time" (i.e. avocational) income.

Of course, the Committee wishes to emphasize that there is nothing intrinsically wrong with avocational or recreational objectives. But, if that is an intended purpose of the course, then it is clear that payment by the Veterans' Administration to enroll veterans is not authorized under title 38, United States Code. It is further evident to the Committee that even if the course is not avocational or recreational in character the Administrator should not approve enrollment of veterans in the course if the advertising or enrollment practices contain significant avocational or recreational themes. In those cases, either the advertising is misleading, deceptive, or erroneous as to the true nature of the course offered or it accurately reflects the avocational or recreational character and intent of the course. In eitner event, the Committee believes that the expenditure of Federal funds would be at variance with the intent and purpose of this program.

The Veterans' Administration is unable to estimate the prospective savings that would result if this provision is enacted.

Clause 3 would amend section 1673(d) to extend to accredited courses the statutory prohibition in certain circumstances against VA approval of enrollment of eligible veterans in nonaccredited courses not leading to standard college degrees. Currently, subsection (d) directs the Administrator not to approve the enrollment of any veteran (not already enrolled) in any nonaccredited course below college level offered by a proprietary profit or proprietary nonprofit educational institution where more than 85 percent of the eligible students are wholly or partially subsidized by the VA or the institution.

This section, which was first enacted by Congress when it authorized the Korean Conflict GI Educational Assistance Program in 1952 under Public Law 82-550, was an outgrowth of recommendations of the House Select Committee To Investigate Educational Training and Loan Guarantee Programs Under the GI Bill which issued its report in February 1952. The House Select Committee, chaired by the Honorable Olin E. Teague, looked extensively into the abuses and problems which plagued the World War II GI bill program in concluding that "a new act should be written extending educational benefits to veterans who served during the Korean conflict." It recommended in part that:

"4. Enrollment of veterans in institutional training should be limited to courses offered by public schools and colleges, or to courses in private schools which have been in successful operation for at least one year and which maintain an enrollment of at least 25 percent nonveteran students."

The result of this recommendation was the enactment of section 1673(d). Reviewing the legislative history and intent of this section, it is evident to the Committee that Congress was concerned about schools which developed courses specifically designed for veterans with available Federal monies to purchase such courses. At the time that section was enacted, the veterans educational assistance program was, of course, the prime (if not sole) source of Federal funds that could be utilized by students who enrolled in such courses. The ready availability of these funds obviously served as a strong incentive to some schools to enroll eligible veterans. The requirement of a minimum enrollment of students not wholly or partially subsidized by the Veterans' Administration was a way of protecting veterans and allowing the free market mechanism to operate. That is, the price of the course was also required to respond to the general demands of the open market as well as to those with available Federal monies to spend. A minimal number of nonveterans were required to find the course worthwhile and valuable or the payment of VA funds to veterans who enrolled would not be authorized. As originally enacted in 1952, the 85-15 rule applied only to "nonaccredited" courses not leading to a standard college degree.

It should be noted that the use of "nonaccredited" reflected the fact that at that time few, if any, proprietary below-college-level courses were accredited. The subsequent proliferation of accrediting agencies, such as the National Home Study Council (NHSC), the National Association of Trade and Technical Schools (NATTS), and the Association of Independent Colleges and Schools (AICS—formerly the Association of Business Schools), which have granted accreditation to the majority of proprietary below-college-level schools whose courses are approved for the enrollment of veterans, has effectively removed almost all schools from the purview of section 1673(d). For example, it is estimated that the vast majority of all veterans enrolled in courses not leading to a standard college degree offered by proprietary institutions are enrolled in "accredited" courses.

The amendment made by clause (3) of this section to include accredited as well as nonaccredited schools will once again allow the intent of this section—which the Committee approves—to be realized for more than just a small minority of the schools whose courses are approved for veteran enrollment. In this connection, it should also be noted that it has been the experience of the Committee that problems and abuses encountered under the current program are generally as prevalent among accredited as nonaccredited courses not leading to a standard college degree which are offered by proprietary institutions.

Courses offered under subchapter IV for the educationally disadvantaged and under subchapter VI for PREP are exempted from the operation of this revised section since by their very nature they are, pursuant to congressional direction, designed for enrollment of veterans and other eligible persons under this title.

As originally introduced in S. 2784, the amendment would have included in addition to counting veterans and other eligible persons subsidized by the Veterans' Administration in computing the 85-percent total, those students enrolled in the same course whose educational charges are paid by the Department of Health, Education, and Welfare under provisions of the Higher Education Act of 1965, as amended.

While the Committee believes that the inclusion of other students receiving Federal assistance is consistent with the general intent of this section as previously discussed, it believes further study of the full impact of such a revision is called for prior to further action on such an amendment. Accordingly, the Committee expects the Veterans' Administration to explore jointly with the Office of Education in some detail the full impact and ramifications of this proposal or some modification thereof.

The Veterans' Administration has informed the Committee that it is unable to estimate the cost impact of section 204 because it does not currently have any information as to veteran enrollment in accredited courses which may exceed 85 percent of the total course enrollment. Accordingly, the Committee is unable to estimate the prospective savings that would result if this provision is enacted.

Section 205

This section would amend section 1682 by adding a new subsection (d) to provide that eligible veterans with qualifying periods of service under the current GI bill may be allowed up to 6 months of educational assistance to pursue refresher training to update knowledge, and skills in order to cope with the technological advances occurring in the field of employment during the period of their active military service. Section 1671 currently provides that the Administrator may not approve educational assistance programs for courses for which the veteran is "already qualified". New subsection (d) would allow up to 6 months of refresher training to permit veterans to update their skills in an occupation or profession in which they are already qualified.

The rate of allowance shall be the same as that paid to a veteran under section 1682 and shall be charged against a veteran's period of entitlement earned pursuant to section 1661 (presently 36 months; proposed to be 45 months in section 202(1) of the reported bill). The Veterans' Administration, which concurs in the principle of refresher training, estimates that approximately 1,900 veterans will utilize refresher training in the first full fiscal year at a cost of $3.1 million. The following table indicates the number of veterans expected to train under the refresher section and the cost for the first five fiscal years, if the provision is enacted:

TABLE 16.—SEC. 205: REFRESHER TRAINING

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	1,900	1,600	1,600	1,600	1,600	.....
Cost (millions)	$3.1	$2.6	$2.6	$2.6	$2.6	$13.5

Section 206

The veteran-student services program authorized under section 1685 (also known as the veteran's work-study program) would be amended to increase the maximum number of hours an individual student may work and also would remove the statutory ceiling on the number of veterans who can participate in the program. As originally proposed and passed by the Senate in 1972, this program had no statutory limit on the number of veterans who could be hired other than the extent to which they could be effectively utilized by the VA. Currently, a veteran may work up to a hundred hours and receive a work-study allowance based on a rate of $2.50 an hour. Amendments made by this section would increase the maximum number of hours that a veteran may work up to 250 hours and, in addition, it would remove the statutory limits presently in effect which effectively limit the program to 16,000 veterans.

During the three months of fiscal year 1973 in which the program was in operation, applications were received from 4,226 chapter 34 veterans and from 729 chapter 31 disabled veterans. Payments were authorized to 1,256 chapter 34 and 372 chapter 31 veterans to work 100 hours. An additional 1,063 and 178, respectively, were to work less than 100 hours. During both years combined through February 1974, a total of 4,259 veterans who worked a total of 322,778 hours either completed or terminated their agreements.

The Committee has been quite concerned that there has been such little use of work-study students generally and specifically to perform hospital-related work and to perform outreach services under sub-chapter IV of chapter 3, as authorized and directed by the present language in section 1685. In fiscal year 1973, only 4.1 percent of the total work-study hours were devoted to outreach. In fiscal 1974 to date, that figure has decreased to 2.4 percent of the total hours as reflected in the following table:

TABLE 17.—USE OF VETERAN-STUDENT SERVICES UNDER THE WORK-STUDY PROGRAM

Use	Fiscal year 1973		Fiscal year 1974	
	Man-hours	Percent	Man-hours	Percent
VA liaison and compliance surveys	2,450	1.1	6,200	0.6
VA paperwork processing	44,537	20.3	187,129	17.6
Outreach	8,975	4.1	25,535	2.4
Assisting at institutions	161,510	73.5	831,146	78.0
Other	2,300	1.0	15,538	1.4
Total	219,772	100.0	1,065,548	100.0

This low percentage is inconsistent with the emphasis placed by Congress in section 1685 on outreach activities. Accordingly, the Committee expects a much larger percentage of work-study veterans activities to be devoted to outreach activities particularly now that veteran's representatives scheduled to be stationed on campus (provided for by section 217 of the reported bill) will be available to supervise such outreach efforts.

Subsection (*a*) amends section 1685(a) of chapter 34 to raise the maximum work-study allowance to a veteran from $250 to $625 and to provide a corresponding increase in the number of hours during which a veteran may work under this program from 100 to 250 hours per semester or enrollment period.

Subsection (*b*) amends section 1685(a) to provide that the work-study allowance in cases where an agreement is entered into for the performance of less than 250 hours of service shall be computed by dividing 250 by the number of hours of work agreed to be performed and applying that ratio to the sum $625. Current law provides that the figures to be used in such instances are 100 hours and $250, respectively.

Also, if such agreement provides for the performance of services for 100 hours or more, the veteran student shall be paid $250 in advance. If the agreement provides for performing less than 100 hours, the amount of the advance payment shall be computed on a pro rata basis as set forth above.

Subsection (*c*) amends section 1685(c) to remove the limitation on the number of student-veterans the Veterans' Administration may assist under the work-study program. Current law restricts the number of veterans in work-study to maximum of 800 man-years or the equivalent in man-hours during any fiscal year.

The Veterans' Administration estimates that the cost attributable to this amendment would be $8.3 million for fiscal year 1975 and each of the five fiscal years thereafter, which assumes that the current 800 man-year limit will be tripled to approximately 2,400 man-years. (This would allow 50,000 veterans to be utilized averaging 100 hours of employment.) The Committee takes note that, in its 1972 report to the Senate of provisions which contained no statutory limits, the Veterans' Administration estimated that in excess of 100,000 veterans could be effectively utilized under the work-study program at a first-year cost of approximately $35.1 million. Thus the actual cost and the need for veteran-student services may be larger than estimated by the Veterans' Administration in its recent report.

Section 207

This section would increase the benefits available under subchapter V, providing for special assistance for the educationally disadvantaged. Section 1692 of that subchapter provides that a veteran or serviceman pursuing a postsecondary program of education on a halftime or better basis at an educational institution may receive "individualized tutorial assistance" where the veteran "has a deficiency in a subject" required to satisfactorily pursue his program of education. Under current law, he may receive assistance at the rate of $50 a month for a maximum of nine months or until a maximum of $450 is utilized. Approximately 41,000 veterans have received tutorial assistance since the program began in July of 1970, with 7,447 receiving assistance in the third quarter of the current fiscal year as shown in the following table:

TABLE 18.—CHAPTER 34: TUTORIAL ASSISTANCE, FISCAL YEARS 1971-74[1]

Fiscal year	Quarters				Cumulative, end of fiscal year[2]	Cumulative payment months, end of fiscal year
	1st	2d	3d	4th		
1971	8	585	1,301	2,313	3,107	6,266
1972	933	2,208	3,044	3,967	11,626	26,710
1973	1,776	3,517	5,236	6,503	26,574	62,062
1974	3,009	5,242	7,447	.....	[3] 40,501	93,736

[1] Number of persons paid during quarter.
[2] Unduplicated number of persons paid since report began July 1970.
[3] Cumulative through Mar. 31, 1974.

Amendments made by this section would provide a modest cost-of-living increase in the monthly rate from $50 to $60 a month. The cost-of-living increase as measured by changes in the Consumer Price Index, since the inception of the tutorial assistance program in Public Law 91-219 on March 26, 1970, has increased 26 percent and the increase provided by this section would generally cover the cost-of-living change since that time. In addition, the section would also extend the maximum assistance available from 9 to 12 months. The Veterans' Administration is unable to supply information as to the median duration of tutorial assistance rendered to veterans or the number who have exhausted their assistance entitlement. They do estimate, however, that 15,000 veterans will receive tutorial assistance in the coming fiscal year and that enactment of section 207 will result in additional first-year costs of $800,000 decreasing to $500,000 at the end of five years, as shown in the following table:

TABLE 19.—TUTORIAL ASSISTANCE

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	15,000	14,000	12,000	10,000	9,000	
Cost	$800,000	$700,000	$600,000	$500,000	$500,000	$3,100,000

Section 208

Subsection (*a*) would amend subsections (b) and (f) of section 1712 to extend to ten years the current eight-year delimiting date for educational assistance for wives and widows eligible under chapter 35. Those made eligible to receive an additional two years within which to utilize their GI bill benefits are:

"(1) the widow of any veteran who died of a service-connected cause;

"(2) the wife of any veteran with a disability rated total and permanent in nature; and

"(3) the wife of any member of the uniformed services on active duty who at the time of application for benefits under chapter 35 has been listed for more than 90 days as missing in action, captured in the line of duty by hostile forces, or forceably detained or interned in the line of duty by a foreign government or power."

As of March 31, 1974, 8,235 wives and widows were in training receiving benefits under chapter 35. The Committee believes it necessary and equitable that these women whose husbands sacrificed their lives and consequently forfeited the ability to support their families be given the same opportunity and time limits to gain an education and provide for their livelihood.

Subsection (*b*) amends section 604(a) of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540), to extend to ten years the current eight-year delimiting date for wives and widows eligible under chapter 35 to utilize benefits first granted by the 1972 Act. Public Law 92-540 extended for the first time to chapter 35 trainees free eligibility for educational assistance to the disadvantaged; eligibility for on-job and apprenticeship training as well as training by correspondence. Section 604 (a) granted an eight-year period within which to use the benefits authorized under that act. Consistent with the general two-year delimiting period extension for other chapter 35 programs, the benefits made available by Public Law 92-540 would be similarly extended for two years.

There is no estimate of the cost of this section, but the Committee, based upon information received from the Veterans' Administration, believes the impact would be minimal.

Section 209

Clause 1 would make amendments in section 1723 concerning minimum placement requirements of chapter 35 eligible persons in the specific occupational category for which a course with a vocational objective trained them identical to those amendments made applicable to veterans in section 1673 (a) (2) by section 204 of the reported bill for veterans training under chapter 34. See detailed discussion under section 204, *supra*.

Clause 2 would amend clause (3) of section 1723(a) to provide that the Administrator shall not approve the enrollment of an eligible person under chapter 35 in any course if he finds the advertising for it contains significant avocational or recreational themes. Section 1723(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of eligible wives or widows or children in "any type of course which the Administrator finds to be avocational or recreational in character" with certain specified exceptions. This amendment is intended to deal with certain courses which ostensibly have definite vocational objectives but which are generally advertised in a manner that contains significant avocational or recreational themes. In this connection, see the discussion of section 204 of the reported bill which amends section 1673(a)(3) to apply identical provisions with respect to veterans training under chapter 34. The Veterans' Administration is unable to estimate the prospective savings that would result if this provision were enacted.

Clause 3 would remove the statutory provision currently contained in section 1723(c) which prohibits the enrollment in on-farm training program for wives, widows, and children eligible for benefits under the provisions of chapter 35. This amendment would correct an oversight in the more comprehensive amendments made to chapter 35 in

the 92d Congress by the Vietnam-Era Veterans' Readjustment Act of 1972 (Public Law 92-540).

As originally enacted, the War Orphans' Act was designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the disability or death of the veteran parent thereby permitting the children to obtain the educational level they would have aspired to and obtained but for the disability or death of such parent. That law was expanded in subsequent years to include the wives and widows of such veterans as well, to assist them in preparing to support themselves and their families at a standard-of-living level which the veteran, but for his death, or disability, could have been expected to provide for his family.

Further, the law barred the Administrator from approving the enrollment of eligible children in courses which were avocational or recreational in character, in apprenticeship, on-job, on-farm, flight training programs, or courses to be pursued by correspondence, television or radio, or any course not located in a State. Over the years amendatory legislation by Congress has enlarged the purpose of the chapter 35 benefits and modified some of the provisions of the earlier law to equate, where appropriate and feasible, the educational benefits granted qualifying wives, widows, and children under chapter 35 with those granted veterans under chapter 34.

Under the provisions of Public Law 92-540, additional benefits were extended to wives, widows, and children to pursue on-job and apprentice training programs; and to wives and widows to pursue without charge to entitlement high school and deficiency remedial and refresher courses they need to qualify for admittance to institutions of higher learning as well as authority to train by correspondence. By oversight, however, provisions for the training of rural wives and widows in farm management and operations were omitted from that act. This omission operates to discriminate against families of veterans who were farmers by denying them benefits comparable to those which are available to families of veterans engaged in the operation of business. Given the mechanization of farming there is no reason why any person, man or woman, cannot manage the family business alone, if necessary. The purpose of this section thus is to enable eligible wives of veterans who desire to carry on the operation of a family farm to prepare themselves to do so. Adoption of this amendment will enable farm families to receive the equitable income they deserve and provide equal benefits to families of farm veterans. The Veterans' Administration, which supports this amendment, has testified that it would be "a logical extension of the current legislative trend toward granting to these wives and widows, who must step in and become the breadwinners of the family, those benefits granted to veterans."

The Veterans' Administration estimates that the participation and cost entailed by this program should be minimal, probably less than 100 trainees per year at a cost of less than $200,000 per year. This estimate is based on extrapolation from the rate of one-half of 1 percent cooperative farm training for trainees under chapter 34 and the assumption that because of the age and sex of the proposed new beneficiaries, and even smaller percentage of wives and widows would pursue farm training under chapter 35.

Clause 4 amends chapter 35 (as other amendments in the reported bill do similarly for chapters 34 and 36) by deleting the terms "below college level" in section 1723(d) and substituting the terminology "not leading to a standard college degree" which is believed more appropriate as well as consistent with other statutory language presently contained in title 38.

Section 210

Consistent with the amendments made in section 209, this section amends section 1732 by adding new subsection (c) (after redesignating the current provisions in subsection (c) as subsection (d)) to provide that wives, widows, and children eligible under this chapter who are enrolled in an on-farm cooperative training program shall be eligible for Veterans' Administration educational assistance allowances on the same terms and conditions as are veterans training under section 1682.

The educational assistance allowances provided for training under this section would be the same rates as those provided for farm training for veterans (which are increased by section 102 of the reported bill). The rate for full-time training will be $209. Training pursued on a three-quarter basis will be at rate of $157 while the half-time rate will be $105 per month.

Section 211

This section amends section 1788(2) to liberalize permissible absences for courses not leading to standard college degrees by excluding customary vacation periods established by institutions in connection with Federal or State holidays. The law presently provides that no educational assistance allowance shall be paid to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship or other on-job training authorized by section 1787) for any day of absence in excess of 30 days in a 12-month period not counting as absences weekends, or legal holidays established by Federal or State law, occurring during the period when the institution is regularly in session.

The Veterans' Administration which opposes any changes in the absence requirements notes that a veteran presently may be absent 11½ per cent of the time and that this does not include extra days occasioned by Federal or State holidays. At present, there are nine Federal holidays listed in section 6103 of title 5, United States Code. The VA argues further that to increase the number of absences:

". . . Would dilute the training schedule of these vocational type courses in which shop practice and theory are essential instructions. We feel that to miss more than minimal of either would be detrimental to student success in the program.

"Collegiate degree courses and vocational courses are essentially different, whether given in the same or different schools. The objectives of vocational courses are usually stated in terms of vocational occupational competence. College degree courses, on the other hand, place greater emphasis on achievement beyond the purely vocational. They frequently have objectives requiring courses of considerable breadth. The difference in procedures applicable to the below college level students as opposed to those applicable to students attending institutions of higher learning stem from the nature of training, with the distinction being in the course and not in the school or the student."

While there is some merit in the arguments of the Veterans' Administration, the Committee believes that the current attendance requirements for vocational students are unduly restrictive. Numerous complaints have been received from such students and vocational schools noting that 30 days does not take into consideration the customary vacation periods such as Thanksgiving and Christmas when schools are closed regardless of the possible affect on veteran students. According to one letter from a vocational school, once a typical student subtracted the eleven days he was out of school because of teachers meetings, the 10 days of Christmas vacation and the two days for special events, the veterans enrolled at the school were allowed only seven absences for the entire year.

While it is fully appropriate to require veterans who receive benefits to actually attend classes, it does not seem appropriate to impose upon these veterans an attendance requirement which does not take into account factors totally beyond their control, as the Committee recognized when it reported S. 2794, which was enacted as Public Law 93-208 last December permitting continued payments of VA allowances when schools are temporarily closed because of the energy crisis or other emergency situations.

The Committee thus considers that the present attendance requirements for veterans enrolled in vocational occupational schools have caused hardships which require some remediation. Thus, long established school vacation periods connected with Federal or State legal holidays will be permitted under this section without charge to the 30 days of permissible absence.

Section 212

Clause 1 amends section 1774(b) to increase the allowances payable by the Administrator for administrative expenses incurred by State and local agencies in administering educational benefits under chapters 34 and 35. For some time the Administrator has been authorized under section 1774(a) to pay State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in rendering necessary services for evaluating and supervising educational institutions offering courses of education to veterans and other eligible persons under title 38. In 1968, Congress amended this section to provide an allowance for a fair share of the administrative expenses of a State agency as well. The amount payable, which is found in a formula in subsection (b), is determined by the size of the contract between the Veterans' Administration and the State for the amount of salary authorized in section 1774(a).

In 1972, representatives of the National Association of State Approving Agencies testified that the allowances provided under this subsection covered only 48 percent of the actual cost of administering the program. In response to that the Congress, in Public Law 92-540, doubled the allowance formula. Amendments made by this section would provide modest cost-of-living increases which have occurred since that time.

Clause 2 amends section 1784(b) to provide that a joint apprenticeship training committee which acts as a training establishment would be permitted to receive the annual reporting fee authorized by section 1784 for furnishing the Veterans' Administration with the reports or certifications on enrollments, attendance, and terminations of eligible veterans and persons training under VA educational programs. The fee would be computed at the rate of $3 for each such student enrolled on October 31st of each year unless it is shown that the enrollment on that date varies more than 15 percent from the peak enrollment. In such cases the Administrator would be permitted to establish such other date as will represent the peak enrollment period. The Committee believes that where a joint apprenticeship committee functions as a training establishment and furnishes these various reports to the Veterans' Administration on the same basis as educational institutions, it should be reimbursed for performing this service as is presently authorized in the case of educational institutions.

The Veterans' Administration, which supports this amendment as "equitable", estimates that 5,600 joint apprenticeship committees would be affected in the first full fiscal year at an additional cost of $600,000. These costs can be expected to decrease to $300,000 by the fifth year as reflected in the following table:

TABLE 20.—REPORTING FEE FOR JOINT APPRENTICESHIP TRAINING COMMITTEES, FISCAL YEARS 1975-79

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Cost	$600,000	$500,000	$400,000	$400,000	$300,000	$2,200,000

Section 213

Clause 1 amends section 1786(a), authorizing the pursuit of an education by correspondence, to provide an increase in the benefits consistent with other increases in educational assistance allowances made by the reported bill. Accordingly, the period of entitlement of any veteran or other eligible person shall be reduced by one month for each $260 (currently $220) paid to the veteran or person for such course.

The Veterans' Administration estimates that 383,900 persons will train by correspondence in the coming fiscal year.

Clause 2 amends section 1787(b) to provide an 18.2 percent across the board increase in the monthly training assistance allowance payable to veterans or other eligible persons pursuing a full-time program of apprenticeship or other on-job training program. For a veteran with no dependents the monthly assistance allowance for the first six months of training is increased from $160 to $189. Married veterans would receive $212, up from current rate of $179. The addition of a child boosts the rates from $196 to $232 with $9 for each additional dependent. The training allowances for the second and third six-month periods would be increased respectively to $142 and $95 from the current allowance of $120 and $80. The assistance rates for the fourth or any succeeding six-month period would be increased from $40 to $47. Proportionate increases for veterans with dependents training after the first 6-month period would also be provided. The Veterans' Administration estimates that 225,000 veterans will train at a first-year additional cost of $38.6 million.

The following table shows the participation of Vietnam era veterans in various types of on-job and apprenticeship training programs from October 1967 through June 1973. The Committee observes that the participation rate of Vietnam era veterans in OJT and apprenticeship programs is only approximately half that of the participation of veterans after World War II and believes greater efforts by the Veterans' Administration, the Department of Labor and State employment agencies should be made to enroll those who would benefit from the program.

TABLE 21.—VIETNAM ERA VETERANS PARTICIPATION IN APPRENTICESHIP AND ON-JOB TRAINING, BY FIELD OF TRAINING (OCTOBER 1967-JUNE 1973, CUMULATIVE)

Field of training	Apprentice training	Other on-job	Total
Technical and managerial	2,489	30,975	33,464
Clerical and sales	879	6,259	7,138
Service	4,481	40,024	44,505
Farming, fishery, forestry, and related	237	1,969	2,206
Trade and industry	136,410	55,755	192,165
Miscellaneous	6,158	5,533	12,051
Total	151,014	140,515	291,529

Clause 3 amends clause (2) of section 1787(b) to provide for a general cost-of-living increase in the apprenticeship and on-job training allowances for eligible wives, widows and children enrolled in the program. The monthly assistance allowance for the first six months of training is increased from $160 to $189. The training allowance for the second, third, and fourth 6-month periods would be increased, respectively, from the current allowances of $120, $80, and $40 to $142, $95, and $47.

Section 214

Clauses 1, 2, and 3 amend section 1788(a) relating to the measurement of courses by deleting the term "below college level" where ever it appears and substituting the terminology "not leading to a standard college degree" which is believed more appropriate as well as consistent with other statutory language presently contained in title 38.

Clause 4 would amend section 1778(a) further by adding at the end of the section new provisions to provide that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis according to the following formula: One credit hour for each 50-minute academic class per week; one credit hour for each two hours of laboratory class per week; and one credit hour for each three hours of shop class per week. To qualify as a full-time course, however, there must be at least 18 hours of attendance per week.

Under the current law, occupational courses leading to a certificate are measured on a contact-hour basis, which consists of one 60-minute class per week. For a veteran enrolled in a trade curriculum to receive full-time benefits, he must have 30 contact-hours per week and attend 30 sixty-minute classes per week.

This 30-hour requirement is at variance with current educational practice. There is probably no State in the Nation where non-veterans in occupational programs sponsored by community colleges or technical institutes are required to be in class as many as 30 hours a week to be considered full time. Ascertained State policies indicate full-time occupational programs generally require between 20 to 27 clock hours or contact hours per week for nonveteran students.

In many States, trade or occupational courses in community colleges and technical institutes are set up on a contact-hour basis; but all such courses have established credit hour ratings. As an example, a 12-contact-hour shop course in automotive mechanics is also rated as a 4-credit-hour course.

Accredited colleges and universities vary as to the length of a standard class session for one unit of college credit. Usually a lecture period is one hour (50 minutes) a week for a semester for one semester hour credit. Laboratory periods vary usually from two to four hours for one hour of credit.

The present clock-hour restriction was originally designed in an era when career-related education and training were almost totally the domain of secondary and proprietary institutions. Today, many of these programs require courses consisting of classroom instruction with as much outside preparation as classes in academic programs and courses.

As Dr. Charles E. Palmer, Executive Director, South Carolina State Board for Technical and Comprehensive Education, pointed out, this section of the law was enacted 25 years ago when there was little or no vocational or technical education above the high school level:

"Such is not the case in 1974. The U.S. Office of Education has published the results of studies which indicate that by 1975, 50 percent of the jobs in the United States will require education beyond the high school diploma but less than the bachelor's degree."

During the past 7 years, the percentage of community college students in career-related programs has grown from 16 percent to 42 percent, now numbering over 800,000 enrolled. Educational institutions are increasingly recognizing the validity of short-term occupational education as a valid goal for many students, without discouraging many other students from maximizing their educational and career potential by pursuing college parallel programs frequently leading to graduate and professional training.

The Committee considers that the current clock-hour requirement imposed upon the veteran pursuing vocational courses creates undue and unwarranted financial and academic pressures upon the veteran student which are not imposed upon the nonveteran student. For example, the normal full-time course load in occupational programs for nonveterans requires 20 to 27 hours of classroom attendance per week. Veterans must be assigned additional hours in order to qualify for full benefits. This overload can in many cases be detrimental to the progress by the veteran student resulting in his failure or his enrollment in certain so-called "Mickey Mouse" courses.

The American Association of Community and Junior Colleges, in testimony on April 11, 1974, urged the abandonment of the present clock-hour provision and, stated:

"The veteran enrolled in courses of education measured in the 30-hour basis often feels:

" 'That he is being discriminated against because of his interest and is being penalized because his abilities are trade-oriented as opposed to technical or college parallel. He is often discouraged and may eventually drop the course prior to completion of course requirements, or he will request transfer to a technical or transfer curriculum which will permit him to draw full-time benefits. The change usually results in a student veteran being enrolled in a course which is either not suited to his goal or abilities. The end result is another drop-out who is no better qualified to take a position in the world of business or industry than he was prior to enrollment.' "

The study of the GI educational assistance program mandated by section 413 of Public Law 92-540 and conducted by the Educational Testing Service of Princeton, New Jersey, noted in its findings and conclusions that "differences in treatment of veterans pursuing college degrees and veterans pursuing nondegree postsecondary educational programs may be inhibiting the use of benefits for below college level training."

The Veterans' Administration, in its analysis of the ETS findings, concluded that there may be a need to modify the requirements concerning below college level programs.

No additional cost is contemplated if this amendment is enacted.

Section 215

Clause 1 would repeal section 1795 which currently limits an individual entitled to VA educational assistance provided under more than one Veterans' Administration program to a combined total of 48 months assistance. By repealing this section, dependents who receive educational assistance under chapter 35, the War Orphans' and Widows' Educational Assistance chapter, and who subsequently serve honorably in the uniformed services would be entitled to a full 36 months of additional educational

benefits by virtue of that service. Public Law 90-631 approved on October 22, 1968, had modified the original 36-month restriction to provide that the combined assistance provided under chapters 35 and 34 may not exceed 48 months.

The Committee considers that a veteran entitled to training under the War Orphans' Educational Assistance Act, because of the service-connected death of a parent, should not be discriminated against by a provision nullifying full entitlement under the GI bill in the son or daughter's own right earned for service in the Armed Forces. The law is clear that a child is entitled to certain assistance where the parent died of service-connected causes. The law is also clear that a veteran who served in the Armed Forces during a qualifying period is entitled to training assistance under the GI bill. The exercise of one of these entitlements should not serve to abrogate or reduce the other. Entitlement to benefits under each program is predicated upon entirely different factors and circumstances.

Accordingly, the Committee concurs with the position of the Veterans' Administration in its 1968 report to H.R. 16025 which extended benefits to the current 48-month level. At that time, the VA reported that "it would be more advantageous and practical not to limit the veteran to a total of 48 months, but to permit him to use the entire current earned educational entitlement." The VA further testified:

"[T]he numbers who would take advantage of this change in the law would be small and the additional cost would not be susceptible to measurement but for those needing additional training and privileges of pursuing the program of education would be most worthwhile."

The VA now estimates that the cost of this section would be $6.2 million for fiscal year 1975, increasing to $6.6 at the end of five years as shown in the following table:

TABLE 22.—*Repeal of two-program limitations*

[Cost in millions]

Fiscal year:	Cost
1975	$6.0
1976	7.9
1977	6.6
1978	6.6
1979	6.6
Total	33.7

Section 215

Clause 2 adds a new section 1795 entitled "Limitations on certain advertising, sales, and enrollment practices" which clarifies and expands current VA authority. Existing law contained in section 1776(c)(10) provides that a nonaccredited course offered by an institution may be approved for the enrollment of veterans only if the appropriate State Approving Agency has "found upon investigation" that:

"(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State Approving Agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact."

The amendment made by clause (2) would direct the Administrator not to approve for VA payment, the enrollment of any veterans under chapter 34 or eligible persons under chapter 35 in a course offered by *any* institution (accredited or nonaccredited) if it utilizes erroneous, misleading, or deceptive advertising, sales, or enrollment practices.

The concern over advertising, sales, and enrollment practices of various institutions where courses are approved for the enrollment of veterans has been a continuing one and has grown more widespread in recent years. The Veterans' Administration in testimony before the Federal Trade Commission in 1970 noted that it was "particularly pertinent to the problems encountered by the Veterans' Administration" to "assure that the prospective student will not be deceived or otherwise deprived of vital information when choosing a course. . . ." The Committee received testimony in 1972 from the Veterans' Administration outlining a number of "various questionable sales tactics or false claims." Amendments subsequently adopted by the Committee and enacted into Public Law 92-540 provided for a mandatory 10-day "cooling-off" period for prospective veteran enrollees in correspondence courses to enable the veteran a period of time absent any "high pressure" sales tactics to decide, after adequate reflection and with full knowledge of the provisions of the agreement, whether he in fact still desired to pursue that course of study. In addition, amendments in the 1972 act provided that the enrollment agreement shall "fully disclose" the obligations of the school and the veteran and that it shall "prominently display the provisions for affirmance termination, refunds, and the conditions under which payment of the allowance is made. . . ."

In hearings this year, consideration of a partial tuition assistance allowance (adopted in the reported bill) focused Committee attention on ways to avoid or reduce possible abuses. In this connection, Chairman Hartke directed a lengthy 11-page letter on March 25, 1974, to the Administrator requesting detailed information on the administration of VA benefits and on the course approval/disapproval process. The voluminous answer which was prepared by all VA Regional offices has proved helpful to the Committee in consideration of, and adoption of, various amendments. The Committee was also granted access by the FTC to information and material contained in the Federal Trade Commission File No. 722-3149 which bears on the practices and performance of the proprietary vocational correspondence school industry. Finally, the investigative series on vocational schools which appeared in the Boston *Globe* has also proved helpful in documenting problems which are confronted by veterans utilizing their GI bill benefits.

As a result, the Committee has concluded that amendments to clarify and expand the law concerning the limitations on certain advertising, sales, and enrollments practices are necessary and appropriate. The Committee wishes to make clear that these provisions apply to all schools, private or public, accredited or nonaccredited. Reputable institutions should welcome the amendments made by this section, since these amendments are designed to protect veterans against enrollment in just those schools engaging in improper practices. The business standards of the National Homes Study Council for example, provide in pertinent part:

"An advertisement or piece of promotional literature used by an accredited school must be completely truthful and must be prepared and presented with dignity and in such a manner to avoid leaving any false, misleading, or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates."

In a paper submitted to the National Invitational Conference on Consumer Protection and Postsecondary Education in Denver, Colorado, on March 18, 1972, entitled "Suggested Advertising and Guidelines for Educational Institutions", William H. Goddard, the Executive Director of the National Association of Trade and Technical Schools (NATTS), suggested the following as a basic advertising policy for educational institutions:

"In the solicitation of students, a school should not directly or by implication, misrepresent the services it renders. All advertisements and promotional literature used should be truthful, informative and constructive and avoid conveying any false, misleading or exaggerated impressions with respect to the school, its personnel, its courses and services or the occupational opportunities for its garduates. The true purpose and nature of a school's offerings should be evident in all advertising. Every advertisement should constitute to the reader a clear statement of a bona fide offer or announcement made in good faith. It should be written to its anticipated readership, normally persons unsophisticated in the traditional word usage of the education industry. Therefore, words and emphases must be truthful and selected with extreme care.

"All advertising should forthrightly disclose the purpose of the advertising—that education or training, not a job, is offered, and that the advertiser is a school. If training for employment is advertised, the name and nature of the occupation for which the training is offered, as well as current and anticipated conditions and opportunities at the school and in occupational areas, may not be obscured or exaggerated."

Goddard also noted that:

"Clarity is an important element of school advertising. Advertising should be directly relevant to student solicitation and is to be written to its anticipated readership, normal persons, unsophisticated in the traditional language used in education. Therefore words must be selected with extreme care. Advertising claims that might be construed as literally true, must be literally true. If there is doubt, the burden will be on the advertiser to document the claim and prove the point. Schools should avoid the use of sensitive words that might mislead, confuse, offend, or which might be subject to easy misunderstanding or considered to have a double meaning."

The Committee believes that the amendments adopted in the reported bill are thoroughly consistent with the foregoing. A more detailed discussion of new section 1795, as added by clause (2) of section 215, follows:

§ 1795. Limitations on certain advertising, sales, and enrollment practices

Subsection (a). This subsection provides that advertisers shall not approve the enrollment of any eligible veteran or eligible wife, widow, or child in any course offered by an institution if that institution utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. It would not be productive, nor possible to catalogue all the possible violations that could occur under the section and the deceptive practices that have occurred in the past.

The Committee is particularly concerned, however, about a number of matters which bear further discussion. One involves the misrepresentation of the nature and quality of the training or facility or of the qualifications of the instructors. In this category fall claims about the size or experience of the school, its affiliation with well-known companies or training programs, the availability of expert instructors or guest lecturers, the size of its reaching faculty, and the source and quality of its instructional materials. Deceptive practices may occur when a school indicates that the objectives of its course are one thing when in fact those graduates of the school who get jobs may get jobs that are less prestigious with less salary and with less chance for ultimate advancement than the job for which they thought they were training. Such problems are not uncommon. In response to Chairman Hartke's March 25

letter on the administration of GI bill benefits, one VA regional office reported disapproving—until the terminology was dropped—a course which was inadvertently advertised as a "Journeyman Electrician" course. In fact such objective could not be obtained without on-the-job experience after completion of the course. The Committee agrees with the executive director of the National Association of Trade and Technical Schools who has suggested that:

"Impressions and objectives as read in advertising must be consistent with the schools stated objectives as based on the reasonably expected attainment of typical graduates. . . . Catalogues and other brochures published by the school should clearly disclose, in advance of enrollment, normal and traditional limitations and restrictions, if any, on admissions and employment opportunities, such as medical requirements, licensing, internship, apprenticeship, union age, education, examination and experience requirements."

A second Committee concern is about misrepresentation of the availability of placement services and employment opportunities. As part of its analysis of a comprehensive vocational school questionnaire, the Chicago regional office of the Federal Trade Commission found that earnings and "opportunity" advertisements were present in all 74 types of vocations surveyed. In this connection, a recent internal staff memorandum to the Federal Trade Commission, concerning trade regulation rules for the proprietary and home-study school industry, made the following observations:

"Vulnerability caused by the lack of a definitive career goal is compounded by the fact that the consumer is often unemployed or unable to find acceptable employment and not sufficiently knowledgeable to assess the present and future job market for a particular skill. As a result, he often relies solely on the statements of the proprietary school itself; statements that tell him that the particular vocational field is an "expanding industry" or has a "big job demand". However, these statements are either misrepresentations or gross inflations of the school's ability to place its students.

* * * * *

"With few exceptions, the proprietary schools' advertising campaigns create the impression that: (1) employment demand or particular earnings levels exist for trained or skilled persons; (2) consumers who enroll will be qualified for the indicated job or salary upon completion of the course; and (3) completion of the course will enable the typical consumer to get the job or earn the salary. These advertisements are particularly troublesome because they surround their claims with an aura of authority. Consumers are confronted with trade names which erroneously imply employment connections with large employers. Testimonials from former students are used to convey the impression that typical students obtain jobs or high earnings.

"This form of advertising is not only deceptive in many cases but is unfair as well. Under the *Pfizer* doctrine [*Pfizer, Inc.*, 81 FTC 23 (July 11, 1972)], an advertising claim is "unfair" if the advertiser has no reasonable basis for his claims at the time of their publication. An unfair ad, whether or not it proves to be false, can be enjoined because the injury to consumers would be great if the ad were false." [see *H. W. Kirchner*, 63 FTC 1282 (1963); *National Dynamics Corporation*, Docket No. 8803, aff'd 2nd Cir., Docket No. 73-1754 (March 6, 1974)].

As the executive director of the National Association of Trade and Technical Schools has also noted:

"An affirmative claim should not be used unless there is a reasonable basis for making such a claim. Advertising claims are to be used only when they are supported by previously documented factual data or research that are available on the school premises for review by interested persons. A relatively insignificant number of cases should not be used as a basis for advertising claims. The incidental achievements of a few persons, while perhaps providing an aura of great promise, are not sufficient grounds for embellishments in advertising."

Finally, the Committee wishes to emphasize that advertisements, sales, or enrollment practices can be erroneous, deceptive, or misleading by omission as well as by the actual statement or intimation. Such omissions might well include the failure to disclose to the veteran any other material facts concerning the school and program of instruction or course which are reasonably likely to affect the decision of the veteran to enroll therein. Again, as William Goddard has noted:

"A prospective student is entitled to sufficient data to make an informed decision on training opportunities in institutions. A school is therefore obligated to provide sufficiently detailed data in advance of enrollment to enable prospective students to clearly understand their opportunities, limitations and obligations. . . . Although it is recognized that advertising space limitations might restrict desirable explanations, the text should avoid abbreviated claims that might tend to be easily misunderstood. If an item is considered important enough to be included in advertising, it should be presented in a manner clearly understandable to anticipated readers. A school may not claim space limitations as a reasonable excuse for limited disclosure that could tend to obscure, conceal, mislead, omit, deceive, confuse, distract or otherwise contrive to create substantial misunderstanding or criticism."

Subsection (b). This subsection provides that the Administrator, in carrying out investigations and making determinations under subsection (a), shall utilize, where appropriate, the services and facilities of the Federal Trade Commission (consistent with its available resources) pursuant to an agreement entered into under authority of present section 1794. The preliminary findings and results of any investigation of any case which the Federal Trade Commission in its discretion accepts is to be referred back to the Administrator for appropriate action by him within 90 days after such referral. This subsection is not intended to supplant but only to supplement the authority and responsibility of the Administrator under title 38. It is intended to provide a more formal structure and framework to existing authority in order, hopefully, to promote a greater coordination of activities and exchange of information between the VA and the Federal Trade Commission than currently exists. In this connection, the Committee is at a loss to understand the continued reluctance of the Veterans' Administration to include in its packet of materials on educational benefits, which it mails to recently discharged veterans, the FTC Buyers Guide No. 11, entitled "The Pocket Guide to Choosing a Vocational School", as suggested by Chairman Hartke in a letter to the Administrator dated September 26, 1973. The Committee strongly urges the Veterans' Administration to reassess its position on this matter.

The Committee further believes that greater coordination and information interchange should occur at both the central office and regional office levels between the VA and the Federal Trade Commission.

It is not contemplated that comparatively minor problems, such as improper use of the term "VA Approved," would be referred to or accepted by the Federal Trade Commission. Such cases are routinely resolved expeditiously at the VA regional office level. On the other hand, cases involving situations with large, or potentially large, VA enrollments (with resulting large expenditures of Federal tax dollars) would be appropriate cases for referral. Similarly, unique questions concerning specific advertising sales or enrollment practices which may or may not be widely utilized by other institutions where courses are approved for VA payment could also be properly referred.

The Committee wishes to emphasize that nothing in this subsection is intended to diminish or relieve the Administrator of any authority or responsibilities he may otherwise have under this section or elsewhere under title 38.

Subsection (c). Provides that the Administrator shall treat as "conclusive evidence" for the purposes of subsection (a) whenever the Federal Trade Commission has entered any final order (excluding consent orders) entered by the Federal Trade Commission in an adjudicative proceeding pursuant to part 3.11 of the Federal Trade Commission's Rules of Practice. Such final orders are both quite rare and serious, and for this reason the Committee believes that discretion should be limited in such situations.

In addition to the foregoing however, the Veterans' Administration should continue to exercise its present discretionary authority with respect to enrollments of eligible veterans in institutions against the procedures followed once so informed. Some of the regional offices surveys this past April (pursuant to the Chairman's March 25 letter) revealed variations in both the awareness of FTC proceedings and in the procedures followed once so informed. Some of the regional offices which were aware of cease and desist orders issued by the Federal Trade Commission often simply referred this information to the State Approving Agency (SAA) and apparently attempted little if any followup thereafter. Other regional offices entered into "negotiations" with the institution in question in attempt to resolve the matter giving rise to the "cease and desist" order. Other regional offices utilized what the Committee believes to be the better practice, by taking immediate action to withhold the issuance of further certificates of eligibility and the award of educational benefits. Following this action the regional offices then proceeded to attempt to resolve the problems which gave rise to the order. If the school was not brought into compliance, the regional office then took steps to have approval withdrawn.

When a cease and desist order is issued, the Committee believes that the above-described latter procedure should be the normal practice of the Veterans' Administration. The Committee believes there should be close liaison and coordination of policies between the Veterans' Administration and the Federal Trade Commission, both as cease and desist orders and as to consent decrees entered into.

Subsection (d). Provides that, not later than 60 days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section. The report to be submitted should be sufficiently detailed and organized to permit Congress an opportunity for thorough oversight and review of the operation and administration of this section. In this connection, the Committee also understands that most questions concerning abuses are currently handled at the regional level. While the Committee does not undertake to question this procedure, it does believe there must be a more adequate and informative reporting system to the VA central office, so that such problems may be examined in an overall perspective and so that more uniformity of interpretation and enforcement may be achieved. Many institutions where courses are approved for payment of VA benefits do business in several States throughout the country. As a consequence, regional office directors in one State faced with certain questionable practices are often unaware of similar problems in other States either by the same or different

institutions. Accurate and detailed reporting to the central office, and dissemination of appropriate information by central office to regional offices, should enable these trends and problems to be spotted more readily and dealt with in an evenhanded fashion nationally.

Clause 3 amends the table of sections at the beginning of chapter 36 to reflect the repeal of the current section 1795 and the creation of a new section under the same number concerning certain advertising, sales, and enrollment practices.

Section 216

Subsection (a) amends subchapter II of chapter 3 of title 38, United States Code, by adding at the end a new section 219, which directs the Administrator to measure and evaluate the impact of all programs authorized by this title with respect to their effectiveness and impact of their structure and mechanisms for the delivery of services.

The Committee since its formation in 1971 has been frustrated on a number of occasions in its attempts to secure meaningful data from the Veteran's Administration in connection with its oversight of VA programs and in considering various legislative alternatives.

The Committee considers the addition of this section to be consistent with the recommendations made by several studies conducted since World War II and, most recently, by the Educational Testing Service (ETS) in its *Comparative Study of the Three GI Bills* conducted pursuant to section 413 of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). In its findings and conclusions, the ETS found that:

"The VA has currently no means of measuring the quality of the performance of the State Approving Agencies and therefore cannot be assured that the money used to reimburse these agencies was wisely spent . . .

There is no way to determine whether this money was wisely spent . . . little has been done to compile information that would allow an accurate evaluation of the performance of their agencies."

The ETS report listed some of the data that the VA does *not* collect: the completion rates of veterans in the various programs, veterans' complaints in a systematic way, the socioeconomic status of veterans as they enter and complete programs of training, or the actual employment obtained as it relates to training received.

In addition, two major reports done since World War II were also critical of the VA's failure to compile such information for a systematic assessment of program effectiveness. The Booz-Allen-Hamilton report in 1952 stated for example:

"An important and basic part of the vocational rehabilitation and education program has been neglected. There is no real measure of the programs' effectiveness . . . No one has any real idea of how much and in what way the education programs have actually benefited veterans."

Second, the Bradley Commission concluded that:

". . . the data gathered relate largely to administrative operations and do not give a basis for gauging needs or for analyzing the effectiveness of the program."

The Veterans' Administration apparently believes that it does not have a "mission" to gather such data and that priority must be given to "serving veterans" rather than "purifying statistics." While the Committee has no quarrel with the VA's emphasis on serving veterans, the dichotomy implied by that argument is too sharply drawn and somewhat disingenous. Service to veterans can be improved only if there exists adequate data from which to evaluate the programs and make needed changes. The Committee believes that such collection and evaluation is vital to the mission of serving veterans and sees no dichotomy, but rather a definite need to make such evaluations to assure that the VA's mission of serving veterans is being carried out in the most efficient and effective manner. The Committee wants whatever recommendations and analysis the VA may be able to provide in order to more intelligently interpret the programs in a thoroughly uniformed manner for future legislation. The dearth of statistics, for example, on completion rates of those who enroll in a course of training but do not finish such course has led to much controversy over GI bill participation rates during recent months and the need for increases in the assistance allowances. A more detailed analysis of subsection (a), section 219 follows:

§ 219. Evaluation and data collection

Subsection (a). Directs the Administrator to measure and evaluate the impact of all programs authorized by this title to determine their effectiveness in achieving stated goals, their impact, and their structure and mechanisms for delivery of services. The evaluation shall be conducted by persons not involved in this administration of the programs evaluated.

Subsection (b). Directs the Administrator to develop and publish general standards for the evaluation of the programs not later than 90 days after the enactment of this section.

Subsection (c). Directs the Administrator to obtain the specific views of persons participating in and served by programs under this title in carrying out the evaluations.

Subsection (d). Directs the Administrator to publish the results of such evaluations not later than 90 days after their completion and promptly submit copies of all completed research studies and evaluations to the appropriate congressional committees.

Subsection (e). Directs the Administrator to take necessary action to assure that all studies, evaluations, proposals, and data developed under this title shall become the property of the United States.

Subsection (f). Directs all Federal agencies, departments, and instrumentalities to make available to the Administrator all information deemed necessary by the Administrator for such evaluations.

Subsection (g). Directs the Administrator to collect, collate, and analyze on a continuing basis full data regarding the operation of all programs under this title and shall make available such tabulations and analyses available to the public and the appropriate committees of Congress.

Subsection (b) provides that the table of sections at the beginning of chapter 3 of title 38, United States Code, be amended by adding the new section 219.

SECTION 217

This section makes several amendments to subchapter IV of chapter 3, the "Veterans' Outreach Services Program" to further strengthen and clarify the Veterans' Administration's authority and responsibilities. Additionally, a new section is added to the subchapter clarifying the functions and duties of the new veterans representative program recently announced by the President.

Subsection (a) adds clarifying language to section 241 together with the requirement that the Administrator shall, to the maximum extent feasible, carry out outreach services in areas where significant numbers of eligible veterans and eligible dependents speak a language other than English as their principal language in the principal language of such persons. As noted approximately two years ago in the Committee's report on the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, there was at that time, according to the testimony of the National Congress of Puerto Rican Veterans, approximately 500,000 Puerto Rican veterans in the New York City area but only one VA counselor in the regional office who was himself Puerto Rican. While there has been some progress in the intervening period (including the publishing of a number of VA pamphlets in Spanish), the Committee believes more needs to be done, particularly on a personal peer-group contact basis, to aid veterans in areas where significant numbers speak a language other than English as a principal language, such as the Southwestern United States. The use of Spanish-speaking VA counselors in areas with large concentrations of Puerto Rican or Spanish-surnamed veterans would thus be quite appropriate.

Subsection (b) amends and strengthens subsection (b) of section 242 to provide that, in carrying out the outreach service program, the Administrator shall establish and carry out all possible programs and services including special telephone and mobile facilities. The Committee takes note of the use by the Veterans' Administration of mobile vans to do VA outreach work during the past two years. The Committee believes there should be a greater use of such vans, particularly in the inner city areas where significant numbers of educationally disadvantaged or unemployed veterans reside and particularly in concert with the new mandate for bilingual services added to subsection (a). The Committee takes note of the final report of the Educational Testing Service (conducted pursuant to section 413 of Public Law 92–540) which found that: the disadvantaged receive a series of three letters from the VA, apprising them of their benefits and encouraging them to make use of their entitlements. The letter, which is of an impersonal nature, does not take into account the fact that the disadvantaged are less likely to respond to printed material. Further, the disadvantaged veteran in particular is more mobile than veterans in general thereby producing a chance that attempts to reach him by mail will succeed. The percentage of disadvantaged who stated that they received *no* help or advice from any source is relatively high, 45.6 percent, as reported by the Readjustment Profile.

Subsection (c) redesignates sections 243 and 244 as 244 and 245, respectively, and adds a new section 243 authorizing a veterans representative program.

As part of a planned program to improve service relationships with veterans, their dependents and veterans' service organizations, the President announced on May 31, 1974, the establishment of a Veterans' Administration Man-on-the-Campus program. This plan involved the placing of VA counselors on college and university campuses when and where they are needed. These veterans' representatives, according to the Administration will be there to identify and resolve VA educational assistance allowance problems, and provide a counseling service for the full range of VA benefits, and "will be carefully selected from the best available manpower and will be given intensive training on all benefits as well as specialized training in the VA educational assistance program."

According to the President's statement, "In cooperation with colleges and universities, the Veterans' Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans' Administration participating in this new program."

The following table shows the distribution by area of GI bill enrollment in institutions of higher learning which according to the Veterans' Administration would receive either a part-time or full-time veterans' representative (based on one day on campus per 100 veterans):

TABLE 23.—GI BILL ENROLLMENT DISTINCTION, BY AREA

Location	Under 100 (A) Number of schools	Under 100 (A) Number of students	Over 100 (B) Number of schools	Over 100 (B) Number of students
Connecticut: Hartford	20	747	26	3,736
Delaware: Wilmington	4	185	5	1,836
District of Columbia: Veterans' Pension Office	5	73	9	7,245
Maine: Togus	18	562	6	1,758
Maryland: Baltimore	21	612	25	14,984
Massachusetts: Boston	57	1,308	42	22,267
New Hampshire: Manchester	19	616	5	1,620
New Jersey: Newark	20	415	34	15,816
New York:				
Buffalo	33	876	33	13,518
New York	77	2,991	65	33,431
Pennsylvania: Pittsburgh	31	985	18	7,207
Puerto Rico: San Juan	8	238	11	3,550
Rhode Island: Providence	3	144	8	5,359
Vermont: White River Junction	16	424	3	617
Total, area 1	332	10,176	290	132,944
Alabama: Montgomery	26	1,028	28	11,910
Arkansas: Little Rock	13	545	11	3,663
Florida: St. Petersburg	25	984	41	16,169
Georgia: Atlanta	30	823	31	12,173
Kentucky: Louisville	21	441	14	6,506
Louisiana: New Orleans	12	550	16	10,494
Mississippi: Jackson	33	939	12	4,294
North Carolina: Winston-Salem	50	2,197	58	19,060
South Carolina: Columbia	29	1,215	24	9,891
Tennessee: Nashville	42	1,343	33	12,884
Texas:				
Houston	16	745	36	25,377
Waco	38	1,390	50	34,990
Virginia: Roanoke	37	1,090	29	13,061
West Virginia: Huntington	12	310	15	4,511
Total, area 2	384	13,600	398	184,983
Illinois: Chicago	71	1,765	67	39,964
Indiana: Indianapolis	31	496	24	11,430
Iowa: Des Moines	44	1,301	17	5,787
Kansas: Wichita	40	1,289	11	7,488
Michigan: Detroit	36	1,119	52	30,920
Minnesota: St. Paul	45	1,241	19	7,343
Missouri: St. Louis	40	1,266	29	18,177
Nebraska: Lincoln	19	571	10	5,548
North Dakota: Fargo	8	309	6	2,000
Ohio: Cleveland	80	2,786	38	26,399
Oklahoma: Muskogee	16	723	25	13,884
Pennsylvania: Philadelphia	72	2,127	38	16,580
South Dakota: Sioux Falls	11	391	6	1,521
Wisconsin: Milwaukee	31	752	28	16,150
Total, area 3	544	16,136	370	200,191
Alaska: Juneau	6	120	2	1,083
Arizona: Phoenix	7	257	14	12,857
California:				
Los Angeles	31	743	58	69,995
San Diego	8	444	19	21,960
San Francisco	39	1,097	67	72,383
Colorado: Denver	18	579	20	15,136
Hawaii: Honolulu	3	120	10	4,697
Idaho: Boise	5	280	4	2,533
Montana: Fort Harrison	6	247	6	2,260
Nevada: Reno	2	46	4	2,393
New Mexico: Albuquerque	8	258	10	5,198
Oregon: Portland	21	693	21	12,733
Philippine Islands: Manila	5	246	9	3,092
Utah: Salt Lake City	9	392	36	21,344
Washington: Seattle	5	254	3	1,102
Wyoming: Cheyenne	173	5,776	283	252,766
Total, area 4	1,433	45,263	1,341	768,299
Total				

The next table indicates the Veterans' Administration's preliminary plans for placing veterans' representatives at institutions of higher learning:

TABLE 24.—VETERANS' ADMINISTRATION PLAN FOR PLACING VETERANS' REPRESENTATIVES ON IHL CAMPUSES

Veterans enrollments	Number of schools	Counselors needed (1 day per 100 students)	Remarks
0 to 100	1,429	100	Itinerant.
100 to 500	828	330	1 day per 100 GI trainees.
500 to 1,000	277	363	Do.
1,000 to 2,000	166	332	2 per school.
2,000 to 3,000	50	150	3 per school.
3,000 and over	13	52	4 per school.
Total		1,327	

Note: In addition to the 1,327 counselors needed on campus, 204 clerical support personnel will be needed in VA regional offices. Total personnel needed will be 1,531.

The Administration projects that this program will be initiated for summer school 1974, and become fully operational for fall term 1974. About 900,000 veterans are expected to enroll in 2,763 colleges under the GI bill in fall 1974 and will be benefited by the plan.

In order to grant explicit statutory authority for the establishment of the veterans' representative program, and to clarify in some respects the representative's functions and duties, the Committee has included a new section 243 of chapter 3, as follows:

§ 243. Veterans' representatives

Subsection (a)

Clause (1). Provides for the assignment by the Administrator, with appropriate clerical/secretarial support, to each residential educational institution a full-time veterans' representative where at least 500 persons are enrolled under chapters 31, 34, 35, or 36 of this title. Veterans' representatives shall be assigned on a less than full-time basis (proportionately) where there are less than 500 veterans as the Administrator deems adequate to perform the duties prescribed.

Clause (2). Provides that preference in selecting and appointing veterans' shall be given to Vietnam era veterans with experience in veterans' affairs, counseling, outreach, and other related veterans' services.

Clause (3). Provides that the functions of such veterans' representatives shall be as follows:

(A) Answer all inquires related to VA educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

(B) Assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

(C) Maintain active liaison and cooperation with the officials of the educational institution to which assigned (including all institution news media) in order to alert veterans to changes in law and VA policies and procedures;

(D) Supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments under section 1780(d) of this title and of partial tuition assistance payments authorized by the reported bill;

(E) Coordinate VA matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving Veterans' Cost-of-Instruction payments under section 420 of the Higher Education Act of 1965;

(F) Provide necessary guidance and support to veteran work-study personnel in carrying out their assigned tasks (including outreach activities);

(G) Provide appropriate motivational and other counseling to veterans and carry out outreach activities, as to both functions only when such functions are not being adequately carried out by existing programs at such institutions; and

(H) Carry out such other activities as may be assigned by the director of the appropriate VA regional office—the VA supervisor responsible for these new personnel.

Clause (4). Authorizes the director of the appropriate VA regional office, based on a demonstrated lack of need, or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives at a particular educational institution, to either reallocate veterans' representatives to other educational institutions in his region when he determines that such additional veterans' representatives are necessary, or, with the approval of the Chief Benefits Director of the VA, to assign such veterans' representatives to the regional office, with special responsibility for one or more particular educational institutions.

Clause (5). Provides that the functions of a veterans' representative shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans' affairs functions at institutions in receipt of Veterans' Cost-of-Instruction funds under the Higher Education Act.

Subsection (b). Provides that the Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions to include provisions to ensure that the activities of veterans' representatives complement, and do not interfere with, the established responsibilities of representatives of organizations recognized by the Administrator under section 3402 of this title.

Subsection (d) amends section 244 (present section 243 as redesignated by subsection of this section) concerning the utilization of other agencies in carrying out veterans outreach services programs.

Clause 1 strengthens section 243 by providing that the Administrator shall utilize his contract authority under section 213 of title 38, to enter into agreements or contracts to utilize community-based national or local organizations which have special expertise in

facilitating communication with, and the provision of services to the veterans disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. The foregoing amendments were prompted in part by the general nonresponsiveness of the Veterans' Administration to the Committee's report on legislation utilmately enacted as the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540) calling for greated utilization and coordination with activities of community-based national or local organizations or agencies. Quoted below are excerpts from the 1972 Senate report which the Committee believes continues to express congressional intent in this matter:

. . . the Veterans' Administration should also make use of its general authority under section 213 to contract for outreach services from outside agencies and groups. The Committee notes that the Federal Government has spent millions of dollars developing the capacity of local agencies to service their community, particularly community action and model cities agencies and believes these agencies can be far more effectively utilized.

In addition, private nonprofit organizations as well as city, county, and State offices have major service abilities which have yet to be focused fully on the needs of Vietnam era veterans. Contracting for these services would help achieve the objective of peer group community-based outreach efforts. In addition, to ensure that the veterans, employers and educational institutions are contacted in a systematic and nonduplicative fashion the Veterans' Administration should require those contractors engaged in outreach efforts to participate in coordinating councils. In this connection, the Committee notes that the President in calling for additional governmental efforts to achieve increased veteran participation in GI bill training this past May stated that he was "particularly hopeful that participation in GI bill programs can be increased through specific outreach into urban and rural areas, fully informing veterans of available education and other benefits." He noted that these efforts for increased participation "lend themselves well to both State and local participation, and to plans for coalition among VA, Labor, OEO, HEW, HUD, and other public and private agencies and institutions."

In addition, the Educational Testing Service, in discussing low program participation by black veterans noted that tradition organizations often do not reach them and that as a consequence:

A number of organizations have been formed or supported which *do* speak to the needs of black veterans. By virtue of their location, personnel and constituency, these organizations are more accessible to black veterans. Among the organizations which are concerned with their problems are Model Cities and the Community Action Program (CAP) . . . and the National Urban League.

Clause (2) amends paragraph (5) of section 243 to provide that the Administrator shall conduct and provide for studies to determine the most effective programs to carry out the purposes of the veterans outreach services program.

Subsection (e) amends the table of sections at the beginning of chapter 3 to reflect the addition of new section 243 providing for the veterans' representative program.

Section 218

Subsection (*a*) amends chapter 3 by adding a new subchapter which establishes within the Veterans' Administration an Interagency Advisory Council on Veterans' Services. The Council will seek ways to promote the effectiveness, coordination and interrelationship of services among all Federal programs affecting veterans and their dependents. Creation of this Advisory Council is in keeping with the intent of Congress and the express concern of the President to deliver all benefits and services as quickly and efficiently as possible to the veteran. The Council, which will be chaired by the Administrator of Veterans' Affairs, will consist of the head of ten Federal agencies who in various ways are responsible for assisting veterans as well as the heads of any other agencies which the President may consider relevant. Since 1955 seven similar veterans' advisory bodies have been established either by the President or by Congress. These include the President's Commission on Veterans' Pensions, better known as the Bradley Commission which published its famous report in 1955. Congress has established three advisory committees dealing with particular subjects. These include a special medical advisory group (38 U.S.C. § 4112) in 1958, the Advisory Council on Servicemen's Group Life Insurance (38 U.S.C. § 744) in 1965, and the Advisory Committee on Education Programs (38 U.S.C. § 1795) established in 1966.

Other advisory committees created by the executive branch include the U.S. Veterans' Advisory Commission which functioned from 1967 to 1968, and the President's Committee on the Vietnam Veteran, which issued its report in 1969. Such advisory bodies can and have produced insight and valuable recommendations on the coordination and interrelationship of various veterans' programs. Their limitations, however, have been either their specialized concern or their temporary nature. What the Committee intends by this amendment is to establish by statute an ongoing advisory body of some breadth of concern which shall meet on a regular basis and seek ways to improve the effectiveness and the interrelationship of services to veterans.

This subchapter is more fully described as follows:

Subchapter V—Interagency Advisory Council on Veterans' Services

§ 250. Establishment of Advisory Council

This section provides for the establishment within the Veterans' Administration of an Interagency Advisory Council on Veterans' Services. This Council shall be chaired by the Administrator and shall be composed of the heads (or their designees who hold at least executive level IV positions) of the Departments of Defense, Labor, HEW, Housing and Urban Development, Treasury, and Agriculture as well as the U.S. Postal Service, Civil Service Commission and the Small Business Administration.

§ 251. Functions of Advisory Council

Subsection (a). Provides that the Council shall promote maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents.

Subsection (b). Provides that the Council shall make recommendations to the President to develop in his annual budget a coordinated plan for the provision of services to veterans and their dependents under all Federal programs and activities.

Subsection (c). Provides that the Council shall report annually on its activities to the President and the Congress and shall submit to the President and Congress appropriate reports and recommendations for improvements in existing Federal laws, programs, and activities affecting veterans.

Subsection (d). Provides that the Council shall meet at the call of its chairman (the Administrator) but at least four times annually, and shall employ such staff as necessary to carry out its functions.

§ 252. Cooperation of Other Federal Departments and Agencies

This section provides that each Federal agency of the Council shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.

Subsection (*b*) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter V in chapter 3.

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

Section 301

This section amends chapter 3, by adding a new subchapter VII, which establishes an education loan program of up to $2,000 per year to eligible veterans.

For those veterans choosing to pursue a course of education leading to a standard college degree and attending certain higher cost institutions additional sums, even beyond the rate increases (including the new partial tuition assistance payments) provided for in title I of the reported bill, will be required. To the extent that the additional costs are beyond the financial resources available to the veteran (including existing Federal loan programs), direct loans from the Veterans' Administration up to $2,000 an academic year are provided for. These direct insured loans which are to be from funds made available from the National Service Life Insurance Trust Fund are to be repaid within 10 years following a starting date nine months following the period when the student ceases to be an active student. The Administrator shall pay the Fund any interest accruing on the loan prior to the veteran-student's repayment date. The Veterans' Administration estimates that about 10 percent of all eligible veterans in college-level institutions would receive loans under this title. These estimates take into consideration the fact that veterans must first seek to obtain a loan under the Higher Education Act. This act was amended in 1972 to create a Student Loan Marketing Association to provide a secondary loan market in student loans in order to release additional private capital for such loans. In recommending a special loan program for veteran students, the Committe has taken into account the current situation of the Federally Insured Student Loan Program (FISL) and the particular situation of veterans in regard to that program. The Education Amendments of 1972 created a new needs test for the FISL program, which resulted in a reduction in activity in the program of up to 40 percent in 1973. Recent amendments in Public Law 93-269 which became effective in May will provide a liberalization of the needs test. However, the Committee believes that the impact of these liberalizations will not be known for some time.

Regardless of the unusual reduction in FISL participation, the Committee believes that for several reasons veterans have never been able to take full advantage of the FISL or other federally funded student aid programs. Information gathered by the California State Scholarship and Loan Commission in 1972, prior to the adoption of restrictive amendments to the FISL program, show a low participation of veterans in all federally funded student aid programs, as shown in the table below.

TABLE 25.—*Veteran participation in other federally funded student aid programs; California Veterans; 1971-72 academic year*

Program:	*Percentage of veterans participating*
Educational opportunity grants	1.5
Health professions grants	2.4
Law enforcement grants	2.1
National direct student loans	5.6
Health professions loans	1.2
Law enforcement loans	1.9
Guaranteed student loans	10.1
College work-study employment	6.4

Source: Educational Testing Service, Educational Assistance to Veterans: A Comparative Study of Three GI Bills, Princeton, New Jersey.

It has also come to the attention of the Committee that institutional financial aid officers often give priority in the allocation of student aid resources to nonveterans, primarily because of a veterans' source of funds through his GI bill benefits. The Committee also recognizes that a veteran in receipt of his GI bill educational assistance is automatically excluded from receiving aid from virtually all existing State or private nonprofit aid programs by financial needs tests.

The Committee has designed the Veterans' Education Loan Program to provide a resource beyond the high cost, limited, commercial credit sources to which the veteran is often forced to turn to by the circumstances mentioned above.

A very similar provision, with broader applicability, was included in the 1972 Senate-passed bill (S. 2161), but not agreed to by the House as part of Public Law 92-540.

During the first year, it is estimated that 135,900 veterans will receive loans in the amount of $168.4 million. First year interest and administrative costs chargeable to the Veterans' Administration are estimated at $13.6 million.

Subsection (a) amends chapter 3, title 38, United States Code, by adding a new Subchapter VIII, Loans to Eligible Veterans, which is described as follows:

§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

Subsection (a). Provides for educational loans to eligible veterans (as defined in sections 1652(a)(1) and (2) of chapter 34) in such amounts and under such conditions as are specified in subsections (b) and (c) of new section 1698. It shall be noted that subsection (b) of section 301 of the reported bill amends chapter 35 to make wives, widows, and children eligible for the new loan program on the same terms as veterans enrolled under chapter 34.

Subsection (b). Establishes an entitlement to a loan in the amount of $260 multiplied by the total number of months during which the needy veteran is entitled to receive educational assistance under section 1661. No loan shall be made in excess of $2,000 in any one regular academic year. The precise amount of the educational loan would be determined by subtracting the total amount of financial resources available to the veteran in any one year from the actual cost of attendance at school. A veterans' "financial resources" is defined as the total amount of his: (1) annual adjustment effective income less Federal income tax paid or payable; (2) cash assets; (3) financial assistance received under title IV of the Higher Education Act of 1965, as amended; (4) regular chapter 34 VA educational payments; and (5) any other financial assistance received under a scholarship or grant program. "Actual cost of attendance," is defined (subject to regulations prescribed by the Administrator) to include actual per-student charges for tuition, fees, room and board, plus expenses related to reasonable commuting, books and such other expenses as the Administrator determines are reasonably related to the attendance at the institution.

Subsection (c). Provides that an eligible veteran is entitled to a loan subject to the requirements of subsection (d) of the new section if he is attending school on a half-time or greater basis (in a course leading to a standard college degree) and has sought unsuccessfully to obtain a loan under the student loan program authorized by title IV of the Higher Education Act of 1965, as amended, in the full amount he needs, as measured under subsection (b). If he had received less than such full amount under the Higher Education Act or other loans, he would be entitled to a loan under this section in the amount of the difference, up to $2,000 per academic year based on his remaining GI bill entitlement.

Subsection (d). Provides that the principal amount of the loan and interest thereon shall be repaid in installments within ten years beginning nine months after the veteran ceases to be a student on a half-time or greater basis. No interest shall accrue prior to the beginning date of repayment. The interest rate on the loan shall be prescribed jointly by the Administrator and the Secretary of the Treasury. In this connection, the Committee notes that current interest rates on loans made under title IV of the Higher Education Act of 1965 as amended (which any recipient under this subchapter must have first sought to obtain) is seven percent. That rate is an appropriate benchmark in the determination of the interest rate to be charged under this subchapter. In no event, however, shall the rate be less than that paid by the Secretary of the Treasury on Treasury notes and other obligations held by the National Service Life Insurance (NSLI) Fund which currently ranges between 3 and 7.5 percent.

Subsection (e). Directs the Administrator to dischage the loan obligation of any veteran who does or becomes permanently and totally disabled by repaying the amount of his loan together with interest to the NSLI Fund.

§ 1699. Sources of funds; insurance

Subsection (a). Provides that the loan made under this subchapter shall be made from funds available under subsection (b) of new section 1699 and that the Administrator shall guarantee repayment as provided for in subsection (c) of this new section.

Subsection (b). Authorizes the Administrator to set aside from the NSLI Fund (called the "Fund") such sums (but not in excess of limitations in Appropriations acts) as are necessary to make loans under this subchapter. Any funds which are set aside shall be considered as investments of the Fund and shall bear interest at a rate not less than is paid by the Secretary of the Treasury on the Treasury notes and other obligations held by the Fund at each point in time in which the funds are set aside for loans. Currently, there is in excess of $7.7 billion in the Fund returning a current interest yield of 4.6 percent. In view of current interest rates prevailing on education loans, the Committee anticipates that funds made available under this subchapter will return a higher rate than is presently being earned by the Fund. Thus, the amount paid back to the Administrator and treated as appropriations by virtue of subsection (c) of this section will eventually replenish and indeed exceed the amounts the Administrator pays to the Fund on the amounts he sets aside.

Subsection (c). Provides that the Administrator shall guarantee repayment of principal and interest to the Fund of any amount set aside for loans. Pursuant to this section the Administrator may issue notes or other obligations to the Secretary of the Treasury, subject to such terms and conditions as the latter may specify, to bear a rate of interest no less than other Treasury investments of the Fund, and the Secretary is directed to purchase such notes and obligations issued by the Administrator.

Subsection (d). Authorizes the appropriation of such necessary sums as are required by the Administrator to repay accrued interest or to discharge responsibilities occasioned by death or disability under section 1698(e), and treats any amounts paid back to the Administrator under loan agreements as such appropriations. Thus, after several years' operation, it is anticipated that no further appropriations at all will be necessary to continue the program at a sizable level.

Subsection (e). Provides for the collection of a fee for insurance against loan default by the Administrator (not to exceed 1 per cent of the face amount of the loan) from each veteran obtaining a loan under this subchapter. This provision is similar in purpose to a provision in the Higher Education Act and is modeled on a provision, repealed in P.L. 91-506, former section 1818(d), formerly in the Veterans' Guaranteed Loan Program in chapter 37.

Subsection (b) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter VII.

Section 302

Subsection (a) creates a new section 1737 to make chapter 35 wives, widows and children eligible for the education loan program created in section 301. This new section provides that eligible persons under chapter 35 may qualify for loans up to $2,000 a school year on the same terms and conditions as eligible veterans. This amendment is consistent with the Committee's belief of providing equal benefits for appropriate and feasible persons training under chapter 35 with those accorded veterans training under chapter 34. There are no estimates of how many eligible wives, widows and children will utilize the loans as authorized under the subsection, but assuming the same utilization rate as that projected for veterans, probably no more than 7,600 would receive loans in the first year which would entail minimal costs.

Subsection (b) amends the table of sections at the beginning of chapter 35 to reflect new section 1737 added by the previous subsection authorizing the loans to eligible persons.

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

Section 401

Subsection (a) amends section 2001 of chapter 41, regarding the Veterans Employment Service, to extend eligibility for benefits under chapter 41 to the spouse of: (1) any veteran who died of a service-connected disability; (2) any member of the armed services on active duty who at the time of application for benefits under chapter 41 has been listed for more than 90 days as missing in action, captured in the line of duty by hostile forces, or forcibly detained or interned in the line of duty by a foreign government or power; and (3) any veteran with a service-connected disability rated total and permanent in nature.

Subsection (b) amends section 2002 to provide that the congressional purpose and intent of chapter 41 that maximum employment and training opportunities be offered to veterans is to be extended to chapter 35 wives and widows made eligible by this section.

Subsection (c) amends section 2003 to provide that eligible wives and widows be included in calculating the minimum number of assistant veterans' employment representatives (AVER's) required under the formula contained in that section. All other provisions of section 2003 are also extended to eligible wives and widows.

The Committee considers that the extension of what is now veterans' job counseling, training, and placement services to eligible wives and widows will aid these persons in easing the special economic difficulties directly attributable to the military service of their spouses. For this reason, the Committee believes they should be included in the provisions of chapter 41.

Subsection (d) amends section 2005 to provide that the services and cooperation of all Federal agencies be extended to the Secretary of Labor in providing employment and training opportunities to wives and widows made eligible by this section.

Subsection (e) amends section 2006 to provide that the Secretary of Labor, in estimating the costs of the administration of chapter 41, shall also consider the costs of extending these benefits to the wives and widows made eligible by this section.

Subsection (f) amends the law to strengthen and expand section 2007 concerning administrative controls which the Secretary of Labor is directed to establish to ensure that eligible veterans are promptly placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to substantially enhance a veteran's employment prospects, such as individual job development or employment counseling services.

Clauses 1 and 3 would amend the section to include chapter 35 wives and widows made eligible by the reported bill for services under chapter 41.

Clause 2 redesignates current subsection (b) as subsection (c) and adds a new subsection requiring the Secretary of Labor to establish definitive performance standards for determining compliance with the provisions of chapters 41 and 42 by State Public Employment Service Agencies. A full report as to the extent and reasons for any noncompliance by such State agency during any fiscal year together with the agency's plan for corrective action in the succeeding year is to be included in the annual report of the Secretary required under section 2007. As noted earlier in this report, available data including Employment Service Automated Reporting System (particularly ESAR's, Table 91) indicate considerable noncompliance with the provisions of chapters 41 and 42.

Based on data from the Veterans' Administration, the Committee notes that this provision could result in the appointment of two additional AVER's. It may also increase the workload on local veterans' employment representatives (LVER's) appointed by State officials, and thus possibly result in the assignment of additional LVER's.

The Veterans' Administration deferred to the Department of Labor in its report on this section of the bill. The Department of Labor in its report generally favors the enactment of section 401 of the reported bill.

Section 402

This section amends subsection (a) of section 2012 of chapter 42 to clarify congressional intent with respect to the provisions requiring Federal contractors and subcontractors to give "special emphasis" to the employment of qualified disabled and Vietnam era veterans. In explaining the compromise version of section 2012 reached by the House and the Senate immediately prior to sending it to the President for signature, Chairman Hartke noted on the floor of the Senate on October 13, 1972, that the term "special emphasis" had been substituted for mandatory preference provisions in the Senate bill to "avoid any 'unnecessary litigation' which the Department of Labor feared would result. . . ." The Chairman noted further that:

[I]n carrying out the provisions of this section the compromise agreement *also* requires a mandatory listing of job openings with the employment service by Federal contractors. (Italic supplied.)

Senator Cranston, the coauthor of the provision with Chairman Hartke, indicated on the floor that same day that "certain clarifications have been made . . . after consultation with the Department of Labor, *but the essential thrust of the Senate amendment is retained.*" (Italic supplied.)

Despite the foregoing statements, the Solicitor of Labor adopted a narrow interpretation which concluded that "special emphasis" required nothing other than job listing under the provisions for such listing included in section 2012(a). Thus, the amendment made by this section would correct that misinterpretation by clarifying the language so as to make clear that the provision to provide the job listings is *in addition to* the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected and disabled Vietnam era veterans.

On May 14, 1974, the Assistant Secretary of Labor for Manpower, in a letter in response to questions posed by Senataor Cranston at the May hearing acknowledged that the "special emphasis" requirement is currently under "intensive review by various components of the Manpower Administration and the Office of the Solicitor." At the same time, the Assistant Secretary indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act (CETA). The Assistant Secretary acknowledged that the regulations as first published in the Federal Register on March 19, 1974:

". . . do not specifically require that (CETA) sponsors promote job and job training opportunities for veterans. To focus attention on certain qualified disabled and Vietnam era veterans in the prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:

Title I, Section 95.32(e). Prime sponsors will take into consideration special problems and needs of qualified disabled veterans and veterans of the Vietnam era who served in the Armed Forces on or after August 5, 1964, and meet the eligibility requirements of paragraph (a) of this section."

The Committee is encouraged by the forthcoming regulatory change and hopes it will be implemented swiftly and effectively. The Committee also expects similar efforts with respect to the "special emphasis" requirements under section 2012(a). At a minimum, the Committee believes that there must be a good faith listing of job openings and a good faith consideration by Federal contractors and subcontractors of qualifying veterans seeking prospective employment. Given the anticipated lack of expected growth in the Veterans' Administration Apprenticeship and On-Job Training programs during the past two years, the Committee also intends that "special emphasis" should include a requirement to ensure that Federal contractors and subcontractors institute such programs wherever feasible. Finally, the Committee intends that under the "special emphasis" requirement, the Department of Labor should set forth guidelines for Federal contractors and subcontractors as to what it considers an adequate plan of providing special emphasis in hiring and should require Federal contractors and subcontractors to submit a plan showing what they propose to do and periodic reports of progress in implementing that plan.

Section 403

Section 403 adds a new section 2014 to chapter 42 designed to carry out the policy of the United States to promote the maximum employment and job-advancement opportunities within the Federal Government for qualified veterans and disabled veterans of the Vietnam era.

The current employment preference program for veterans and disabled veterans in particular has resulted in a generally positive record by the Federal Government. In its 1973 annual report, the Civil Service Commission stated:

Disabled veterans already receive top preference in Federal Employment. They get 10 points added to their examination scores (as compared with 5 points for nondisabled veterans), and compensably disabled veterans are put at the very top of most lists of eligibles for appointments to Federal positions. Disabled veterans may also have the added advantage of qualifying for special assistance under the Government's substantial action programs for hiring the handicapped. These strong, positive measures have resulted in some 250,000 disabled veterans now in the employ of the Federal Government—approximately 9 percent of the Government's total work force.

The employment problems of the Vietnam era veteran are, and have been, of special concern to the Federal Government as an employer, and efforts are constantly being made to improve the positive action programs provided to meet their employment needs. The success of these programs is perhaps best demonstrated by the very significant numbers of Vietnam era veterans being placed with Federal agencies. For example, 84,100 were appointed in FY 1973, and during just the first 9 months of FY 1974 an additional 80,450 have received Federal appointments. (This latter figure represents approximately 20.5 percent of all new hires and 56 percent of all veterans hired during the period. If this rate of hiring is sustained for the remainder of the year, Vietnam era veteran appointments for FY 1974 will exceed 100,000).

The Committee is aware that the Civil Service Commission has created a special program of veterans' employment assistance to facilitate Federal Government employment of veterans in all 65 area offices. The Commission's report shows that the efforts by the Federal Government to hire veterans has increased in the last three years; in Fiscal Year 1972, 149,000 veterans were hired by the Federal Government; in FY 1973, this was increased to 153,400; and in the first nine months of FY 1974 an additional 143,000 veterans found employment with the Federal Government, of which 80,450 were Vietnam era veterans.

The Committee believes that the Federal Government must be a model as an employer of veterans in order to provide the utmost encouragement to private employers to follow its example. The Committee finds the gross statistics for veterans employment as presented by the Commission to be generally impressive in regard to the employment of Vietnam era veterans. However, the Committee believes further progress can and should be made. In order to evaluate fully the effects of the program to promote employment of Vietnam era and service-connected disabled veterans within the Federal Government, further data is necessary. In particular, delineation is needed of the grade levels at which Vietnam era veterans have been hired, the duration of their employment, and the age groups of these veterans.

Further, the Commission data does not differentiate among disabled veterans by degree of disability. Title 5 definies a disabled veteran as any veteran with a service-connected disability, whether the disability is compensable or not. Therefore, the Committee believes further emphasis should be placed by the Civil Service Commission on collection of such categorized data in order that the Congress will have the best possible picture of the Federal Government's hiring of Vietnam era veterans and disabled veterans and the severity of their handicaps.

In addition, the Committee intends that the program of employment of service-connected disabled veterans promoted by the new section 2014 should be carried out in full coordination with the Federal program for the employment of handicapped individuals, under the Rehabilitation Act of 1973 (P.L. 93–112), and the new section so provides.

Subsection (a) amends chapter 42 of title 38, United States Code, by adding the following new section:

§ 2014. Employment within the Federal Government

Subsection (a). Provides that it is the policy of the United States and the purpose of this section to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam era veterans.

Subsection (b). Incorporates into law, with one difference affecting the period of eligibility, a special appointing authority for certain veterans and disabled veterans of the Vietnam era. The authority is now provided by Executive Order No. 11521, which permits a veteran or disabled veteran who meets established eligibility requirements to be

given a "veterans readjustment appointment" to any position in the competitive civil service at or below the GS–5 level (or its equivalent) for which qualified and thereafter to receive a career-conditional appointment. The primary purpose of the authority is to assist veterans and disabled veterans to develop skills through a program combining employment with education or training. Thus, a veterans readjustment appointment is authorized only under a training or educational program developed by an agency in accordance with guidelines set by the Civil Service Commission.

There are two basic eligibility requirements which Vietnam era veterans and disabled veterans must meet under the Executive order as codified in the new section: (1) they must have had no more than 14 years of education at the time of appointment, and (2) they must have been separated from the Armed Forces for no longer than one year at the time of appointment. The Executive order makes an exception from the one-year-after-separation rule for veterans and disabled veterans who have a period of hospitalization or treatment immediately following separation from the Armed Forces. For this group, the one-year period of eligibility begins with the date of release from hospitalization or treatment.

Section 2014(b) provides another exception from the one-year-after-separation requirement. It covers veterans and disabled veterans who enroll in a program of education (as defined in section 1652(b)) on more than a half-time basis (as defined in section 1788) within one year after separation from the Armed Forces or release from hospitalization or treatment. For this group, the period of eligibility is extended by the time spent in the qualifying educational program (including vacation periods and incidental absences authorized during the educational program). All time between separation from the Armed Forces (or release from hospitalization or treatment) and enrollment in a qualifying educational program is counted against the one-year limit on eligibility, as is any time after the program has begun—other than absences attributed to the school cycle—when the veteran or disabled veteran first ceases to be enrolled on more than a half-time basis. Nevertheless, subject to the requirement in the last sentence of section 2014(b) that any appointment under the subsection must be made before July 1, 1978, eligibility for this group of veterans will always continue for at least six months after a veteran or disabled veteran first ceases to be enrolled on more than a half-time basis.

A veterans readjustment appointment is an excepted appointment. However, a veteran or disabled veteran who satisfactorily completes two years of substantially continuous service under a veterans readjustment appointment and who completes the educational or training program agreed upon at the time of appointment is converted to career-conditional employment and automatically acquires a competitive status for civil service purposes.

The subsection further provides that the Civil Service Commission will issue appropriate regulations to carry out the provisions of section 2014.

Subsection (c). Provides that each Federal department, agency, and instrumentality shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped persons under the Rehabilitation Act of 1973 (P.L. 93–112), a separate affirmative action plan for disabled veterans, in accordance with regulations prescribed by the Civil Service Commission in consultation with the Administrator and the Secretaries of Labor and Health, Education, and Welfare (in order to ensure that the stresses and priorities in that act are not in any way diminished, especially as to persons with severe handicaps, by this new requirement).

Subsection (d). Provides that the Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each Federal agency, department, and instrumentality (those covered by P.L. 93–112) in carrying out the purposes of this section and shall periodically obtain and publish reports and results on the implementation of the disabled veteran plan by each such agency (including full statistical data on the numbers of covered veterans employed by each such agency and their grade levels and periods of retention in employment as welll as the degree of disability for disabled veterans).

Subsection (e). Provides that the Civil Service Commission shall submit annually a report to Congress on activities carried out under this section. The Commission may include a separate report on activities regarding disabled veterans in its report required to be submitted by section 501(d) of P.L. 93–112.

Subsection (f). Provides that, since the section deals with Federal employment, the terms "veterans" and "disabled veteran" as used in this section (despite the definitions in section 2011) have the meanings given these terms in the civil service laws (5 U.S.C. 2108), as follows:

"Veteran" means an individual who—

(A) served on active duty in the Armed Forces during a war, in a campaign or expedition for which a campaign badge has been authorized, or during the period beginning April 28, 1952, and ending June 1, 1955; or

(B) served on active duty as defined by section 101(21) of title 38 at any time in the Armed Forces for a period of more than 180 consecutive days after January 31, 1955, not including service under section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; and who has been separated from the armed forces under honorable conditions.

"Disabled veteran" means an individual who has served on active duty in the Armed Forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Veterans' Administration or a military department.

Subsection (b). Amends the table of sections at the beginning of chapter 42 of title 38, United States Code, to reflect the addition of new section 2014.

Section 404

Subsection (a) amends part III of title 38, United States Code, by adding a new chapter 43 which recodifies, with some amendments, into title 38, the veterans' benefits title, where it more appropriately belongs, the existing law on reemployment rights for veterans presently found in 50 U.S.C. App. 59.

The reemployment rights program is basically a labor-management relations program, dealing not only with initial reinstatement of the veteran in his former job, but also with such matters as seniority and pension rights. It is administered by the Labor-Management Services Administration of the Department of Labor. Amendments to the law made by this section would extend full coverage to veterans who were employed by States and their political subdivisions. Among these rights are reinstatement by the veteran's preservice employer, accumulated seniority and other benefits, and the right to bring an action in an appropriate Federal court against an employer to enforce these rights (although such actions are seldom necessary since more than 98 percent of reemployment claims are satisfactorily settled informally or by conciliation through the assistance of the Office of Veterans' Reemployment Rights, U.S. Department of Labor).

Also, this section extends the veterans' reemployment rights of Federal employees to employees of the U.S. Postal Service and Postal Rate Commission. The U.S. Civil Service Commission favors this provision.

The Department of Labor generally favors such an amendment to the law. It believes that schoolteachers, policemen, and other public employees returning from military service should not be denied reemployment rights provided for other veterans.

The Military Selective Service Act of 1967 declares it to be the sense of Congress that States and their subdivisions extend to veterans the same reemployment rights as do the Federal Government or private industry under present law. The provision now relating to State and local governments, however, is not binding under the law and, as a consequence, many returning veterans have found that their jobs in State or local government no longer exist. Furthermore, because these stated reemployment rights are not mandatory upon State and local governments, these veterans lose all benefits which would have accrued to them had they not entered military service.

This year it is expected that an estimated half million Vietnam veterans will be separated from military service. More than half of these young men were employed prior to their entering service. Under the Military Selective Service Act of 1967, those who held jobs with the Federal Government or private industry are assured that their job rights are protected. This is not the case with those veterans who previously held jobs as school teachers, policemen, firemen, and other State, county, and city employees.

Although a number of States have enacted legislation providing reemployment rights to veterans, the coverage, the rights provided, and the availability of enforcement machinery all vary considerably from State to State. Also, some State and local jurisdictions have demonstrated a reluctance, and even an unwillingness, to reemploy the veteran. Or if they do, they seem unwilling to grant them seniority or other benefits which would have accrued to them had they not served their country in the military.

In a comparable employment field, in 1972, the Congress extended the powers of the United States Equal Employment Opportunity Commission investigate complaints of discrimination in employment by State and local governments based on reasons of race, ethnic origin, and sex, and authorized action in court to seek corrective measures.

Senator Jennings Randolph, a senior member of the Committee on Veterans' Affairs, introduced legislation in the first session of the 93d Congress, to include State and local governments under the provisions of section 9 of the Military Selective Service Act.

The Commitee believes that the provisions of 50 U.S.C. App. 59, subsections (b) through (h), which deal strictly with the reemployment rights of veterans, more logically belong in title 38, which deals with veterans' benefits.

The Committee also believes it to be logical and consistent with congressional intent to extend these same rights to veterans who had been employed by State and local governments as well. For this reason, the bill as reported would amend veterans' reemployment rights law to extend coverage to State governments and their political subdivisions.

This new chapter is more fully described as follows:

§ 2021. Right to Reemployment of Inducted Persons; Benefits Protected

Subsections (a) and (b). Recodify existing law concerning the reemployment of persons inducted into the armed services as well as extend remployment rights to those veterans who were employed by State or local governments or other political subdivisions prior to entering military service. These veterans are not currently protected under existing Federal law and must rely on the vagaries of State law and local ordinances which are not usually as comprehensive as the Federal law and which are infrequently enforced in State courts. The proposed amendment to the recodification would make clear congressional intent that all veterans, regardless of who their preservice employers were, should receive equitable treatment in the matter of reemployment rights.

Subsection (c). Provides that State laws or local ordinances which establish greater or additional rights or protections for State and local employees than those provided by this chapter shall not be abrogated by this chapter. This is in keeping with the Committee's belief that when State and local governments provide returning veterans with greater rights and protections than those provided by existing Federal statute, the veterans should be able to utilize these rights and protections as well.

§ 2022. Enforcement Procedures

In addition to recodifying existing law, this section extends to employees of State and local governments and other political subdivisions enforcement rights in the same manner and to the same extent as are currently provided for employees of private employers, including the specific right to have their legal rights litigated in the Federal courts. The amendments would also provide, among other things, that these public employees could be represented in these proceedings in Federal court by the appropriate United States attorney. These amendments make specific and unequivocal the congressional intent that the Federal courts shall be the forum for the determination of reemployment rights of these public employees.

There is also added a provision at the end of this section which reaffirms and reflects more clearly the congressional intent that legal proceedings under this chapter shall be governed by equity principles of law, specifically by barring the application of State statutes of limitations to any such proceeding. Congress, in 1940, omitted any reference to the application of any time-barred defense in cases arising under this law, in part to insure the application of a policy of keeping enforcement rights available to returned veterans as uniform as possible throughout the country. The equity doctrine of laches accomplishes this purpose as nearly as possible.

Therefore, those court decisions which have either applied a State statute of limitations to completely bar a claim under the prior law (see e.g. *Blair* v. *Page Aircraft Maintenance, Inc.*, 467 F.2d 815 (1972)) (Alabama 1-year statute of limitations); *Bell* v. *Aerodex, Inc.*, 473 F. 2d 869 (5th Cir 1.974) (Florida 1 year statute of limitations) or have applied a State statute of limitations to partially bar a claim under the prior law (see e.g. *Gruca* v. *United States Steel Corp.* (No. 73-1803 3d Cir. decided April 17, 1974); *Smith* v. *Continental Airlines, Inc.*, 70 CCH Labor Cases 13,501 (C.D. Calif. 1973)) are not in accord with the intent of Congress as to the application of time-barred defenses.

Furthermore, the holdings in *Blair, supra,* and *Bell, supra,* that the time spent by the governmental agencies charged with the administration and enforcement of this act in investigation, negotiation, and preparation for suit shall be charged against the veteran in any consideration of a time-barred defense, again misconstrue and misapply congressional intent.

§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

This section is a recodification of section 459(e) of 50 U.S.C. App., with appropriate editorial changes, which provides that any eligible veteran who was employed immediately prior to entering military service by any Federal agency or any Federal territory or possession, the District of Columbia, or the legislative or judicial branches of the Federal Government, shall be restored by such agency to his former position.

This section also provides that veteran employees of the United States Postal Service and the Postal Rate Commission shall have all the rights to reemployment that are granted to any employee of the Federal Government. (The Postal Service and Rate Commission are specifically placed in this section to emphasize the clear intent of the Committee that the veterans who were employees of the Postal Service and Rate Commission shall be afforded every right and protection to reemployment enjoyed by Federal employees.)

The Committee is in agreement with the United States Civil Service Commission's report of May 30, 1974, to S. 2784, which strongly supported this provision, and stated that it was:

. . . convinced that it is important that Postal Service employees be brought within the scope of section 9 [of the Military Selective Service Act, veterans' reemployment rights] through positive legislation. At the present time, they are subject to the provisions of section 9 only through administrative action of the Postal Service. While they have the restoration rights and other employment benefits guaranteed by section 9—as the Postal Service interprets them—they have neither the right of appeal to the Commission that other Federal employees have nor the entitlement to representation by U.S. attorneys that employees in the private sector enjoy.

The Commission cited several instances when Congress specifically provided that Postal Service employees retained the right to appeal to the Commission when adverse actions were taken against them. The Committee concurs with the Commission's conclusion that "the Congress made the Postal Service subject to the Commission's jurisdiction in recognition of its status as a Federal agency . . ." and thus should be considered a Federal agency in the area of veterans' reemployment rights as well.

§ 2024. Rights of persons who enlist or are called to active duty; Reserves

This section is a recodification of section 459(g) of 50 U.S.C. App., with appropriate editorial changes, which provides that all reemployment rights and benefits shall be provided to certain reemployed veterans who later enlist in or enter the Armed Forces and the Public Health Service and to certain Reserve and National Guard members who enter or are called to active duty or active duty for training.

§ 2025. Assistance in obtaining reemployment

This section is a recodification of section 459(h) of 50 U.S.C. App., which provides that the Department of Labor, through its Office of Veterans' Reemployment Rights (OVRR), shall assist veterans in being restored to their former positions by using Federal and State agencies and volunteers. OVRR, through its field compliance officers, has resolved over 98 percent of the several thousand cases it receives each year. To penalize the veteran for utilizing the OVRR and the United States attorney to assist in the resolution of his case, as specifically provided for in the law—a course which has proved to be eminently successful over the years—is contrary to the intent of Congress. The view that correctly reflects this intent is the one expressed in such decisions as *Kay* v. *General Cable Corp.*, 63 F. Supp. 791, 793-794 (D. N.J., 1946); *Witty* v. *Louisville & Nashville Ry. Co.* 342 F. 2d 614 (7th Cir. 1965); *Stinner* v. *United States Steel Corp.*, 73 CCH Labor Cases 14,352 (W.D. Pa., 1974).

In addition, that portion of the decision in *Gruca, supra,* which holds that the "bumping" of other employees who advanced in seniority or position while the veteran was in military service constitutes prejudice to the employer when applying the doctrine of laches, is contrary to the basic intent of Congress as to the application of the act and is also contrary to the overwhelming majority of court decisions on this issue. (See e.g., *Conner* v. *Pennsylvania Ry. Co.*, 177 F.2d 854 (D.C. Cir. 1949); *Bostick* v. *General Motors Corp.*, 101 F. Supp. 213 (E.D. Mich., 1958); *Whitmore* v. *Norfolk & Western Ry. Co.*, 61 CCH Labor Cases 10,573 (N.D. Ohio, 1969).) It was always recognized by Congress that such "bumping" was inevitable in some situations, and that the act required it in order to provide the veteran with his statutory rights and protections. Anything less would undermine the very purpose of the act.

§ 2026. Prior rights for reemployment

This section contains the text of 50 U.S.C. App. 459(f), that if two or more veterans left the same position of employment to enter military service, the veteran who left the position first shall have a prior right to be restored to that position, with no prejudice to the reemployment rights of the other veterans.

Subsection (b) amends the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III, to reflect the addition of new chapter 43.

Section 405

This section amends section 9 of the Military Selective Service Act by repealing subsections (b) through (h) and redesignating subsections (i) and (j) as subsections (b) and (c) respectively.

TITLE V—EFFECTIVE DATE

Section 501

This section provides that, except as otherwise provided therein, the provisions of title I shall become effective on July 1, 1974.

Section 502

This section provides that the veterans' loan provisions of title III of this Act shall become effective on September 1, 1974.

Section 503

This section provides that the provisions of titles II and IV of this act shall become effective on the date of their enactment.

Cost Estimates

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee has attempted to estimate the fiscal impact of S. 2784 as reported. Information supplied by the Veterans' Administration in regard to several sections of the bill as reported has undergone several revisions (with changing assumptions), and the Committee therefore believes a detailed explanation of the fiscal impact and assumptions made in cost estimates of the major provisions is required as follows:

Monthly Assistance Allowance Increases

An estimated 1,630,000 individuals would be benefited by the 18.2 percent rate increases in the first fiscal year with participation decreasing gradually to 1,036,600 in the fifth fiscal year. The following table shows the number affected and the additional costs for chapters 31, 34, and 35.

TABLE 26.-S. 2784, AS REPORTED, ADDITIONAL COST OF DIRECT BENEFITS DUE TO INCREASED ALLOWANCES—BASIC INSTITUTIONAL RATE $260

[Dollar amounts in millions]

	All chapters		Ch. 31 (vocational rehabilitation)		Ch. 36 (veterans' educational assistance)		Ch. 35 (wives, widows, and children)	
	Individuals	Direct benefits cost	Individuals	Direct benefits cost	Individuals	Direct benefits cost	Individuals	Direct benefits cost
Fiscal year:								
1975	1,630,500	$462.3	28,950	$8.8	1,526,000	$434.7	76,000	$20.8
1976	1,487,300	423.7	27,500	8.7	1,381,000	393.6	78,801	23.4
1977	3,316,050	374.3	27,000	8.5	1,208,000	343.7	83,330	42.3
1978	3,162,100	329.9	26,500	8.4	1,053,033	299.1	82,600	22.4
1979	1,036,300	293.8	26,000	8.4	927,000	262.9	83,603	22.7
5-year total		3,884.0		42.6		1,732.3		309.6

Partial tuition assistance allowance

The Veterans' Administration, on June 4, 1974, submitted to the Committee the five-year fiscal cost of the partial tuition assistance allowance in the bill as reported based on five assumptions.

Based on a partial tuition payment plan under which the veteran is to pay the first $100, the VA is to pay 80 percent of the remainder, up to a maximum payment of $720 on a tuition of $1,000. The Veterans' Administration in estimating costs assumed:

"1. Full-time private school trainees to receive full $720, proportional for part time.

"2. Average public college tuition, FY 1974, was $424 (from Office of Education). We inflated by 6.5 percent (simple) a year, producing a figure of $452 for FY 1975. After subtracting $100, the balance was multiplied by 80 percent. The payment for part-time trainees is obtained by direct proportions.

"3. For public noncollege trainees, we repeated the above procedure using the tuition charge for public junior colleges since no other data are available.

"4. The chapter 34 cost includes all payments to those trainees who would benefit from the extension of the delimiting date. We have no data available for chapter 35.

"5. We assume that since 77 percent of the general student population attends public colleges while 81 percent of the veterans are in public colleges, 4 percent of all trainees would switch from public to private institutions."

While the Committee is aware that estimates of the fiscal impact of this section were made on the best data available, the Committee also believes that the cost of this provision may be inflated particularly where based on the assumptions of the increases in the number of trainees as a result of the extension of the delimiting date and the number expected to switch to private institutions. The following table shows the number of trainees under chapters 34 and 35 who it is estimated will receive tuition assistance for the next five fiscal years and the attendant costs:

TABLE 27.—S. 2784 AS REPORTED, ADDITIONAL COST OF PARTIAL TUITION PAYMENT

[Dollar amounts in millions]

Fiscal year	Ch. 34 (veterans' educational assistance)		Ch. 35 (wives, widows and children)		All chapters	
	Individuals	Cost	Individuals	Cost	Individuals	Cost
1975	1,652,000	$564.0	76,000	$25.9	1,728,000	$589.9
1976	1,532,000	539.5	78,000	27.7	1,610,800	567.2
1977	1,217,000	441.3	81,000	29.4	1,298,000	470.7
1978	1,125,000	420.1	82,600	30.9	1,207,600	451.0
1979	1,038,000	398.7	83,600	32.1	1,121,600	430.8
5-yr total		2,363.6		146.0		2,509.6

Extension of delimiting date

The cost estimates of the VA for the extension of the delimiting dates have varied widely.

On March 28, 1974, the Veterans' Administration reported to the Committee that it estimated the fiscal year 1975 cost of a two-year delimiting date extension would be $179.1 million decreasing to $80.5 million at the end of five years. The following table indicates the number of veterans who, it is anticipated, will train and the cost for the first five fiscal years as estimated by the Veterans' Administration.

TABLE 28.—MAR. 28, 1974, VA ESTIMATES OF 5-YEAR COST OF 2-YEAR EXTENSION OF DELIMITING DATE

[Dollar amounts in millions]

	Trainees	Direct benefits cost
Fiscal year:		
1975	118,000	$179.1
1976	98,000	148.8
1977	44,000	66.8
1978	52,000	78.9
1979	53,000	80.5
Total 5-yr cost		554.1

Officials at the VA explained their assumptions in estimating the cost of the extension of delimiting date in the following statement:

"1. Actual statistics show that between fiscal year 1955 and fiscal year 1966 there were 4,139,000 net separations from service (total separations minus reenlistments equals net separations). In fiscal year 1967 there were 533,000 net separations. Thus, from fiscal year 1955 through fiscal year 1967 there were 4,672,000 net separations.

"2. Using past experience to determine how many will enter training within their 8-year period, we estimate that 1,769,000 of the total will enter training during that time. It is further estimated that of the 1,769,000, 5 percent would train in the ninth year, or about 88,000. It is also estimated that of the remainder of 2,900,000 who did not train in their 8-year period, 1 percent would be induced to enter training with the delimiting date being extended to 9 years. Thus, it is estimated that during the ninth year 117,000 (88,000 plus 29,000) will train.

"3. In fiscal year 1968 there were 745,000 net separations of which it is estimated on the basis of past experience that 381,000 will train in the 8-year period and 364,000 will not enter training.

"4. Assuming a 10-year period, based on our estimate of the 1,769,000 who entered training premised upon the fiscal year 1955–66 period, the rate who would train in the second additional year would drop from 5 to 3 percent, or 52,000 would train in the second additional year. Of the 2,900,000 who did not train in the 8-year period, we further estimate that the 1 percent figure would drop to ¾ of 1 percent, giving a net figure of 23,000. The number of trainees from the fiscal year 1968 separations would amount to 23,000 (5 percent of 381,000 who will have trained and 1 percent of those who did not train). Therefore, the total number of trainees in the 10th year would amount to 98,000 (52,000 plus 23,000 plus 23,000).

"5. Premised on this formula, and assuming either a 9-year or 10-year delimiting date, we arrive at the following number of trainees by fiscal year who would be expected to train:

	9 yr	10 yr
Fiscal year:		
1974	0	0
1975	117,000	117,000
1976	23,000	98,000
1977	29,000	43,000
1978	33,000	52,000
1979	32,000	53,000

Note: There would be no new trainees estimated for fiscal year 1974 since the 8 yr delimiting date on anyone discharged prior to June 1, 1966, does not run out until May 31, 1974. The number of trainees in fiscal year 1978 and fiscal year 1979 rises because of the number of discharges in fiscal year 1970 and fiscal year 1971 exceeded the number of discharges in fiscal year 1969.

On May 6, the Veterans' Administration reported to the Committee on S. 3398 and submitted an additional report to S. 2784 which sharply revised the cost estimates upward for a new first fiscal year cost of $618.5

million over their previous estimate of $175.9 million.

In attempting to explain the discrepancies, the Veterans' Administration reported to the Committee that:

"In developing the original cost estimates of a potential 2-year extension nearly a year ago we assumed that 5 percent of those who would have entered training by the end of the 8-year eligibility period would continue to train in the 9th year and that 3 percent would continue into the 10th year. We also assumed that 1 percent of those who would not have entered within 8 years would train in the 9th year and 0.75 percent would train in the 10th year. The result was an estimated 113,000 trainees during fiscal year 1975. This figure was later updated to 118,000 trainees to parallel the upward revisions in our estimates and to reflect the numbers subsequently shown in our 1975 congressional budget submission. At that time, we were unable, due to time constraints, to review the basic assumptions.

"Upon later reevaluation, we observed that the number of post-Korean peacetime trainees had increased from 367,000 in 1972 to 395,000 in fiscal 1973. Based upon this fact, we concluded that many of these older veterans were making an effort to enter training before the expiration of their 8-year delimiting period. This was also confirmed by other reports showing an increase in entry rates for this group.

"A special study and tabulation was made by a VA research group, the results of which were not available until the end of March 1974. This special study provided our first training count of those Vietnam veterans separated before enactment of the current law (between August 4, 1964, and June 1, 1966). The study estimated that adding these early Vietnam veterans to the post-Korean peacetime veteran total would produce a count of 388,000 in training as of the end of February 1974.

"Having expanded the 388,000 to reflect the entire 1974 fiscal year, we now estimate that between 500,000 and 600,000 persons will have trained during the year whose entitlement will expire on May 31, 1974. Applying our latest data on entry and retention rates, and considering the new data provided by the special study, we now estimate that a revised total of 500,000 trainees will avail themselves of the extended entitlement during fiscal year 1975. This revision necessarily required a revision in the cost estimate promised upon this increased number of individuals who we now anticipate may utilize training under a 2-year delimiting date extension."

Thus, the Veterans' Administration estimates for the five-year cost of a two-year delimiting extension were revised as follows:

TABLE 29.—MAY 6, 1974, VA ESTIMATES OF 5-YR COST OF 2-YR EXTENSION OF DELIMITING DATE

[Dollar amounts in millions]

	Trainees	Direct benefits cost (in millions)
Fiscal year:		
1975	500,000	$759.1
1976	500,000	759.1
1977	311,000	472.1
1978	379,000	575.4
1979	396,000	601.2
Total 5-yr cost		3,166.9

The Committee believes that because of the considerable discrepancy between the various estimates of trainees and costs, there is considerable doubt as to the accuracy of VA cost estimates for the two-year extension of the delimiting date. Although the higher figure has been included in overall cost estimates of the reported bill, the Committee is without sufficient information to make a final determination as to the cost of the enactment of this provision.

Veterans' Education Loan Program

On June 3, 1974, the Veterans' Administration, in providing information of the cost of the Veterans' Education Loan Program, explained to the Committee its assumptions in estimating the number of trainees who would take advantage of the availability of the new loan program, as follows:

Under the student loan proposal, VA would make loans of up to $2,000 per academic year to certain chapter 34 veterans enrolled on at least a half-time basis in courses leading to standard college degrees. Such a loan would not accrue interest until the veteran ceased to be at least a half-time student. These loans would be made from the National Service Life Insurance Fund and guaranteed by the Administrator by issuance of notes or other obligations to the Secretary of the Treasury. Both the loans to the veterans and the notes issued to Treasury would bear interest at a rate not less than that paid by the Treasury on notes and obligations held by the Fund. A veteran would not be entitled to a loan unless he could not obtain the full amount needed in the form of a guaranteed loan as described under part B of title IV of the Higher Education Act of 1965, amended. Since these chapter 34 loans are to be a secondary source of funds and since the VA would be required to consider the veteran's total amount of financial resources before granting a loan, we have assumed that a minimum of 10 percent and a maximum of 50 percent of those veterans training in college each year would avail themselves of loans. Secondly, that those in public schools would have an average loan of $1,227 in 1975 and those in private schools an average loan of $2,000. Thirdly, we have assumed that the VA would bear the interest expense through the first nine months after the veteran ceased to train on at least a half-time basis. The interest rate is assumed to be 7.25 percent, the current rate for new obligations held by the Fund. Finally, we would incur general operating expenses for the operation and administration of this new program.

The Committee believes that the VA's estimate that 50 percent of all veterans receiving GI bill benefits will also receive a loan under the Veterans' Education Loan Program is excessive. No supportive data has been submitted by the Veterans' Administration. The Committee believes that the use of the new loan program will be nearer to the 10-percent level which was the VA's own estimate until this past week since (1) these loans are a secondary source of funds, (2) a veteran must first fail to qualify for a loan under the Higher Education Act before becoming eligible for the new program, and (3) the U.S. Office of Education, Department of Health, Education, and Welfare, estimates that only one-third of those eligible for loans under the federally-insured student loan program actually receive such loans.

Accordingly, the Committee adopts the cost estimates for the loan provision at the 10-percent activity rate. The following table shows the number of veterans receiving loans together with the administrative and interest cost of the program for the next five fiscal years:

TABLE 30.—ESTIMATE OF COST FOR VETERANS EDUCATION LOAN PROGRAM

[Dollar amounts in millions]

	Veterans receiving loans (in thousands)	Total value of loans outstanding	Interest costs	Administrative costs	Total costs
Fiscal year:					
1975	135.9	$168.4	$12.1	$1.4	$13.5
1976	124.7	333.0	24.1	0.9	25.0
1977	99.3	463.5	33.6	1.8	35.4
1978	93.7	577.7	41.9	2.6	44.5
1979	88.1	671.2	48.7	3.2	51.9
Total			160.4	9.9	170.3

Total five-year cost

The following table provides a section-by-section cost projection of S. 2784 as reported for the next five fiscal years. Given the foregoing discussion, the Committee believes that some of the VA prepared cost estimates are in doubt and that the total cost reflected below may be inflated:

TABLE 31.—ESTIMATED COST, S. 2784, AS REPORTED

[In millions of dollars]

Section and provision	Fiscal year— 1975	1976	1977	1978	1979
TITLE I					
101. Equalization ch. 31 benefits	36.6	37.2	37.9	38.6	39.0
102. Rate increases	423.7	392.6	346.9	305.6	272.0
103. Rate increases					
104. Partial tuition	589.9	567.2	470.7	451.0	430.8
TITLE II					
202. (a) 45 mo. entitlement	55.5	19.8	19.8	19.8	19.8
(b) Active duty for training entitlement	.6	.6	.1	.1	.1
203. Delimiting date extension ch. 34	731.0	731.0	454.7	554.1	578.9
205. Refresher training	3.0	2.5	2.5	2.5	2.5
206. Work-study program	8.3	8.3	8.3	8.3	8.3
207. Tutorial assistance	.8	.7	.6	.5	.5
208. Delimiting date extension ch. 55	(1)	(1)	(1)	(1)	(1)
210. Farm training ch. 35	.4	.4	.4	.4	.4
212. Joint Apprenticeship Committees payment	.6	.5	.4	.4	.3
213. Apprenticeship, on-job training rate increases	38.6	31.1	27.4	24.2	21.7
214. Course measurement	(2)	(2)	(2)	(2)	(2)
215. Repeal 2-program limitation	6.0	7.9	6.6	6.6	6.6
216. Evaluation and data collection	(2)	(2)	(2)	(2)	(2)
217. Administration—Outreach	(1)	(1)	(1)	(1)	(1)
218. Advisory council	(2)	(2)	(2)	(2)	(2)
TITLE III					
Interest cost	12.1	24.1	33.6	41.9	48.7
General operating expenses	1.4	.9	1.8	2.6	3.2
TITLE IV					
Total title IV	(2)	(2)	(2)	(2)	(2)
Total cost	1,908.5	1,824.8	1,411.7	1,456.7	1,432.9

[1] No estimated cost available.

[2] Provision incurs no significant cost.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 2784, with an amendment, favorably to the Senate:

YEAS—9

Vance Hartke, Herman E. Talmadge, Jennings Randolph, Harold E. Hughes, Alan Cranston, Clifford P. Hansen, Strom Thurmond, Robert T. Stafford and James A. McClure.

NAYS—0

Mr. HARTKE. Mr. President, I believe that the committee report placed in the RECORD outlines and explains in considerable detail the intent of the provisions before you and the committee's conviction with respect to related matters. However, some additional explanatory remarks as to certain features of the GI bill program are in order.

UNEMPLOYMENT AMONG DISABLED AND VIETNAM ERA VETERANS

As amendments contained in S. 2784 reveal, the committee continues to be quite disturbed over what it believes are inadequate efforts to aid unemployed disabled and Vietnam era veterans. In addition to the amendments in the reported bill, the committee is cognizant that a second Supplemental Appropriations Act of 1974 passed by both Houses of Congress contains funds for the public employment program authorized by the Emergency Employment Act of 1971, as authorized in section 3 (a) of the Comprehensive Employment and Training Act. Such funds should be used to provide additional employment opportunities for disabled and Vietnam era veterans. The Emergency Employment Act provided for special consideration for Vietnam era veterans and the Secretary of Labor effected this requirement by establishing guidelines at a 40 percent quota for hires of veterans under the program. The additional EEA funds contained in the Supplemental Appropriations Act can and should be used to establish a meaningful veterans employment program. Consideration should be given to increasing the 40 percent quota through a change in the Secretary's guidelines. In addition, requirements for hiring disabled veterans should be added by the Secretary.

As amendments to chapter 41 made by S. 2784 indicate, the committee continues to believe that there should be substantial improvement in the Employment Service—ES—services for veterans both in counseling and in improved job development and placement service. The law presently requires the Secretary of Labor in section 2007, of title 38, to establish administrative controls to insure that each eligible veteran who requests assistance "shall promptly be placed in a satisfactory job or job-training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially such as individual job development or employment counseling services." Amendments made by S. 2784 would also require the Secretary of Labor to establish standards for determining compliance by State employment service agencies with the provisions of chapters 41 and 42. With respect to improved counseling service for veterans it seems clear that the Secretary should require that each veteran whose job goals are not clear or who requires job adjustment assistance should be considered and served on a case by case basis. In order to accomplish this each such veteran should be aided through the counseling process to develop an employability plan with long-range and short-range goals. The plan should also include a determination of training that may be needed such as is currently available under title 38 or other onjob training, institutional, work experience, subsidized, and so on. In addition the employment services should see that efforts are made to develop training opportunities through CETA sponsors, public and private vocational facilities and so on. The employability plan should include steps for individualized job development and for continuous followup for a year. As to definitive performance standards with regard to counseling, I believe there is consensus that the number of new Vietnam Era veteran applicants counseled should be at least twice the current rate. With respect to disabled veterans I believe the Department of Labor is in agreement that definitive performance standards require that all handicapped veterans could benefit from some counseling and that many will need intensive counseling and arrangements for support services related to employment. Accordingly such steps should be taken by the Secretary.

Obviously, there should also be greatly improved job development and placement services. In the past fiscal year only 16 percent of available Vietnam era veterans were placed in a job in excess of 3 days, and less than 2 percent were enrolled in Federal training programs. An aggressive program to insure that Federal contractors and subcontractors institute VA apprenticeship and onjob training programs should aid in substantially increasing aid rendered to veterans. As to men and women currently in the service, a predischarge placement system should be established by the Department of Labor in collaboration with the Department of Defense which would link military bases with job banks and other employment service job information and matching systems for direct job placement.

Arrangements should be made to station full-time VA staff on military bases as required, to facilitate the transition of service persons from military service to jobs in the public or private sector.

Mr. President, I am also aware that the Department of Labor's Manpower Administration is in the process of developing a package of "worker relocation" demonstration projects which will operate over a period of 3 years. Although project designs are not yet completed it is my understanding that the preliminary plan is to conduct three separate projects in different geographic areas. The first project will consist of three different levels of services:

Level 1—telephone job search and referral;

Level 2—job search grant; and

Level 3—relocation grants.

The second project will provide all three of the above services and other support services such as pre and post-relocation counseling. The third project involves computerized matching of applicants' names and qualifications with employers, jobs, and requirements. Reports will then be sent to the originating offices at which time relocation grants will be given to those applicants who wish to relocate. Mr. President, it seems that such projects could significantly aid in the promotion of veteran employment mobility and I would strongly urge that veterans receive priority consideration and service in each of these projects.

Finally, serious consideration should be given to requiring that the Postal Service be included under the mandatory listing program. When Post Office hiring was under Civil Service Commission, its mail staff composition was an estimated 70 to 80 percent veterans and about 66 percent of the new hires were veterans. In the fiscal year 1973 when the Post Office was no longer under Civil Service, the Post Office hired a total of 77,925 of whom 58 percent were veterans and 32 percent were Vietnam era veterans. In the first 8 months of 1974 there were 100,000 new hires of which 55 percent were veterans and 30 percent were Vietnam era veterans. Mandatory listing along with preferential hiring through the public employment offices would increase the hiring of veterans in the Postal Service. As many of the jobs in the Post Office are not physically demanding and many others have been lightened by automation, it would further appear that there are numerous opportunities for disabled veterans.

REEMPLOYMENT RIGHTS FOR VETERANS

Mr. President, title IV of S. 2784 would also recodify with some amendments into title 38 where it more appropriately belongs, the existing law with regard to reemployment rights for veterans presently found in 50 United States Code App. 59. In addition to recodification, the law would also extend for the first time, reemployment rights of those who were employed by State governments or political subdivisions. Thus, former schoolteachers, policemen, firemen, and other State and county employees would be granted reemployment rights identical to those enjoyed by those veterans employed by private companies. The committee is particularly indebted to Senator RANDOLPH, a most distinquished and valued senior member of the committee for his deep interest in this matter. Through the hard and persistent work of the senior Senator from West Virginia, the provisions which were originally contained in his bill, S. 1635, were incorporated into S. 2784 as reported. As Senator RANDOLPH said in his introductory remarks to S. 1635:

> . . . We should leave no doubt in the minds of the state and local government employers that Congress feels all veterans should receive equitable treatment in the matter of reemployment rights.

Mr. President, these are sentiments that the committee as a whole strongly concur in and for this reason the pro-

visions have been made a part of the reported bill. This coverage for State and local employees is meant to operate prospectively and applies only to veterans who are released from military service on or after the effective date of the enactment of this legislation.

I am also indebted to Senator RANDOLPH for his assistance in enabling the committee to arrive at the decision that reemployment rights should be extended to veterans who were employees of the U.S. Postal Service and the Postal Rate Commission.

Finally, in connection with reemployment rights, it should be noted that currently Government policy to reach every serviceman at the time he is released from military service so that individual servicemen can fill out a form with certain information concerning pre-service employment or military service. These completed forms are then collected at separation centers and sent to the Office of Veterans' Reemployment Rights national office where they are used as self-mailing devices to furnish reemployment rights information to veterans and to preservice employers. This is intended to facilitate prompt reinstatement of returning veterans in their former employment and to prevent unnecessary disputes from arising and further lets parties know where further assistance can be obtained if needed. Unfortunately, it is the committee's understanding that the Department of Labor is currently receiving data on less than 60 percent of the number of persons that are actually separated. The absence of information on 40 percent of those being separated from the service significantly impairs the operation and affect of the reemployment rights program. Regulations should be issued with steps taken to implement them which would assure significant movement towards the goal of 100 percent participation.

CONTROLS TO PREVENT ABUSES

Mr. President, S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans educational assistance programs. Included is the requirement that institutions offering courses with vocational objectives must show that at least one-half of the persons completing the course over the preceding 2-year period have been employed in the specific occupational category for which the course was designed to provide training. Some questions have been raised concerning this 50 percent placement rule and some have been quick to point out that there are various reasons and situations where veterans might not obtain employment in this specific occupational category for which the course trained them. The committee wishes to emphasize, however, that this ignores the fact that the requirement is that half of those who complete the courses obtain such employment. Second, it should also be pointed out that this provision applies only to those who complete the course and not to those who enroll and fail to complete. As such this should not be unduly burdensome. For example, with respect to correspondence courses, the General Accounting Office testified in 1972 that nearly 75 percent of all veterans discontinued before completing their correspondence training. Thus, the amendment made by S. 2784 would only require that something less than 13 percent of those who enrolled found employment in the specific occupational category for which trained. If there are schools which believe they would have difficulty in meeting this requirement, it is perhaps time that they acknowledge so publicly.

Concerning verification of the 50 percent placement rule, the committee would expect that the existing techniques and procedures currently in effect for sales or sales management courses which come within the purview of section 1673 should serve as an appropriate starting point. Certain questions have been raised about difficulties in contacting certain graduates and in this connection the committee does not expect that every veteran could be contacted by a school. A statistically valid and reliable sample approved and verified by the Veterans' Administration could satisfy the requirements of section 204 without the necessity of having to contact each graduate of the school. In this connection the committee understands that more abundant placement data as to graduates of vocational objective courses exists than has been suggested by some questioning the operation of this provision. For example, the committee understands that placement information is annually forwarded by member schools to the National Association of Trade and Technical Schools and the National Home Study Council.

The committee is further aware that the rules of those accrediting bodies provide that as part of both the initial approval and the periodic reevaluation process the accrediting body takes into account a school's placement of graduates. Presumably this indicates that such information is available. Further, according to A. Harvey Belitsky, in his book "Private Vocational Schools and Their Students":

> More than four-fifths of NATTS schools have some student followup procedures although intervals varied widely.

According to Belitsky about 50 percent of the NATT schools contact the students within 6 months of graduation.

Questions have also been raised about specific occupational categories. As the committee report indicates there are substantial differences in occupational categories between for example, "computer programmer" and "key punch operator". If the majority of students are placed as key punch operators rather than computer programers the course is more properly designated as one that provides training for operators rather than programers. Some have suggested however that some students initially find employment as key punch operators but subsequently become computer programers. While the committee continues to believe that the proper vocational objective of such a course would be key punch operator it wishes to emphasize that it is permissible for the school's advertising to indicate the numbers of such students who have moved up to become computer programers provided such disclosure is in no way misleading, deceptive or erroneous as provided for in new section 1795, as created under section 215 of the reported bill.

Finally, Mr. President, I wish to insert in the RECORD a letter from the Director of Bureau of Consumer Protection of the Federal Trade Commission supporting the 50-percent placement rule and new section 1795.

There being no objection the letter was ordered printed as follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., June 14, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR HARTKE: The Bureau of Consumer Protection has reviewed certain proposed amendments to Title 38 of the United States Code as contained in S. 2784, the Vietnam Era Veterans Readjustment Assistance Act of 1974.

The Bureau has been concerned for some time with the business practices of proprietary vocational and home study schools. We have been particularly troubled by misleading advertising and by other practices which induce vulnerable consumers to enroll in courses of study that do not offer career training leading to actual employment positions. Consequently, the Bureau would favor the proposed amendment to Section 1673(a) of S. 2784 which would require the Veterans Administration to disapprove for veterans' benefits any school that does not place one-half of its graduates in jobs in the field for which they were trained.

The Bureau is most interested in coordinating its efforts in the vocational school field with the Veterans Administration. In this regard we are prepared to endorse the terms of the proposed VA–FTC working agreement as defined in the attached amendment to Section 1795 of S. 2784.

Sincerely,

J. THOMAS ROSCH,
Director.

"§ 1795. *Limitation on certain advertising, sales, and enrollment practices*

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize where appropriate, its services and facilities consistent with its resources in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 shall be referred to the Federal Trade Commission which, in its discretion, will conduct an investigation and present preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety (90) days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to Part 3.11 of the Federal Trade Commission Rules of Practice, (16 CFR 3.11 et seq.) to cease and desist against any institution whose courses are approved under this chapter or chapters 34 and 35 such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to Subsection (a), disapprove the enrollment of

any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section."; and

"(e) Striking out from the table of sections at the beginning of chapter 36 of such title the following:

"1795. Limitation on period of assistance under two or more programs."

and inserting in lieu thereof:

"1795. Limitation on certain advertising, sales, and enrollment practices."

Mr. HARTKE. I also ask unanimous consent to place in the RECORD a telegram from Joseph A. Clark, commissioner of the Indiana Private School Accrediting Commission and president of the National Association of State Administrators which supports in principle the provisions of sections 204 and 214.

There being no objection the telegram was ordered printed as follows:

[Telegram]

Hon. VANCE HARTKE,
Chairman, Senate Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Please reference Senate bill S. 2784 and report number 93-907 sections 204 and 215.

I wish to commend your Committee for its efforts in preparing this much needed amendment to title 38, United States Code, and tell you I support in principle sections 204 and 215.

No reputable institution will object to showing that a substantial number of graduates were placed in jobs for which they were trained. It is important that the school show that the number of graduates who took the training for job placement did in fact receive job placement. Further it is important that this apply across the spectrum of post secondary education. As President of the National Association of State Administrators and supervisors of private schools I wish to inform you we are preparing a position paper on this very issue. In a like manner we agree it is most important to differentiate between job employment preparation and a vocational or recreational training.

Section 215 is much needed and targets a severe problem. I chaired the Committee on Advertising and Recruitment Practices at the ECS National Invitational Conference on Consumer Protection In Education in March of this year in Denver. Section 215 complements the recommendations of our committee and strongly points out a needed safeguard of the VA in protecting veterans, their widows and families.

Please extend my compliments to your Committee and staff for the fine work in covering two difficult problems quite adequately with sections 204 and 215.

Sincerely,

JOSEPH A. CLARK,
Commissioner, Indiana Private School Accrediting Commission.

THE GI BILL AND THE SPANISH-SPEAKING VETERAN

Mr. HARTKE. Mr. President, as you know, amendments to sections 241 and 244 of title 38 provide, among other things, for greater outreach efforts to be made particularly on a peer-group basis to veterans in areas where significant numbers speak a language other than English as their principal language particularly the Puerto Rican community in the East and Northeastern United States and the Mexican American community in the Southwest.

While the Veterans' Administration itself needs to hire significantly greater numbers of young Spanish surnamed and Spanish-speaking veterans, it is obvious that the Veterans' Administration is not now presently equipped to adequately provide in either quantity or quality the services intended by the committee.

It is for this reason the committee also amended section 244 to provide that the Veterans' Administration shall, pursuant to authority presently contained in section 213 enter into contracts to utilize the facilities of community based national or local organizations or agencies which have special expertise, in facilitating communication with and the provision of services to veterans, disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. With particular reference to the Hispanic veteran, the committee is aware that three veteran outreach programs have existed since 1972 to provide outreach, recruitment and counseling, referral and follow-up to veterans through 35 centers and 31 cities. Three prime contractors for this Department of Labor funded program are: First, the American GI Forum, second, the Puerto Rican Congress of New Jersey, and, third, the Puerto Rican Forum. Funding for these programs apparently is not assured beyond the current fiscal year which ends this month.

It would appear that the discontinuance of financing for these veterans outreach programs is in variance with the intent and scope of the amendments made by this bill. Accordingly, we would urge that decisions with regard to funding should be strongly reevaluated in light of our action today.

Finally, in this connection, Mr. President, I would like to insert in the RECORD at this point letters I have received from the Honorable HERMAN BADILLO and the Honorable JAMIE BENITEZ in strong support of the amendments made in section 241 and 244.

I ask unanimous consent that these letters and a telegram from the National Puerto Rican Forum Inc. be placed in the RECORD at this point.

There being no objection, the material is ordered printed in the RECORD as follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Russell Building, Washington, D.C.

DEAR MR. CHAIRMAN: I have reviewed the report accompanying S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and am very encouraged by those provisions which will benefit veterans of limited English speaking ability. I am especially gratified by Sections 241 and 244 which provide for outreach services in the language of the community where the principal language is other than English and which will utilize the experience and facilities of national and local community-based organizations.

Vietnam era veterans, as House and Senate hearings have so vividly revealed, have faced a multitude of varied problems. This situation is greatly exacerbated when, in addition, the veteran experiences language and cultural differences. Tragically, the needs of Spanish-speaking veterans are not being fully met by the Veterans Administration and a great deal more needs to be done in this area. As your report so aptly notes, improvement is needed on "a personal peer-group contact basis to aid veterans in areas where significant numbers speak a language other than English. . . ." The employment of Spanish-speaking VA counselors will be particularly beneficial for the Puerto Rican community in the East and Northeast and the Mexican-American community in the Southwest.

I commend you and your committee for your understanding of and sensitivity to this critical issue and am hopeful the Senate will have the wisdom to adopt the language you have proposed. This language offers hope that the Spanish-speaking veterans will no longer be relegated to second-class status.

Sincerely,

HERMAN BADILLO,
Member of Congress

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Veterans' Affairs Committee, Old Senate Office Building, Washington, D.C.

DEAR SENATOR HARTKE: I would like to commend you and your colleagues on the Committee on Veterans' Affairs for making the Veterans' Outreach Services Program more responsive to the needs of the Puerto Rican veteran. Section 217 of S. 2784 addresses itself to these special needs by providing for V.A. information in Spanish, and V.A. bilingual counsellors in areas with large concentrations of Spanish-surnamed veterans.

The aid and assistance which is provided to the veteran with limited English-speaking ability through the outreach services (Section 241, Subchapter IV, "Veterans' Outreach Services Program") is commendable. This section provides information regarding benefits, education, employment, and claims in the language of the veteran with limited English-speaking ability.

In addition, Section 244 allows community-based national or local organizations who possess the knowledge and expertise, to provide special services to veterans, through Federal support, particularly through the Department of Labor.

I trust that the Senate will act favorably upon legislation, and hope that these invaluable provisions dealing with the needs of those veterans with limited command of the English language will be reaffirmed in the final bill.

Cordially,

JAIME BENITEZ.

NEW YORK, N.Y.
June 18, 1974.

Senator VANCE HARTKE,
Chairman, Veterans' Affairs Committee, U.S. Senate, Capitol Hill, Washington, D.C.

DEAR SENATOR HARTKE: We understand that S. 2784, Veteran Era Readjustment Assistance Act of 1974, will soon come up for vote.

We are particularly interested in seeing section 217, 241 and 244 are maintained since they provide for programs that will assist veterans of limited English speaking abilities and will allow community based organizations to continue being involved in providing out reach services for Puerto Ricans and other Spanish speaking veterans who up to now have not been taking advantage of their benefits.

S. 2784 is a well deserved recognition by our government of the sacrifices made by our fighting men. We commend you for your inspired leadership in bringing it so far and we are expecting that the rest of the Senate will approve it quickly.

HECTOR I. VASQUEZ,
National executive director, National Puerto Rican Forum, Inc.

THE GI BILL AND THE ALL VOLUNTEER ARMY

Mr. HARTKE. Mr. President, as we move toward a period in which the last of those drafted for active military duty will be released from service by the end of this year, it is appropriate to briefly consider the function of the GI bill in the context of the all volunteer army. Section 1651, which defines the purpose of the educational assistance program under title 38, clearly states congressional intent. That section provides in pertinent part that:

The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States...

Mr. President, it is clear to me that if we are to enhance and make service in the Armed Forces more attractive then the educational benefits authorized under this program will play a significant and major role.

First GI bill benefits are an important component of inservice education programs which help provide needed skills required by today's military forces; 460,000 servicemen have trained under the current GI bill. The use of title 38 benefits for such inservice education and training helps effectuate what is and should continue to be our national policy which is that no one should leave the military service without a marketable skill nor a high school diploma or its equivalent.

As long as that is, in fact, our national policy, I believe Congress will continue to ensure that title 38 benefits are available for inservice use.

Second, the existence of this important and valuable post-service benefit offered under the VA educational assistance program should if properly communicated, serve as a significant inducement for those not presently attracted by various current inservice benefits and bonuses or those who are not otherwise inclined to enlist.

High school graduates desiring to pursue postsecondary education but unable to afford it may find enlistment for a limited period of military service highly attractive in order to obtain eligibility for GI bill benefits.

Hopefully, this will result in a more representative crosssection of young men and women entering training—with a higher level of educational attainment—than has been the experience of the volunteer army to date.

It seems obvious then, Mr. President, that the GI bill we pass today will not only pay a debt to the millions of Vietnam era veterans but will also serve as a strong cornerstone in ensuring a healthy, strong, and representative volunteer Armed Forces.

Mr. President, I ask unanimous consent that the following staff members of the Committee on Veterans' Affairs be permitted on the floor during consideration of this bill: Frank Brizzi, Guy H. McMichael III, Mary L. Whalen, and Larry Charnikoff.

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

Mr. HARTKE. Mr. President, on behalf of the committee I send to the desk a text of technical and conforming amendments to the bill, S. 2784, as reported and ask for their immediate consideration. These are purely technical and conforming amendments, which are agreeable to all members of the committee and they effectuate the intent of the bill. They make no changes of any substantive nature.

I ask unanimous consent that the amendments be considered and agreed to en bloc.

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

The technical and conforming amendments, considered and agreed to en bloc, are as follows:

On page 42, line 17, strike out "disability" and insert in lieu thereof "if such disability".

On page 44, at the end of footnote number 2 contained in the table between lines 4 and 5, insert a period immediately after the word "title".

On page 44, in the table between lines 4 and 5, before each of the dollar amounts "209", "246", "279" immediately following the word "Cooperative" insert a footnote designation number "1".

On page 44, line 10, strike out "therein" and insert in lieu thereof "in section 1682(c)(2)".

On page 45, at the end of footnote number 1 contained in the table at the top of the page, strike out the semicolon.

On page 46, line 4, after "prescribed" insert "in section 1682(a)(1) of this title".

On page 46, line 7, strike out "in section 1682(a)(1) of this title".

On page 46, line 10, after "prescribed" insert "in section 1682(b)(2) of this title".

On page 46, lines 11 and 12, strike out "in section 1682(b)(2) of this title".

On page 47, line 8, after "Sec. 104." insert "(a)".

On page 48, lines 3 and 4, strike out "shall a veteran be charged an out-of-State tuition rate if such veteran" and insert in lieu thereof the following: "may any such veteran or person be paid a partial tuition assistance allowance based upon the out-of-State tuition rate of such veteran or person".

On page 54, line 6, strike out "chapter 34 of this title" and insert "this chapter".

On page 57, line 5, after "Section 604 (a)" insert "and (b)".

On page 59, line 7, after "prescribed" insert "in section 1682(c)(2) of this title".

On page 59, line 10, strike out "in section 1682(c)(2) of this title".

On page 60, at the end of the table between lines 2 and 3, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 62, line 8, after "prescribed" insert "in paragraph (1) of this subsection".

On page 62, line 9, after "eligible veteran" insert "with no dependents".

On page 62, lines 9 and 10, strike out "in section 1787(b)(1) of this title".

On page 62, beginning with line 13, strike out all down through line 6 on page 63, and insert in lieu thereof the following:

(1) by striking out in clause (1) "below the college level," and inserting in lieu thereof a comma and the following: "not leading to a standard college degree.".

(2) by striking out in clause (2) "below the college level." and inserting in lieu a comma and the following: "not leading to a standard college degree,".

On page 63, line 17, strike out ": Provided, That" and insert "; but".

On page 63, line 18, after "courses" insert "must".

On page 63, line 18, strike out "are" and insert "be".

On page 63, line 21, strike out "are" and insert "must be".

On page 63, line 24, strike out "are" and insert "must be".

On page 64, line 3, strike out ": Provided further, That in" and insert in lieu thereof a period and the word "In".

On page 68, strike out lines 6 and 7, and insert in lieu thereof the following:

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding immediately below

"218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations."

the following:

"219. Evaluation and data collection".

On page 68, line 17, strike out the period and insert a semicolon and the word "and".

On page 73, line 9, strike out "shall" and insert "shall—".

On page 82, in the matter contained between lines 4 and 5, strike out "Sec.".

On page 82, line 5, strike out "chapter 36" and insert "chapter 35".

On page 86, line 20, strike out "United States Code,".

On page 87, lines 7 and 8, strike out ": Provided, That the eligibility of such a veteran" and insert in lieu thereof a period and the following: "The eligibility of such a veteran for a readjustment appointment".

On page 91, lines 15 and 16, strike out ": Provided, That nothing" and insert in lieu thereof a period and the word "Nothing".

On page 94, line 12, strike out ": Provided, That no" and insert in lieu thereof a period and the word "No".

On page 98, lines 21 and 22, strike out ": Provided, That" and insert in lieu thereof a comma and the following: "and if".

On page 99, line 9, strike out "section" and insert in lieu thereof "chapter".

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, I yield to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, education programs provided for our Nation's veterans constitute one of the finest investments this country has ever made. The bill now being debated, S. 2784, is one to increase and extend benefits to persons who served in the Armed Services subsequent to January 31, 1955. Education benefits provided veterans of the Vietnam era have been used by more individuals than by the veterans of any previous conflict. The significant benefits our country has derived from the education to our citizens, as provided by the GI bill, is indisputable. The evidence is all around us, in terms of the increased ability of those educated under the bill to contribute meaningfully to our society and to serve as vital members. Some Members of Congress have received a "leg up" from the GI bill, as have many other distinguished citizens of our country.

Of the almost seven million veterans who served our country during this Vietnam period, two out of every five served in Southeast Asia; more than 46 thousand gave their lives there, more than 300 thousand sustained service-connected disabilities.

Mr. President, let me briefly describe some of the highlights of S. 2784. This bill will increase the monthly assistance rate by 18 percent. A single veteran

would receive $260 per month. The married veteran would receive $309 per month and the married veteran with one child will receive $352.

The measure will again provide vocational rehabilitation to all veterans rated at least 10 percent disabled. Presently, veterans must have a 30 percent service-connected disability to qualify for this benefit. This will provide the same benefits for the Vietnam Era veteran as was provided persons who were discharged after World War II.

Under this measure, a veteran will have 10 years in which to use his education benefits. Currently, he has only 8 years. Many veterans were discharged between January 31, 1955 and June 1, 1966, a period when no education assistance was available. They returned to civilian society and the labor force. With the enactment of Public Law 89-358, they again had to make adjustments and the time limit became an unfair burden for many who had started families and had to have continued steady income from fulltime employment.

A formula system is incorporated to assist the veteran in his tuition payment. It provides that the first $100 will be paid by the veteran. Following that, the government will pay 80 percent of the next $900 with maximum tuition assistance of $720. This will be the first time tuition assistance has been given to veterans training under chapter 34 of title 38, of the United States Code, since World War II.

This legislation will increase the total entitlement from 36 to 45 months, granting the veteran five school years to receive his education assistance. This entitlement is based on a 1½ months educational benefit for each month's service.

A low interest loan program will provide $2,000 per year to the veteran. This would assist those veterans attending schools with higher tuition costs. The term of this loan is 10 years.

This measure as it now stands will require almost $2 billion for the first year cost. It is a cost the Nation must meet—to help provide these veterans who served with honor in Asia and throughout the world during years when international tension with the threat of nuclear war was high—and provides benefits comparable to those accorded to World War II veterans.

I believe that men who have served, men who are serving, and men who will serve, would hope that they could expect equal treatment.

Mr. HARTKE. Mr. President, will the Senator yield for a request for the yeas and nays on final passage.

Mr. HANSEN. I yield.

Mr. HARTKE. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, I yield the remainder of my time to the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, the GI education program which was initiated at the close of World War II, proved to be one of the most important and worthwhile benefits ever offered to the American veteran, and one of the best investments of Government funds ever made by the American people.

It served as a major vehicle for the World War II veteran to readjust to a changing and complex postwar society. It served as a catalyst for the unprecedented growth and prosperity to which these veterans have contributed during the post World War II era.

After a quarter of a century, the World War II program still serves as a model as we seek to offer comparable benefits to the returning veterans of Vietnam.

In the past year, both in the Congress and in the Nation, the debate over veterans benefits has revolved around one central question: Do we have the resolve to commit ourselves to an equally viable program for the Vietnam era veteran?

Mr. President, I am convinced that the answer is an affirmative one.

The bill which we lay before the Senate today is evidence of our strong commitment to a viable program for these young men and women.

As a coauthor of S. 2784, I strongly urge my colleagues to support its enactment into law.

Service during the Vietnam conflict was no less demanding than service during World War II or Korea. Trying circumstances marked the period of hostilities in Vietnam, but the young veterans rose to the occasion by performing their duties with courage and stamina consistent with that shown by veterans of previous wars.

Official statistics can only partly indicate the sacrifice of the Vietnam era veteran. There are over 6.8 million Vietnam era veterans, of whom over 2 million served in Vietnam. Over 46,000 men lost their lives there. Over 300,000 were wounded or injured there. Over 1,200 military men are still missing there.

The young veterans who served for the ultimate cause of peace deserve benefits equal to those received by veterans of other wars.

I. PROVISIONS OF S. 2784

S. 2784 would include several major provision to aid in their readjustment.

A. SUBSISTANCE RATE

First, an 18.2-percent increase in the subsistence rate is included in the bill. The measure approved by the House would provide for an increase of 13.6 percent, but estimates received by the Senate committee on increases in the Consumer Price Index support the 18-percent increase.

A full time college student with no dependents would receive $260 per month under the bill. With one dependent, he would receive $321; with two dependents, $366; and $23 for each dependent in excess of two.

A comparison of the subsistence allowance which we have legislated for the full time student veteran in recent years is enlightening. In 1966, he drew $100 per month; in 1967, $130 per month; in 1970, $175 per month; in 1972, the law was amended to provide the current $220 per month; and if the proposed legislation is enacted, he will receive $260 per month.

Mr. President, if the proposed rate is enacted into law, it will represent a 160-percent increase in the subsistence allowance over an 8-year period. During the same period, the Consumer Price Index rose from 96.8 percent on June 1, 1966, to 138.5 percent on January 1, 1974.

B. DELIMITING PERIOD

A second provision of the bill would give the veteran 10 years instead of 8 years after date of discharge in which to use his GI bill eligibility.

When the current GI bill was enacted into law in June 1966, each veteran was given 8 years from his date of discharge to use his GI bill eligibility. The GI bill was made retroactive to include post-Korean war veterans who served from 1955 to 1966. For many of them, the 8-year delimiting period, if measured from date of discharge, would have automatically precluded their eligibility. Consequently, the law was written to read: "8 years from date of discharge or 8 years after enactment of the law, whichever is later."

Mr. President, in 1966, such a provision appeared to be more than adequate; but measured against subsequent developments, there is no question that the law must be amended to extend the delimiting date.

When the eligibility was retroactively provided to post-Korean veterans, most of these men were already established in a job. It took a significant time, and in some instances a great sacrifice, for them to move from their jobs into the academic sector. In many instances, they waited until the benefit levels were raised before they decided to go back to school.

As Dr. Charles Palmer, executive director of the South Carolina State Board for Comprehensive and Technical Education, has commented:

> It will be an awful waste if they cannot complete that which they have started. It will be worse for veterans who have not yet started if they are not given an opportunity to continue without interruption in the program of his or her choice.

C. 45 MONTHS MAXIMUM ENTITLEMENT

Third, the maximum entitlement would be increased from 36 to 45 months. This provision would increase the eligibility to 5 school years instead of 4.

Our educational system has changed greatly in the past 8 years. Now advanced degrees are required for many jobs. Some students require longer than 4 years to accomplish their educational objectives. Often, several degrees or some advanced training is required for jobs today, where a baccalaureate degree sufficed after World War II. An additional 9 months, or 1 academic year, in their education benefits will assure these veterans a substantial entitlement which they may use to gain their degrees.

D. LOAN PROGRAM

A low cost loan program is also included in the bill. This program would provide up to $2,000 a year for the cost of tuition, where the veteran is unable to secure a loan from other Government sources. It is designed to supplement the other provisions of the bill for students who attend high cost institutions.

E. TUITION ASSISTANCE

In addition, under a tuition plan adopted by the committee, a veteran

would receive 80 percent of his tuition cost up to $1,000 after initial outlay of $100 on his part. This would amount to a maximum payment to the veteran of $720.

At an April 20, 1974 hearing on veterans benefits which I chaired in Columbia, S.C., Mr. Edward B. Sydnor, registrar of Wofford College, Spartanburg, S.C., spoke of the plight of private institutions of higher learning in attracting veterans to their campuses. Mr. Sydnor particularly emphasized the need for a tuition payment program, and I ask unanimous consent that a partial extract of his testimony be inserted at this point in the RECORD.

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

EXTRACT FROM TESTIMONY BY EDWARD B. SYDNOR, REGISTRAR OF WOFFORD COLLEGE, COLUMBIA, S.C., FIELD HEARING ON VETERANS' EDUCATION BENEFITS, APR. 20, 1974

It is essential that those who vote on veterans educational assistance understand at least one major difference between the private college and the state-supported college. That difference is money, or more specifically, the costs of tuition. In the current academic year, it costs the student-veteran at the University of South Carolina, Spartanburg campus, $570 to enroll for 30 semester hours.

However, to enroll for 30 semester hours at Wofford College, it costs the same student-veteran $2050. Although there may be other reasons, I am convinced that this disparity between the cost of public and private higher education accounts for the fact that Wofford College has less than a five percent enrollment of veterans as compared to almost an 11 percent enrollment at USC, Spartanburg.

Nationwide, the figures are even more discouraging. According to Donald E. Johnson, Administrator of the Veterans Administration, four of every five veterans attend public colleges, and the Association of American Colleges reports more recently that only 10 percent of all the veterans enrolled in higher education attend private colleges.

The implications are obvious. The single veteran at the public college in Spartanburg pays $570 to enroll for 30 semester hours, and this represents only 29 percent of his educational assistance allowance. He has approximately $1410 left over for his subsistence.

On the other hand, the veteran at Wofford College pays 104 percent of his assistance for tuition, which means not only that he has nothing left for subsistence, but that he is confronted with a bill for $70. Eighteen of Wofford College's 49 veterans receive financial aid, as reported by the college's Office of Student Financial Aid, in the total amount of $29,000.

Mr. THURMOND. Mr. President, the tuition plan adopted by the committee should correct the problems which Mr. Sydnor outlined. At the same time, the tuition assistance plan is designed to aid the veteran who attends the public institution as well.

The initial outlay of $100 will not penalize the veteran who attends a low-cost school. He can receive 80 percent of the next $900 as a tuition allowance. For example, this provision will aid the student who attends a school where annual tuition is $200. The veteran would pay the first $100 and 20 percent of the remainder, or a total of $120. For a student who attends a school where tuition is $1,000, he would have an initial outlay of $100 and 20 percent of the remainder, or a total of $380.

The initial outlay of $100 and the requirement that he pay 20 percent of his tuition costs up to the $1,000 level, requires the veteran to have an equity in his own education.

It is essential that each veteran be given the same opportunity under any tuition plan, and I believe the formula recommended by the committee will accomplish that purpose.

E. VOCATIONAL REHABILITATION

In many instances our young veterans have been disabled in the service of our country. The vocational rehabilitation benefits, which this bill provides, gives them the special consideration which they deserve if they are to return to the civilian sector as productive members of society.

Under current law, the veteran must have a 30-percent disability rating or demonstrate the relationship between his need for such training and his particular disability. The provisions of S. 2784 will extend vocational rehabilitation benefits to Vietnam veterans who have a compensable service-connected rating—10 percent. This equalizes this portion of the law with the World War II provision.

F. EMPLOYMENT

Provisions in S. 2784 will extend job training, counseling, and placement services to widows of veterans who die of service-connected causes, and wives of totally disabled veterans. Provisions are contained in the bill to help insure the employment and reemployment rights to which the veteran is entitled under the Veterans Preference Act of 1944.

Mr. President, I believe these major provisions constitute the backbone of a good bill, and I am proud to have had a part in making it up.

II. COST

As a fiscal conservative, I would be less than candid if I did not discuss the cost implications of this bill. This is particularly true because of the need to keep down unnecessary Government spending in order to curb inflation.

First-year cost estimates range in the neighborhood of an additional $2 billion Federal outlay, but I am convinced that this is a necessary and wise expenditure.

I believe the American people will reap the ultimate benefits of this bill, because the funds which we authorize today represent an investment in the future.

An analysis of the economic return of the GI bill substantiates this fact.

In 1965, the Department of Labor and the Department of Commerce analyzed the incomes of veterans and nonveterans in the same age groups. Approximately 10 million World War II and Korean conflict veterans enrolled for education or training under the GI bill. The total cost to the Government was $19 billion.

The income of the veteran who received GI bill assistance averaged from $1,000 to $1,500 a year more than those who did not. On this basis, it was estimated that the trained and educated veterans generated additional income taxes in excess of $1 billion per year for over 20 years. This represented a $20 billion return in taxes alone on the $19 billion cost of the program.

Additionally, the skill levels of those who participated in the program were raised significantly. Around 45 percent of the World War II veterans, 29 percent of the Korean conflict veterans, and 8 percent of the Vietnam era veterans had less than a high school education when they entered training under the GI bill.

Since World War II, the GI bill has provided an impressive part of the Nation's professional and skilled manpower. The number of jobs added to the national productive capability is revealing: 523,000 in engineering; 350,000 in education; 365,000 in the life sciences, physical sciences, and health sciences; over 1 million in business, commerce, and law; and almost 4 million in skilled trades, crafts, and industrial pursuits.

In each instance, the veteran has not been the only beneficiary. Society as a whole has benefited from the training and educational pursuits of veterans under the GI bill. It has paid for itself many times over.

Mr. President, while the cost of this program ranges to almost $2 billion during the coming year, I am convinced it is in the best interest of both the Nation and the veteran to recommend its early enactment. I am convinced that the American people will reap the benefits of the authorization of these funds today. These funds represent not merely an outlay, but an investment in the future of our country.

The American people reposed a great trust in the young men who served us on the field of battle. These young men met the demands which were put before them with the courage and stamina consistent with what the American people expect of their soldiers.

Mr. President, it is now time for us to meet the challenge of providing for the young men of the Vietnam era a comparable GI bill to the one which we provided for their fathers after World War II.

Favorable action on S. 2784 will accomplish that end. Mr. President, I urge its favorable consideration.

Mr. President, I want to take this opportunity to express my deep appreciation to the able and distinguished chairman of the committee (Mr. HARTKE), who has been most helpful and cooperative in holding hearings on this bill and who has expedited it. I feel it is a good bill and is going to be of much benefit to the veterans.

I would also express my appreciation to the ranking minority member of the committee, the distinguished and able Senator from Wyoming (Mr. HANSEN), who did a fine job on this bill.

It is my opinion that the veterans are going to be well pleased with the bill.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Senator from Wisconsin (Mr. NELSON) be added as a cosponsor of the original bill.

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

Mr. HOLLINGS. Mr. President, I call

up, on behalf of my colleague (Mr. THURMOND) and myself, amendment No. 1477.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

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

Amendment No. 1477 is as follows:

On page 78, strike out lines 8 through 10 and insert in lieu thereof the following:

"(1) is in attendance at an approved educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identifiable professional or vocational objective;".

On page 78, between lines 19 and 20, insert the following: "No loan shall be made under this subchapter to an eligible veteran pursuing a program of correspondence, flight, apprentice, and other on-job, or PREP training.".

Mr. HOLLINGS. Mr. President, this particular amendment, which I hope the distinguished manager of the bill will accept, is being offered on behalf of the technical training participants and graduates in the various vocational schools of South Carolina. We happen to have an unusually successful program there.

In discussing this particular amendment, I was told, in a sense, there would be a need for it because of the tuition provisions provided in the general bill. However, there is some question as to whether those tuition provisions would be sustained in conference, and I want to make it as clear as possible, so that there will be no misunderstanding, that we in the Congress believe that a man should be allowed to participate in the loan benefits for vocational training as well as for college training. We are not trying to say to someone, "if you go to college to get a doctor's degree you will be assisted under this program, but if you go to a training center in order to get a skill or get a job, you do not get a loan."

I am aware of the criticism of many proprietary schools and I would like to make several points with reference to this criticism.

First, critics admit that private vocational schools are an important part of this country's postsecondary educational needs and there is a great need for vocational and professional training. Second, the committee is excluding public as well as private vocational and professional schools. Public vocational schools are not an object of criticism. Third, much of the criticism is directed against correspondence schools and short term vocational courses—both of which are excluded from loans under my amendment. Fourth, critics cite that it is a failure of Government regulation and questionable legal tactics of some schools which lead to abuses. We should not discriminate against those schools which offer legitimate vocational training because of the failure of Government to regulate and enforce the law.

I am as concerned as the committee about ending abuses in all areas of Federal educational assistance, and I would go along with any language or provision that the manager of the bill thought was necessary in conference to provide against abuses. But unwarranted discrimination between below college level and institutes of higher learning schools sets a dangerous precedent and is not an effective way to end abuses.

Mr. HARTKE. Mr. President, I have discussed this amendment with the Senator from South Carolina. I think he makes a valid point. We believe we have covered the needs of such vocational schools with the increased educational assistance allowance and the partial tuition assistance allowance, but we are prepared to go ahead and reinforce that by accepting this amendment.

I have discussed it with the ranking minority member of the committee and with the committee itself. We are prepared to accept the amendment and permit it to go to conference.

Mr. HOLLINGS. I thank the Senator very much.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. HARTKE. I yield back the remainder of my time on the amendment.

Mr. HOLLINGS. I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HANSEN. Mr. President, the distinguished Senator from Vermont (Mr. STAFFORD) is the ranking minority member of the Subcommittee on Readjustment, Education, and Employment of the Committee on Veterans' Affairs. He is a delegate to the Interparliamentary Union meeting in Geneva presently and he is absent on official business.

I ask unanimous consent that a statement he has prepared with respect to this bill be included in the RECORD at this point.

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

STATEMENT OF SENATOR STAFFORD

I support S. 2784, the Senate Veterans Affairs Committee's amendments to the G.I. Education Act.

As my colleagues are well aware, Mr. President, the bill before us is the result of action of the Veterans Affairs Committee in its attempts to provide equitable educational benefits for our veterans.

The hearings demonstrated the need for substantial improvement in the benefits so that today's veterans can take advantage of the G.I. Bill.

The bill brought before the Senate would increase the subsistence allowance for a single veteran to $260 a month, which more than adequately covers the cost of living since the last increase. But of more importance to today's veterans is the provision for tuition assistance allowance which is combined with the increase in subsistence allowance.

The committee, after reviewing the testimony and the report supplied by the Educational Testing Service as a result of an amendment that I offered in committee to the last G.I. Education Bill, has devised a partial tuition assistance allowance which will assist our veterans in covering the increased cost of higher education today.

The veteran will be required under this plan to pay the first $100 of tuition costs in any school year and the Veterans Administration will pay 80 percent of the remaining amount, up to a maximum tuition of $1,000.

The Senate bill also includes a number of safeguards to protect both the veteran and the government from abuses which were reported to have existed during the post World War II G.I. Bill era. There are procedures for recovery of any over-payment in the event students do not complete their term, and there are provisions to allow the Veterans Administration to pay the school the tuition on a quarterly or semester basis, as the Administrator might determine to be most feasible.

The bill also makes a number of changes in existing G.I. Education Programs to strengthen and improve them.

It gives statutory authority to the Veterans Representative Program proposed by the President to have a veterans representative or Veterans Administration employee on all college campuses to resolve the difficulties that have become apparent in the delivery system of veterans benefits. This representative will also have the responsibility for overseeing the tuition payment program to insure that veterans get their checks and that any abuses that are detected can be nipped in the bud.

The bill extends the eligibility period of the G.I. Education Law from the present eight years, which expired last May 31st, for an additional two years to give veterans more opportunity to obtain an education.

Mr. President, I think my colleagues, when they examine the bill before us, will agree with me that we have made a substantial adjustment in the G.I. Educational Benefits which will finally establish fairness between the system which we knew after the Second World War and the present needs of our veteran population.

Mr. HANSEN. Mr. President, the distinguished Senator from Idaho (Mr. MCCLURE) is absent because of the death of his father. He, too, has a statement that he would like to have included in the RECORD with respect to this particular bill, and I ask unanimous consent that it may be included in the RECORD at this point.

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

STATEMENT BY SENATOR MCCLURE

I rise in support of S. 2784, the "Vietnam-Era Veterans' Readjustment Act of 1974." This bill will assure the post-Korean and Vietnam era veterans educational benefit opportunities similar to those we received following World War II.

In 1973 a report on the adequacy of the Vietnam era veterans' educational benefits was ordered by the Veterans Administration. Complying with that order the Educational Testing Service of Princeton, N.J. said in part—

"The World War II G.I. Bill was one of the most important and effective pieces of social legislation ever enacted. It profoundly affected the fortunes of our veterans and postwar society and it transformed the Nation's higher education system."

Concerning the present benefits program they stated—

"In general the 'real value' of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam Conflict when adjustments were made for the payment of tuition, fees, books and supplies."

The World War II G.I. Bill paid a monthly subsistence allowance equal to one-third the average national monthly earning—beginning at $75. It paid all tuition, books and fees up to a maximum of $500 yearly, which covered nearly all public and private institutions. Total entitlement available to the veteran was 48 months. While the monthly subsistence went dirctly to the veteran, payments for tuition, books and fees were made to the institutions.

Gross abuses arose, however, out of the direct institutional payments. Thus, following the Korean Conflict, a single direct payment to the veteran was adopted to counter those abuses. The single payment method remains today. From this single educational assistance payment, which begins at $220 for a single veteran, he is expected to help cover his living expenses, tuition, books and fees.

Under the World War II G.I. Bill, more than 7,800,000 veterans received training. It was directly responsible for an increase in collegiate degrees at all levels of from 160,000 in 1946 to over 500,000 in 1950. Due to the G.I. Bill and its use by veterans, public colleges and universities achieved an unprecedented growth, expanding their facilities, curriculums, and faculties. Thus, the upshot of the "G.I. Bill of Rights" was that public collegiate education became available for the average American.

Through use of the G.I. Bill, the skill levels of our country has been greatly enhanced. Under the World War II program our country helped train 450,000 engineers, 360,000 teachers, 380,000 metal workers, 150,000 scientists, 36,000 ministers, and 180,000 doctors, dentists and nurses. Nearly one-fourth of my colleagues here in the Senate received help from these benefits, as did thousands of other leaders at all levels of American life.

More than 14.7 million veterans and eligible dependents have received training under an American veterans' education program. Almost 4.5 million veterans and servicemen have trained under the current G.I. Bill. In the first 90 months of this program, the participation rate for Vietnam era veterans and servicemen reached 50.1 percent. This exceeded the Korean rate of 42.4 percent and nearly equaled the 50.4 percent participation attained under the World War II program. By the end of 1974, the participation rate for Vietnam era veterans is expected to pass 50.5 percent, thus surpassing even the use of the World War II bill.

Under the present G.I. Bill, more veterans have been trained at the college level than were trained under either the World War II or the Korean programs. As of November 1973, more than 2,300,000 post-Korean veterans had received training, as compared to 2,230,000 total collegiate trainees after World War II and 1,213,000 after the Korean Conflict. And the percentage of all Vietnam era veteran trainees undergoing collegiate training is nearly double that of their fathers after World War II. Nearly 57 percent of all Vietnam era veterans using the present G.I. Bill are going to college as compared to 28.6 percent of the World War II trainees.

The primary purpose of the current veteran educational benefits program is to provide vocational readjustment and restore lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955.

The major provisions of S. 2784, the "Vietnam-Era Veterans' Readjustment Assistance Act of 1974" include the following:

1) Veterans will receive an increase of 18 percent in assistance benefits. Thus a single vetaran will receive $260 a month rather than the present $220. A married veteran will receive $309; with one child—$352; for each additional child—$21.

2) A partial tuition payment that could help the veteran with up to $720 a year will be instituted. Under this partial tuition plan, the veteran will pay the first $100 of his tuition. Then the Federal Government will pay 80 percent of his tuition costs between that $100 and $1000. Unlike the World War II bill, these tuition payments will be made directly to the veteran.

3) Benefit entitlement will be increased from 36 to 45 months, thus expanding the educational benefits for 5 school years. The formula for figuring entitlement will remain the same; the eligible veteran will receive 1½ months of educational benefits for each month spent on active duty after January 31, 1955; 18 months of active duty shall automatically entitle one to the maximum educational assistance of 45 months.

4) Veterans will have 10 years instead of the current 8 in which to use their educational entitlement. No other single aspect of veterans' educational benefits has elicited the response like that I have been receiving on extending the use period delimiting date. This action will allow some 285,000 veterans who were training in May to finish their educational aspirations.

5) A low interest loan program will provide up to $2,000 a year in educational loans made directly to veterans attending higher cost schools. Not only would this program allow the veterans to make an investment in his own future, it would also provide him access to most private institutions.

(6) Vocational rehabilitation benefits will be made available to any otherwise eligible veteran who is compensably disabled—10 percent or more. Present regulations require that a veteran be 30 percent compensably disabled to be entitled to Chapter 31 benefits.

The cost of S. 2784 will not be slight, but I think well justified. Since the first G.I. Bill we have spent nearly $30 billion on the education of our veterans. The Internal Revenue Service has estimated that the $14.5 billion invested in the World War II G.I. Bill has been returned to us six times over in increased tax revenues. And they have estimated that if they were to include tax revenue from non-veterans who benefited indirectly from the G.I. Bill's expansion of the educational system, this estimate could top $150 billion. As this program has seemed more of an investment than a cost in the past, so it will continue to be in the future. Present yearly cost of the Vietnam era G.I. Bill is $3.2 billion. Proposed first year costs under S. 2784 will add an additional $2.1 billion.

I believe that service in the Armed Forces in time of war or national emergency is a very special service to our country. We have taken the most important career preparation years in these young men and women's lives. Are we also going to deprive them of education and training that would assure them and their families a better job or a better life? These men and women who gave for our country are entitled to special consideration.

During World War II, speaking about a need for educational benefits for American military men and women following the war, President Franklin D. Roosevelt exclaimed that—

". . .we have taught our youth how to wage war; we must also teach them how to have useful and happy lives in freedom, justice, and decency."

In looking for a way to help Vietnam veterans make the transition back to a complex, indifferent and sometimes hostile civilian life, we would be well advised to heed the words of General Omar Bradley, when, in speaking in 1969 about the 25th Anniversary of the original GI Bill, he stated in part—

"In the G.I. Bill, Congress offered the veterans a valuable stake in themselves. They took heart in the knowledge that the nation stood ready to back their civilian chances in making good. Veterans wanted only the fair chance to become self-supporting, self-sufficient, self-respecting American citizens . . . .

The G.I. Bill . . . provided a uniquely new and different investment in the proven capabilities of our young men and women. It gave them the freedom to find their own security as confidently as they had once sought security for the nation . . ."

I want to see that the Vietnam veteran receives an equal opportunity to prepare himself for an active, productive and rewarding civilian life. The Vietnam veteran does not ask for special favors—he merely asks for an even break, comparable to what his father was granted.

In presenting S. 2784, we have offered hope to our veterans and to the future of our country, with educational benefits comparable to those we received after World War II. I urge you to support the future of our young veterans by voting for S. 2784, the "Vietnam-Era Veterans' Readjustment Act of 1974."

Mr. HARTKE. Mr. President, I ask unanimous consent that the Senator from Missouri (Mr. EAGLETON) be added as a cosponsor of the original bill.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

On whose time?

Mr. HARTKE. I am willing to charge it to my side.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. HARTKE. Mr. President, I yield to the Senator from California.

TRUE COMPARABILITY OF GI BILL BENEFITS AT LONG LAST FOR TODAY'S VETERANS

Mr. CRANSTON. Mr. President, I rise to urge the Senate to give its full support to the pending measure, the Vietnam-era Veterans Readjustment Assistance Act of 1974, S. 2784, as reported from the Committee on Veterans' Affairs. As with all other actions of our committee, this one was taken unanimously and on a bipartisan basis, the way in which all veterans matters should be considered.

INTRODUCTION

Mr. President, as the principal coauthor of the reported bill with the distinguished chairman of the Committee on Veterans' Affairs, the Senator from Indiana (Mr. HARTKE), I believe that finally—after so many years of trying—we have produced a measure which will provide the basis for consultations with the House committee, after which we will have provided a true measure of comparability of GI bill educational assistance for Vietnam-era veterans with the level of benefits provided after World War II and the Korean conflict. Specifically, the 18.2-percent rate increase coupled with the new education loan program, the 9 months of additional monthly GI bill entitlement, the 2-year

extension of the eligibility period, and the new partial tuition assistance allowance program provide the most comprehensive extension of benefits of any veterans measure considered in the Congress in the last several years.

Thus, I consider the reported bill to be a fitting companion to the comprehensive GI bill measures we enacted—Public Law 91–219 and Public Law 92–540—in 1970 and 1972, of which I was the principal sponsor in 1970 and the co-author with Senator HARTKE in 1972.

Mr. President, the reported bill is a tribute to the skill, dedication, and perseverance of the distinguished Senator from Indiana. Through his leadership, Chairman HARTKE has brought all members of the Veterans' Committee together behind this very broad, comprehensive measure. It is designed to deal with the widest possible range of education, training, and employment programs and problems for the returning veteran. It has been a great privilege for me to collaborate with him in producing this very broad-based measure, and I want to personally thank him for all his cooperation and congratulate him for having produced such a truly beneficial and important measure.

SUMMARY OF THE REPORTED BILL

Mr. President, I would like to summarize briefly the major provisions of the reported bill and then discuss a number of them in more detail. Among the major features of S. 2784 as reported are:

First. An extension from 8 to 10 years of the eligibility period—the so-called delimiting period within which post-Korean conflict and Vietnam-era veterans must utilize their monthly educational assistance benefits under the present GI bill;

Second. An 18.2-percent, across-the-board rate increase in all GI bill programs, increasing the basic single/no-dependent veteran rate for full-time institutional study from $220 to $260 per month;

Third. A new partial tuition assistance allowance program, under which a veteran or chapter 35 dependent could receive from the VA up to $720 in tuition assistance payments after paying the first $100 of tuition himself. Thereafter the veteran would receive 20 percent of tuition amounts over $100, up to $1,000;

Fourth. An increase in the maximum number of months of entitlement for a veteran to study or receive training under the GI bill from the present 36 months to 45 months;

Fifth. Establishment of a new veterans' and eligible dependents' education loan program under which low-interest education loans of up to $2,000 per academic year would be made to GI bill trainees based on their financial need and living and education costs;

Sixth. Provision of up to 6 months of refresher training—a very important new feature when coupled with the additional 9 months of eligibility—for any post-Korean conflict veteran using GI bill training to update knowledge and skills in light of technological advances since their period of military service;

Seventh. Improvement and expansion of the veterans work-study program and the tutorial assistance program, which I authored in 1972 and 1970, respectively;

Eighth. Addition of substantial new authority for the Administrator to cut down on misleading and deceptive sales promotion of fly-by-night trade or technical courses and other similar abuses occurring in the present GI bill program;

Ninth. Strengthening of the present VA outreach program which I authored in 1970;

Tenth. Substantial improvement of benefits for education, training, and employment assistance for wives and widows of service-connected veterans;

Eleventh. Requiring very significant new information and assurances from the Secretary of Labor in providing job placement assistance through the Veterans Employment Service, provisions which I authored in 1970 originally;

Twelfth. Direction to the Secretary of Labor to get on the ball and start implementing, in a meaningful manner, the program I authored in 1972—which he has been refusing to carry out—requiring Federal contractors and subcontractors to provide special emphasis in their hiring to qualified disabled and Vietnam-era veterans;

Thirteenth. Establishment of a new Federal Government program requiring each Federal agency and department to provide the maximum employment and job advancement opportunities for qualified disabled and Vietnam-era veterans, and beefing up of the existing special appointment authority for Vietnam-era veterans to obtain jobs in the Federal Government.

Fourteenth. Provision of statutory authority for the new Vet Rep program which the administration proposes to initiate at educational institutions around the country in order to facilitate the payment of GI bill education checks, providing, however, the necessary congressional guidance with respect to the flexibility with which the program must be implemented and assurances that the program will not in any way supplant or interfere with the operation of the Veterans Cost-of-Instruction program which I authored in the Education Amendments of 1972, Public Law 92–318;

Fifteenth. Establishment of a new Interagency Advisory Council on Veterans Services within the Veterans' Administration, chaired by the Administrator of Veterans Affairs, with the task of, for the first time, bringing together the capacity of the Federal Government to deal in a coordinated way and a planned way with the numerous Federal programs which provide benefits and services directly for or highly relevant to veterans; and

Sixteenth. A requirement that the VA collect, collate, and analyze all relevant program and benefits data, make such compilations publicly available and submit them to the Congress bi-monthly, and that the VA provide for independent evaluations of the program impact and effectiveness of all its programs.

DISCUSSION EXTENDING THE TIME PERIOD TO UTILIZE GI BILL BENEFITS

With passage of Public Law 93–293 on May 31, 1974, we provided a 30-day temporary extension of the 8-year delimiting period which runs from June 1, 1966, for post-Korean conflict veterans who were discharged prior to that date. Had we not acted, approximately 4 million post-Korean conflict veterans currently eligible for educational assistance benefits would have lost whatever monthly eligibility they had remaining on May 31, as well as approximately 143,000 Vietnam-era veterans discharged in fiscal years 1965 and 1966.

Mr. President, in the reported bill we have now acted to extend for a full 2 years this delimiting period. This will be of immediate assistance to approximately 530,000 post-Korean and Vietnam-era veterans who have received training during the current fiscal year under the GI bill.

The figures that we have from the Veterans' Administration show that approximately 285,000 veterans who were actually in training as of May 31 would actually have lost their remaining monthly benefits had we not acted in Public Law 93–293. Since the House-passed GI bill amendments include a 2-year extension of the delimiting period, veterans across the country should feel assured that this provision will very shortly be enacted into law.

The justification for this 2-year extension is ample indeed. When I came to the Senate in 1969 I found a GI bill rate of only $130 per month which was just $20 more than post-Korean conflict veterans had been receiving under the GI bill program 17 years before in 1952. Indeed, when the original post-Korean conflict GI bill was enacted, the rates were, incredibly, set at a figure of $100 per month, $10 below the $110 Korean conflict rate I have just referred to.

Thus, until we enacted Public Law 91–219 in March of 1970, for which I was the responsible subcommittee chairman and Senate floor manager, the Congress had not really made even the most rudimentary effort to provide an adequate level of benefits for education and training under the GI bill. In that year, we increased rates by approximately 35 percent so that the veteran with no dependents who was studying full time could receive $175 per month. We followed this, as Senators are aware, with a 26-percent increase in the fall of 1972, bringing the rate for such a veteran to the present level of $220.

Thus, Mr. President, this background of the growth in the GI bill rate structure should make very clear that many veterans were just absolutely financially unable to afford to pursue education or training under the GI bill until, at the earliest, 1970, and for many veterans until 1972 in States—unlike my State of California—where there was no adequate low-cost public education available. Thus, there should be no doubt about the justification for an extension of the present 8-year delimiting period in view of the inadequacy of the rate structure for the early years of the post-Korean conflict GI bill.

INCREASE IN RATES

Mr. President, in the committee bill, as introduced, the basic monthly educational assistance allowance rate was set at $270 in order to attempt to restore

comparability with World War II GI bill rates. This rate was based on the $250 level which had been adopted unanimously, both in committee and in the Senate, in 1972, which our calculations showed were necessary to achieve GI bill benefit comparability at that time. This $250 figure was then adjusted by the cost-of-living increase —CPI—from fall 1972 to fall 1973, when S. 2784 was introduced—December 6, 1973—which required about an 8-percent increase. In view of the tuition assistance allowance program provision added to the bill in committee, however, this basic GI bill rate was lowered to $260 per month.

Mr. President, although I recognized why some felt the need to modify the allowance rate in consideration of the tuition assistance allowance program contained in the reported bill, I was and still am concerned that we may be taking money out of one veteran's pocket to put it in another veteran's pocket. In California, for example, where almost 17 percent of all college-level GI bill trainees nationwide were studying this past school year, the most recent data show more than 185,000 GI bill trainees studying, of whom 115,834 pay no tuition and another 41,574 pay very low tuition—about $150. Thus, 157,408 GI bill trainees in California, alone, would get no or very little—$40 per year—benefit out of a tuition subsidy program.

In other States, such as North Carolina, were 23,760 veterans are going to school on the GI bill, almost half of them are enrolled in schools with very low rates of tuition, and in Hawaii, almost 3,000 veterans would receive only $40 per year in tuition payments, as a result of very low cost tuition.

Mr. President, in order to correct this potentially serious inequity—particularly if the House does not agree to a tuition assistance allowance program—I attempted to raise the basic monthly educational assistance allowance rate to $280 and then $270, respectively, during committee consideration of the bill. Although I regret that my proposed amendments were not accepted by the committee, I am hopeful that we will eventually succeed in providing the best total package of educational assistance benefits to all student-veterans.

Mr. President, I have a number of questions with respect to the increase in rates of educational assistance and the new partial tuition assistance allowance program which I would like to put to the distinguished floor manager, my colleague from Indiana (Mr. HARTKE), with whom I have been privileged to work so closely in the Committee on Veterans' Affairs and its Subcommittee on Readjustment, Education, and Employment.

First, I would like to ask the distinguished floor manager if it is the case, as I believe it to be, that the members of the committee in reporting this legislation considered that the provisions in the reported bill dealing with educational assistance—providing a combination of an 18.2-percent rate increase and the new partial tuition assistance allowance program—were together a substitute for the original 22.7 percent rate increase included in S. 2784 as introduced last December? In other words, in conferring with the House we consider that our action in this bill with respect to educational assistance proposes this combination of educational assistance as contrasted with the House provision increasing GI bill rates by 13.6 percent. Am I correct in this understanding?

Mr. HARTKE. The Senator is certainly correct. This matter, as the Senator knows, was very much in the minds of the committee members and is made clear in the drafting of sections 102 and 104 of the committee bill and in the report. It was also discussed in great detail during the committee's executive session.

Mr. CRANSTON. I want to thank the distinguished floor manager for his answer and ask him this further question: Again, it is my understanding that, in analyzing the total value of the educational assistance provisions in the reported bill, one has to take into account the adjusted value of the up to $720 partial tuition assistance allowance which the veteran or eligible dependent may be entitled to receive. The VA's cost estimates show that the national average public college tuition for fiscal year 1975 will be $452, of which the first $100 would be excluded under the tuition assistance program in the reported bill. Thus, the average veteran pursuing a public education would receive a partial tuition assistance allowance payment of 80 percent of $352, or approximately $281, under the new program. It seems to me, therefore, Mr. President, that the value, speaking in terms of the traditional GI bill rate figures, of the full Senate bill educational assistance provision will be approximately $291 per month for the single veteran with no dependents pursuing full-time education. This is composed of the $260 rate resulting from the 18.2-percent rate increase—over the present $220 rate for such a veteran—plus a $31 per-month value of the average partial tuition assistance allowance payment derived by dividing the average payment of $281 for an academic year by 9 months.

My question for the distinguished floor manager is this: Does he agree that in working out the differences between the House and the Senate bills, the Senate, viewed in traditional terms, will be negotiating from an educational assistance value of approximately $291 per month and the House will be negotiating from a position of $250?

Mr. HARTKE. The Senate will be negotiating with respect to a total educational assistance package, which consists of increases in the monthly educational assistance allowance and a partial tuition assistance allowance. If viewed in strictly monetary terms using the traditional single monthly assistance allowance, it would be correct to say, as the senior Senator from California has suggested, that we would be negotiating between approximately $291 and $250 per month.

PARTIAL TUITION ASSISTANCE ALLOWANCE PROGRAM

Mr. President, there was very considerable sentiment in the Senate this year, as represented by the numerous cosponsors of S. 2789, the bill jointly and principally sponsored by Senators MCGOVERN, MATHIAS, INOUYE, and DOLE, for some kind of variable tuition assistance program to be added to the basic GI bill monthly educational assistance allowance program. The argument was forcefully presented that the GI bill participation rate, when analyzed on a State-by-State basis, shows that the degree of participation among States varies in some general relationship to the availability of lower cost public higher education in such States. This, of course, has not been a great problem for the veterans training in California where we have the only free public higher education system that I am aware of in the United States—the California Community College system in which about 116,000 veterans were going to school this semester under the GI bill, almost 10 percent of all college GI bill trainees nationally—a truly phenomenal figure.

Although I must confess that I have some doubts about how effectively the VA would be able to administer such a new partial tuition assistance allowance program, given the incredible mess which it made in some places—unfortunately in California—of the new advance educational assistance allowance program which we established in the 1972 Public Law, I supported this provision in committee in view of the very strong sentiment within the committee for such a program. I did, as I indicated earlier, feel very strongly that we should not sacrifice the level of the rate for the basic educational assistance allowance in order to provide for such a program of partial tuition assistance allowance payments, and I continue to believe that our cutting the $275 rate, as it was proposed in S. 2784 as introduced, was a mistake. However, I was unable to convince the committee on this, and I hope that subsequent events will prove me to have been mistaken in my concerns about this.

Mr. President, I recognize in this connection that the availability of lower cost public education in the State of California, not only in the community college system but also in the State college and university system, is the principal reason why such a very high percentage of all GI bill trainees nationally are training or receiving their education in my State, and disproportionately fewer in many other States and the inequity thus may pose for veterans residing in those States seeking to use their GI bill benefits.

NEW EDUCATION LOAN PROGRAM

Mr. President, the reported bill contains, with some modification, the provisions proposing a new education loan program for eligible veterans and chapter 35 eligible dependents, which Senator HARTKE and I had proposed originally in 1972 in S. 2161 and which had been passed by the Senate at that time. Unfortunately, in our consultations with the House on that legislation we were unable to convince them of the necessity for that program. My hope is that we can do so this time.

Mr. President, the new loan program should provide the wherewithall for vet-

erans in high and higher-cost institutions to receive loans to cover their tuition and other expenses at low interest rates and with the principle and interest payments deferred until after they have completed their education. Surely, I believe, the data is overwhelming that, at the very minimum, we must this year enact some program to deal with the variable tuition costs among universities and colleges and particularly the education costs as they vary from State to State depending upon the availability of lower-cost public education.

Mr. President, I think the fact that the VA estimates that approximately 136,000 veterans would receive these loans—permitted up to $2,000 per academic year—in the first full year of operation of the new program is probably the most telling argument showing the need for such a program. This very high rate of projected use for the first year of such a new program clearly demonstrates the difficulty which GI bill trainees are experiencing in obtaining regular education loans even under the program of federally insured loans under the Higher Education Act of 1965.

NINE ADDITIONAL MONTHS OF GI BILL ELIGIBILITY

Mr. President, during committee consideration of S. 2784, I proposed an amendment to increase the total GI bill entitlement period by 9 months, from the present 36-month period to 45 months. I am especially gratified that this amendment was accepted by the committee, as I believe it improves significantly the overall educational assistance program. Many veterans, who must take reduced credit loads in order to work to supplement their incomes, will be insured of the additional months of educational assistance they may need to complete their education, as a result of this provision.

Mr. President, the GI bill educational assistance program was originally designed to assist veterans in their readjustment to civilian life. Particularly, during this period when an undergraduate degree is absolutely necessary to achieve minimum competitiveness in today's job market, the GI bill should at least provide a fair opportunity for all veterans to obtain a bachelor's degree.

However, the high cost of education, the loss of credits involved in transferring from a 2-year college to a 4-year college, and the lack of adequate GI bill benefits until very recently, have combined to make it difficult, if not impossible, for many veterans to complete baccalaureate degree requirements within 4 school years.

Further, Mr. President, VA statistics indicate that 48.8 percent of all GI bill trainees have dependents. Many of these veterans are forced to take reduced work loads in school in order to take jobs to support their families. The American Association of Community and Junior Colleges noted in testimony before the committee that "most veterans averaged only 12 credit-hours for an average semester." Under current law, veterans can receive full monthly benefits for 12 credit-hours of study. But as the National Association of Concerned Veterans—NACV—pointed out, 12 credit-hours per semester adds up to 96 credit-hours after 4 school years, or 24 credit-hours short of the 120 required for graduation. On a quarter system, 4 years of the minimum requirement will accumulate 144 or 36 credits short of the 180 necessary for graduation.

Additionally, many lower cost public institutions, where most veterans turn for their education, are overcrowded. As a result, it is often difficult for veterans to gain admission to required courses. According to a recent survey, it took 690 veterans an average of 5 years to complete their degrees at the California State University at Fullerton and the University of California at Irvine.

Mr. President, a final consideration is reflected in a recent report by the Carnegie Institute on Higher Education, which points out that educational requirements imposed by employers, State licensing agencies, and professional certification boards demand increasing periods of higher education. In plain terms, what a bachelor's degree would qualify a veteran for in 1948 or 1955 in terms of salary and job responsibility may very well require a master's degree in 1974. Although the extension of monthly entitlement from 36 to 45 months is primarily intended as a means to insure that all veterans may obtain at least an undergraduate degree, I believe this provision will do much to enhance the ability of many veterans to be economically and educationally competitive with their nonveteran peers.

Mr. President, it should be pointed out that this additional 9 months of monthly eligibility when coupled with the provision in the committee bill providing for up to 6 months of refresher training in an individual's chosen field provides some very valuable new eligibility for veterans who by virtue of increased technological demands or alterations in the aerospace or defense industries no longer have skills which are marketable in their general occupational fields.

PROVISIONS TO INCREASE SERVICES TO EDUCATIONALLY DISADVANTAGED VETERANS

Mr. President, in 1970 and 1972 I authored and coauthored with Senator HARTKE, respectively, major new programs to provide special assistance to high school dropout veterans. These were the predischarge education program—PREP—the special tutorial assistance program, the refresher, deficiency on-campus program, and the veterans outreach services program in 1970 in Public Law 91–219, and expansions and improvements of those programs and the addition of the veterans-student-services program in Public Law 92–540.

Unfortunately, the implementation of these programs by the Veterans' Administration has continued to be less than adequate and less than enthusiastic. The very comprehensive committee report discusses a number of these concerns on pages 44–47, 72–75, and 92–97.

Mr. President, I ask unanimous consent that this discussion from the committee report be set forth in the RECORD at this point.

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

EDUCATIONALLY DISADVANTAGED VETERANS

This Committee continues to be very concerned with the plight of educationally disadvantaged veterans. Every index reveals that these are people who bore a disproportionate share of combat in Vietnam whose level of skill training and education increased little in service, and who, to an alarming degree, do not take advantage of the very educational benefits that could serve them so well.

The term "educationally disadvantaged" veteran generally means one who has less than a high school education or equivalency, and by this standard, during the Vietnam era, from August of 1964 through 1973, 959,000 men and women who had less than high school educations were honorably discharged from the military as shown in the following table:

TABLE 9.—ESTIMATED NUMBER OF VIETNAM ERA VETERANS SEPARATED FROM THE ARMED FORCES WHO HAD COMPLETED LESS THAN A HIGH SCHOOL EDUCATION

[Numbers in thousands]

	With honorable discharge and 6 months or more of active duty service			
		Did not complete high school		
Fiscal year of separation	Total separations	Total	Percent of total separations	Number
August 1964–June 1965	496	455	22.2	110
1966	550	505	16.9	93
1967	576	502	18.2	105
1968	788	698	16.0	126
1969	972	871	14.4	140
1970	1,043	930	13.9	145
1971	995	876	11.3	112
1972	870	753	9.5	83
1973	614	504	7.3	45
Vietnam era	6,904	6,094	13.9	95

Equally disturbing, the President's Committee on the Vietnam Veteran reported that test results revealed that 30 percent of high school graduates scored as poorly or worse than the average score of those who had not completed high school. Using this figure as a minimum, another 1.4 million veterans should properly be categorized as "educationally disadvantaged."

While the educationally disadvantaged veteran population is not synonymous with the minority-group veteran population, there is considerable overlap, and the problems of both groups are similar and similarly severe in contrast to other veterans. In this connection, it is worthwhile to point out that black veterans constituted 20 percent of combat fatalities in Vietnam even though blacks comprised only 12.6 percent of military forces during the course of war.

To insure that the educationally disadvantaged veteran would have access to the GI bill, it became clear to the Congress, even before the formation of this Committee, three years ago, that special help ought to be provided.

Over the past five years, programs have been set up and strengthened that would provide academic and vocational brushup work to servicemen with education and training deficiencies before and after separation.

A Predischarge Education Program (PREP) providing academic assistance was established in Public Law 91–219 by Congress, and the Transition Program providing for vocational training was established by the Defense Department, both programs focusing on servicemen before separation. Monies have been provided in the GI bill for veterans to get high school diplomas, take refresher courses, and to receive individual tutorial assistance

where needed, all without charge to their basic entitlement.

To gauge the success of these programs, this Committee requested the Government Accounting Office to survey a sampling of educationally disadvantaged veterans.

Pursuant to our request, the GAO was able to secure about 1,200 completed detailed questionnaires from educationally disadvantaged veterans. All had been discharged between May 1968 and November 1972; most were married, and most were not currently enrolled in school or training. Data was compiled and sent to this Committee in October 1973.

According to the data, 90 percent of the educationally disadvantaged never heard of the PREP program before or during their time in service. About 60 percent never were aware of it.

Only about 30 percent of those questioned knew about the Transition Program before or during their time in service; 40 percent never heard of it.

Yet, among valid responses, 58 percent said they would have used the PREP and Transition Programs had they known about them.

While these figures are distressing, on their face, they cause even further concern in light of the contention in a study by the Educational Testing Service of Princeton, New Jersey, "that preservice exposure to postsecondary education is a major influence of GI bill use." (The study was mandated by the Congress in Public Law 92-540 as a review of the comparability provided under the World War II, Korean conflict, and Vietnam era GI bills.)

Congress hoped that tutorial assistance for those in postsecondary education would have a major impact on encouraging educationally disadvantaged veterans to enroll. The step up from high school to college is a substantial one in terms of ability, work, and discipline required. A veteran could receive immediate, one-to-one help in courses he was finding particularly troublesome. Tutors could shore up academic deficiencies and confidence.

Public Law 91-219 thus provided $50 a month for up to nine months of individually tutorial assistance for veterans having academic difficulties, and Public Law 92-540 liberalized and clarified the programs governing this program.

Yet, in fiscal years 1971 through March of 1974, only 40,501 veterans had taken advantage of tutorial assistance, and only for an average of 2.3 months.

While 61 percent of the disadvantaged veterans questioned by GAO never heard about tutorial assistance, 55 percent said they would be encouraged to enter an education or training program if they knew that tutorial assistance was available for any courses they took after completing a high school curriculum.

As well known as the GI bill is, more than 10 percent of those queried never heard of it at all, and more than 50 percent had never used it.

Of the 1,200 respondents, 79 percent didn't participate in PREP, 71 percent did not participate in the Transition Program (the Transition Program has been phased out by the Defense Department as of the end of June 1974), and 75 percent did not take advantage of tutorial assistance. (The reported bill would extend maximum tutorial assistance benefits from 9 to 12 months and increase the assistance rate from $50 to $60 a month.)

The Committee believes all of these are conservative figures because some of the responses were invalid and some questions were not answered.

What is so particularly disturbing to the Committee is the recognition that a major reason educationally disadvantaged do not use their benefits is because they do not know about them.

There are a plethora of programs and plans, spelled out as law and as congressional intent, that make special provision for these veterans to overcome their educational deficiencies. Vigorous informational and outreach efforts are supposed to be underway—in the Defense Department, the Veterans' Administration, the Labor Department, and other Federal agencies—to insure that these veterans know about and are encouraged to use the full range of the benefits to which they are entitled.

Yet, 71 percent of respondents in the GAO study did not receive personal counseling from the Veterans' Administration or a representative of a service organization to explain available benefits; more than 83 percent of the educationally disadvantaged veterans questioned said that a personal interview either would or might have influenced them to seek an education with VA benefits.

Of those who continued their educations under the GI bill, only 14 percent said they were most influenced in that decision by a military advisor, VA, or veterans' service organization representative.

Data in the Educational Testing Service report shows that only 5 percent of educationally disadvantaged veterans in training or education had received counseling at a VA facility and only 2.9 percent received counseling from a VA contact officer.

This last figure is particularly distressing in view of the Committee's belief that outreach (particularly by peer group veterans) is vital in giving information and encouragement to educationally disadvantaged veterans.

With this in mind, a work/study program—called "veteran-student services"—was adopted in 1972 in Public Law 92-540. With the monies provided, approximately 16,000 young veterans were authorized to be employed by the VA yearly to work on college campuses or at the Veterans' Administration. They could work 100 hours a school-year, at $2.50 an hour.

Besides providing extra money to needy veterans, a major purpose of the work/study program was to increase peer group outreach efforts to encourage young veterans to utilize their educational benefits, and the laws so provided.

Faced with the continuing problem of the underutilization of the GI bill by the educationally disadvantaged veteran, the reported bill would substantially expand the work/study program to bolster outreach efforts. It would increase the number of hours a veteran could be employed by the VA from 150 to 250 and remove any limit on the number of veterans who could be utilized, thus clearing the way for the Veterans' Administration to enter into work-study agreements with as many part-time veteran students as it deemed necessary.

Amendments are also made to strengthen and expand the Veterans' Outreach Service program enacted in 1970 in subchapter IV of chapter 3, including requiring greater personal contact with the veteran and requiring the VA to enter into contracts to utilize community-based national or local organizations which have particular expertise in communicating with and providing services to disadvantaged veterans.

The Committee believes that these amendments together with an expansion of the work/study program offer a rare opportunity to break the cycle of poverty and disillusionment into which so many educationally disadvantaged veterans are locked.

SECTION 205

This section would amend section 1682 by adding a new subsection (d) to provide that eligible veterans with qualifying periods of service under the current GI bill may be allowed up to 6 months of educational assistance to pursue refresher training to update knowledge and skills in order to cope with the technological advances occurring in the field of employment during the period of their active military service. Section 1671 currently provides that the Administrator may not approve educational assistance programs for courses for which the veteran is "already qualified". New subsection (d) would allow up to 6 months of refresher training to permit veterans to update their skills in an occupation or profession in which they are already qualified.

The rate of allowance shall be the same as that paid to a veteran under section 1682 and shall be charged against a veteran's period of entitlement earned pursuant to section 1661 (presently 36 months; proposed to be 45 months in section 202(1) of the reported bill). The Veterans' Administration, which concurs in the principle of refresher training, estimates that approximately 1,900 veterans will utilize refresher training in the first full fiscal year at a cost of $3.1 million. The following table indicates the number of veterans expected to train under the refresher section and the cost for the first five fiscal years, if the provision is enacted:

TABLE 16.—SEC. 205: REFRESHER TRAINING

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	1,900	1,600	1,600	1,600	1,600	
Cost (millions)	$3.1	$2.6	$2.6	$2.6	$2.6	$13.5

SECTION 206

The veteran-student services program authorized under section 1685 (also known as the veteran's work-study program) would be amended to increase the maximum number of hours an individual student may work and also would remove the statutory ceiling on the number of veterans who can participate in the program. As originally proposed and passed by the Senate in 1972, this program had no statutory limit on the number of veterans who could be hired other than the extent to which they could be effectively utilized by the VA. Currently, a veteran may work up to a hundred hours and receive a work-study allowance based on a rate of $2.50 an hour. Amendments made by this section would increase the maximum number of hours that a veteran may work up to 250 hours and, in addition, it would remove the statutory limits presently in effect which effectively limit the program to 16,000 veterans.

During the three months of fiscal year 1973 in which the program was in operation, applications were received from 4,226 chapter 34 veterans and from 729 chapter 31 disabled veterans. Payments were authorized to 1,256 chapter 34 and 372 chapter 31 veterans to work 100 hours. An additional 1,063 and 178, respectively, were to work less than 100 hours. During both years combined through February 1974, a total of 4,259 veterans who worked a total of 322,778 hours either completed or terminated their agreements.

The Committee has been quite concerned that there has been such little use of work-study students generally and specifically to perform hospital-related work and to perform outreach services under subchapter IV of chapter 3, as authorized and directed by the present language in section 1685. In Fiscal Year 1973, only 4.1 percent of the total work-study hours were devoted to outbreak. In Fiscal 1974 to date, that figure has decreased to 2.4 percent of the total hours as reflected in the following table:

TABLE 17.—USE OF VETERAN-STUDENT SERVICES UNDER THE WORK-STUDY PROGRAM

Use	Fiscal year 1973		Fiscal year 1974	
	Man-hours	Percent	Man-hours	Percent
VA liaison and compliance surveys	2,450	1.1	6,200	0.6
VA paperwork processing	44,537	20.3	187,129	17.6
Outreach	8,975	4.1	25,535	2.4
Assisting at institutions	161,510	73.5	831,146	78.0
Other	2,300	1.0	15,538	1.4
Total	219,772	100.0	1,065,548	100.0

This low percentage is inconsistent with the emphasis placed by Congress in section 1685 on outreach activities. Accordingly, the Committee expects a much larger percentage of work-study veterans activities to be devoted to outreach activities particularly now that veterans' representatives (scheduled to be stationed on campus provided for by section 217 of the reported bill) will be available to supervise such outreach efforts.

Subsection (*a*) amends section 1685(a) of chapter 34 to raise the maximum work-study allowance to a veteran from $250 to $625 and to provide a corresponding increase in the number of hours during which a veteran may work under this program from 100 to 250 hours per semester or enrollment period.

Subsection (*b*) amends section 1685(a) to provide that the work-study allowance in cases where an agreement is entered into for the performance of less than 250 hours of service shall be computed by dividing 250 by the number of hours of work agreed to be performed and applying that ratio to the sum $625. Current law provides that the figures to be used in such instances are 100 hours and $250, respectively.

Also, if such agreement provides for the performing of services for 100 hours or more, the veteran student shall be paid $250 in advance. If the agreement provides for performing less than 100 hours, the amount of the advance payment shall be computed on a pro rata basis as set forth above.

Subsection (*c*) amends section 1685(c) to remove the limitation on the number of student-veterans the Veterans' Administration may assist under the work-study program. Current law restricts the number of veterans in work-study to maximum of 800 man-years or the equivalent in man-hours during any fiscal year.

The Veterans' Administration estimates that the cost attributable to this amendment would be $8.3 million for fiscal year 1975 and each of the five fiscal years thereafter, which assumes that the current 800 man-year limit will be tripled to approximately 2,400 man-years. (This would allow 50,000 veterans to be utilized averaging 100-hours of employment.) The Committee takes note that, in its 1972 report to the Senate of provisions which contained no statutory limits, the Veterans' Administration estimated that in excess of 100,000 veterans could be effectively utilized under the work-study program at a first-year cost of approximately $35.1 million. Thus the actual cost and the need for veteran-student services may be larger than estimated by the Veterans' Administration in its recent report.

SECTION 207

This section would increase the benefits available under subchapter V, providing for special assistance for the educationally disadvantaged. Section 1692 of that subchapter provides that a veteran or serviceman pursuing a postsecondary program of education on a halftime or better basis at an educational institution may receive "individualized tutorial assistance" where the veteran "has a deficiency in a subject" required to satisfactorily pursue his program of education. Under current law he may receive assistance at the rate of $50 a month for a maximum of nine months or until a maximum of $450 is utilized. Approximately 41,000 veterans have received tutorial assistance since the program began in July of 1970, with 7,447 receiving assistance in the third quarter of the current fiscal year as shown in the following table:

TABLE 18.—CHAPTER 34: TUTORIAL ASSISTANCE, FISCAL YEARS 1971–74[1]

Fiscal year	Quarters				Cumulative, end of fiscal year[2]	Cumulative payment months, end of fiscal year
	1st	2d	3d	4th		
1971	8	585	1,301	2,313	3,107	6,266
1972	933	2,208	3,044	3,967	11,626	26,710
1973	1,776	3,517	5,236	6,503	26,574	62,062
1974	3,009	5,242	7,447	.....	[3] 40,501	93,736

[1] Number of persons paid during quarter.
[2] Unduplicated number of persons paid since report began July 1970.
[3] Cumulative through Mar. 31, 1974.

Amendments made by this section would provide a modest cost of living increase in the monthly rate from $50 to $60 a month. The cost-of-living increase as measured by changes in the Consumer Price Index, since the inception of the tutorial assistance program in Public Law 91–219 on March 26, 1970, has increased 26 percent and the increase provided by this section would generally cover the cost-of-living change since that time. In addition, the section would also extend the maximum assistance available from 9 to 12 months. The Veterans' Administration is unable to supply information as to the median duration of tutorial assistance rendered to veterans or the number who have exhausted their assistance entitlement. They do estimate, however, that 15,000 veterans will receive tutorial assistance in the coming fiscal year and that enactment of section 207 will result in additional first-year costs of $800,000 decreasing to $500,000 at the end of five years, as shown in the following table:

TABLE 19.—TUTORIAL ASSISTANCE

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	15,000	14,000	12,000	10,000	9,000	
Cost	$800,000	$700,000	$600,000	$500,000	$500,000	$3,100,000

SECTION 217

This section makes several amendments to subchapter IV of chapter 3, the "Veterans' Outreach Services Program" to further strengthen and clarify the Veterans' Administration's authority and responsibilities. Additionally, a new section is added to the subchapter clarifying the functions and duties of the new veterans representative program recently announced by the President.

Subsection (*a*) adds clarifying language to section 241 together with the requirement that the Administrator shall, to the maximum extent feasible, carry out outreach services in areas where significant numbers of eligible veterans and eligible dependents speak a language other than English as their principal language in the principal language of such persons. As noted approximately two years ago in the Committee's report on the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, there were at that time, according to the testimony of the National Congress of Puerto Rican Veterans, approximately 500,000 Puerto Rican veterans in the New York City area but only one VA counselor in the Regional Office who was himself Puerto Rican. While there has been some progress in the intervening period including the publishing of a number of VA pamphlets in Spanish, the Committee believes more needs to be done, particularly on a personal peer-group contact basis to aid veterans in areas where significant numbers speak a language other than English as a principal language, such as the Southwestern United States. The use of Spanish-speaking VA counselors in areas with large concentrations of Puerto Rican or Spanish-surnamed veterans would thus be quite appropriate.

Subsection (*b*) amends and strengthens subsection (b) of section 242 to provide that, in carrying out the outreach service program, the Administrator shall establish and carry out all possible programs and services including special telephone and mobile facilities. The Committee takes note of the use by the Veterans' Administration of mobile vans to do VA outreach work during the past two years. The Committee believes there should be a greater use of such vans, particularly in the inner city areas where significant numbers of educationally disadvantaged or unemployed veterans reside and particularly in concert with the new mandate for bilingual services added to subsection (a). The Committee takes note of the final report of the Educational Testing Service (conducted pursuant to section 413 of Public Law 92–540) which found that:

The disadvantaged receive a series of three letters from the VA, apprising them of their benefits and encouraging them to make use of their entitlements. The letter, which is of an impersonal nature, does not take into account the fact that the disadvantaged are less likely to respond to printed material. Further, the disadvantaged veteran in particular is more mobile than veterans in general thereby producing a chance that attempts to reach him by mail will not succeed. The percentage of disadvantaged who stated that they reecived *no* help or advice from any source is relatively high, 45.6 percent, as reported by the Readjustment Profile.

Subsection (*c*) redesignates sections 243 and 244 as 244 and 245, respectively, and adds a new section 243 authorizing a veterans representative program.

As part of a planned program to improve service relationships with veterans, their dependents and veterans' service organizations, the President announced on May 31, 1974, the establishment of a Veterans' Administration Man-on-the-Campus program. This plan involved the placing of VA counselors on college and university campuses when and where they are needed. These veterans' representatives, according to the Administration will be

there to identify and resolve VA educational assistance allowance problems, and provide a counseling service for the full range of VA benefits, and "will be carefully selected from the best available manpower and will be given intensive training on all benefits as well as specialized training in the VA educational assistance program."

According to the President's statement, "In cooperation with colleges and universities, the Veterans' Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans' Administration participating in this new program."

The following table shows the distribution by area of GI bill enrollment in institutions of higher learning which according to 'he Veterans' Administration would receive either a part-time or full-time veterans' representative (based on one day on campus per 100 veterans):

TABLE 23.—GI BILL ENROLLMENT DISTINCTION, BY AREA

Location	Under 100 (A)		Over 100 (B)	
	Number of schools	Number of students	Number of schools	Number of students
Connecticut: Hartford	20	747	26	3,736
Delaware: Wilmington	4	185	5	1,836
District of Columbia: Veterans' Pension Office	5	73	9	7,245
Maine: Togus	18	562	6	1,758
Maryland: Baltimore	21	612	25	14,984
Massachusetts: Boston	57	1,308	42	22,267
New Hampshire: Manchester	19	616	5	1,620
New Jersey: Newark	20	415	34	15,816
New York:				
Buffalo	33	876	33	13,518
New York	77	2,991	65	33,431
Pennsylvania: Pittsburgh	31	985	18	7,207
Puerto Rico: San Juan	8	238	11	3,550
Rhode Island: Providence	3	144	8	5,359
Vermont: White River Junction	16	424	3	617
Total, area 1	332	10,176	290	132,944
Alabama: Montgomery	26	1,028	28	11,910
Arkansas: Little Rock	13	545	11	3,663
Florida: St. Petersburg	25	984	41	16,169
Georgia: Atlanta	30	823	31	12,173
Kentucky: Louisville	21	441	14	6,506
Louisiana: New Orleans	12	550	16	10,494
Mississippi: Jackson	33	939	12	4,294
North Carolina: Winston-Salem	50	2,197	58	19,060
South Carolina: Columbia	29	1,215	24	9,891
Tennessee: Nashville	42	1,343	33	12,884
Texas:				
Houston	16	745	36	25,377
Waco	38	1,390	50	34,990
Virginia: Roanoke	37	1,090	29	13,061
West Virginia: Huntington	12	310	15	4,511
Total, area 2	384	13,600	398	184,983
Illinois: Chicago	71	1,765	67	39 964
Indiana: Indianapolis	31	496	24	11,430
Iowa: Des Moines	44	1,301	17	5,787
Kansas: Wichita	40	1,289	11	7,488
Michigan: Detroit	36	1,119	52	30,920
Minnesota: St. Paul	45	1,241	19	7,343
Missouri: St. Louis	40	1,266	29	18,177
Nebraska: Lincoln	19	571	10	5,548
North Dakota: Fargo	8	309	6	2,006
Ohio: Cleveland	80	2,786	38	26,359
Oklahoma: Muskogee	16	723	25	13,884
Pennsylvania: Philadelphia	72	2,127	38	16,580
South Dakota: Sioux Falls	11	391	6	1,521
Wisconsin: Milwaukee	31	752	28	16,150
Total, area 3	544	16,136	370	200,191
Alaska: Juneau	6	120	2	1,083
Arizona: Phoenix	7	257	14	12,857
California:				
Los Angeles	31	743	58	69,995
San Diego	8	444	19	21,960
San Francisco	39	1,097	67	72,383
Colorado: Denver	18	579	20	15,136
Hawaii: Honolulu	3	120	10	4,697
Idaho: Boise	5	280	4	2,533
Montana: Fort Harrison	6	247	6	2,260
Nevada: Reno	2	46	4	2,393
New Mexico: Albuquerque	8	258	10	5,198
Oregon: Portland	21	693	21	12,733
Philippine Islands: Manila				
Utah: Salt Lake City	5	246	9	3,092
Washington: Seattle	9	392	36	21,344
Wyoming: Cheyenne	5	254	3	1,102
Total, area 4	173	5,776	283	252,766
Total	1,433	45,263	1,341	768,299

The next table indicates the Veterans' Administration's preliminary plans for placing veterans' representatives at institutions of higher learning:

TABLE 24.—VETERANS' ADMINISTRATION PLAN FOR PLACING VETERANS' REPRESENTATIVES ON IHL CAMPUSES

Veteran enrollments	Number of schools	Counselors needed (1 day per 100 students)	Remarks
0 to 100	1,429	100	Itinerant.
100 to 500	828	330	1 day per 100 GI trainees.
500 to 1,000	277	363	Do.
1,000 to 2,000	166	332	2 per school.
2,000 to 3,000	50	150	3 per school.
3,000 and over	13	52	4 per school.
Total		1,327	

Note: In addition to the 1,327 counsel : needed on campus, 204 clerical support personnel will be needed in VA regional offices. Total personnel needed will be 1,531.

The Administration projects that this program will be initiated for summer school 1974, and become fully operational for fall term 1974. About 900,000 veterans are expected to enroll in 2,763 colleges under the GI bill in fall 1974 and will be benefited by the plan.

In order to grant explicit statutory authority for the establishment of the veterans' representative program, and to clarify in some respects the representative's functions and duties, the Committee has included a new section 243 of chapter 3, as follows:

Section 243. VETERANS' REPRESENTATIVES

Subsection (a)

Clause (1). Provides for the assignment by the Administrator, with appropriate clerical/secretarial support, to each residential educational institution a full-time veterans' representative where at least 500 persons are enrolled under chapters 31, 34, 35, or 36 of this title. Veterans' representatives shall be assigned on a less than full-time basis (proportionately) where there are less than 500 veterans as the Administrator deems adequate to perform the duties prescribed.

Clause (2). Provides that preference in selecting and appointing veterans shall be given to Vietnam era veterans with experience in veterans' affairs, counseling, outreach, and other related veterans' services.

Clause (3). Provides that the functions of such veterans' representatives shall be as follows:

(A) Answer all inquiries related to VA educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

(B) Assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

(C) Maintain active liaison and cooperation with the officials of the educational institution to which assigned (including all institution news media) in order to alert veterans to changes in law and VA policies and procedures;

(D) Supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments under section 1780(d) of this title and of partial tuition assistance payments authorized by the reported bill;

(E) Coordinate VA matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving Veterans' Cost-of-Instruction payments under section 420 of the Higher Education Act of 1965;

(F) Provide necessary guidance and support to veteran work-study personnel in carrying out their assigned tasks (including outreach activities);

(G) Provide appropriate motivational and other counseling to veterans and carry out outreach activities, as to both functions, only when such functions are not being adequately carried out by existing programs at such institutions; and

(H) Carry out such other activities as may be assigned by the director of the appropriate VA regional office—the VA supervisor responsible for these new personnel.

Clause (4). Authorizes the director of the appropriate VA regional office, based on a demonstrated lack of need, or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives at a particular educational institution, to either reallocate veterans' representatives to other educational institutions in his region when he determines that such additional veterans' representatives are necessary, or, with the approval of the Chief Benefits Director of the VA, to assign

such veterans' representatives to the regional office, with special responsibility for one or more particular educational institutions.

Clause (5). Provides that the functions of a veterans' representative shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans' affairs functions at institutions in receipt of Veterans' Cost-of-Instruction funds under the Higher Education Act.

Subsection (b). Provides that the Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions to include provisions to ensure that the activities of veterans' representatives complement, and do not interfere with, the established responsibilities of representatives of organizations recognized by the Administrator under section 3402 of this title.

Subsection (d) amends section 244 (present section 243 as redesignated by subsection of this section) concerning the utilization of other agencies in carrying out veterans outreach services programs.

Clause 1 strengthens section 243 by providing that the Administrator shall utilize his contract authority under section 213 of title 38, to enter into agreements or contracts to utilize community-based national or local organizations which have special expertise in facilitating communication with, and the provision of services to the veterans disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. The foregoing amendments were prompted in part by the general nonresponsiveness of the Veterans' Administration to the Committee's report on legislation ultimately enacted as the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540) calling for greater utilization and coordination with activities of community-based national or local organizations or agencies. Quoted below are excerpts from the 1972 Senate Report which the Committee believes continues to express congressional intent in this matter:

The Veterans' Administration should also make use of its general authority under section 213 to contract for outreach services from outside agencies and groups. The Committee notes that the Federal Government has spent millions of dollars developing the capacity of local agencies to service their community, particularly community action and model cities agencies and believes these agencies can be far more effectively utilized.

In addition, private non-profit organizations as well as city, county, and state offices have major service abilities which have yet to be focused fully on the needs of Vietnam era veterans. Contracting for these services would help achieve the objective of peer group community-based outreach efforts. In addition, to ensure that the veterans, employers and educational institutions are contacted in a systematic and nonduplicative fashion the Veterans' Administration should require those contractors engaged in outreach efforts to participate in coordinating councils. In this connection, the Committee notes that the President in calling for additional governmental efforts to achieve increased veteran participation in GI bill training this past May stated that he was "particularly hopeful that participation in GI bill programs can be increased through specific outreach into urban and rural areas, fully informing veterans of available education and other benefits." He noted that these efforts for increased participation "lend themselves well to both state and local participation, and to plans for coalition among VA, Labor, OEO, HEW, HUD, and other public and private agencies and institutions.

In addition, the Educational Testing Service, in discussing low program participation by black veterans noted that traditional organizations often do not reach them and that as a consequence:

A number of organizations have been formed or supported which *do* speak to the needs of black veterans. By virtue of their location, personnel and constituency, these organizations are more accessible to black veterans. Among the organizations which are concerned with their problems are Model Cities and the Community Action Program (CAP) . . . and the National Urban League.

Clause (2) amends paragraph (5) of section 243 to provide that the Administrator shall conduct and provide for studies to determine the most effective programs to carry out the purposes of the Veterans Outreach Services program.

Subsection (e) amends the table of sections at the beginning of chapter 3 to reflect the addition of new section 243 providing for the Veterans' Representative program.

Mr. CRANSTON. Mr. President, as the report points out very clearly, there is a substantial need for improvement in the scope of the VA's outreach program and the methods which it employs to reach out to returning veterans, particularly educationally disadvantaged veterans, to attempt to encourage them to use their GI bill eligibility to receive education and training. I find the figures in the study by the General Accounting Office, discussed in the committee report, in terms of the lack of actual knowledge on the part of returning veterans about their benefits to be very discouraging and to be evidence of a very haphazard implementation by the Veterans' Administration since we inaugurated the program in 1970.

It is our belief that the amendments in the committee bill should provide more focus to the outreach program, a broader mandate with respect to the types of activities to be undertaken, and more sensitivity toward individual veterans' needs, particularly those who have limited English-speaking ability, as do so many in my State of California.

In addition, we have increased the tutorial assistance allowance from $50 to $60 a month and the number of months of tutorial assistance entitlement during which such allowance may be paid from 9 to 12 months. As I indicated above, I originally authored this provision, in the 1970 GI bill amendments, Public Law 91–219, to provide tutorial assistance to veterans in academic difficulty.

In addition, the veteran-student services program which we placed into law in Public Law 92–540, and which I originally proposed in 1970 in the Senate-passed S. 3657, and again in 1971 in S. 740 with Senator HARTKE, would also be improved and expanded by amendments included in the reported bill. When we originally passed this program in the Senate in 1972 —as well as in 1970—there was no limitation on the number of veterans who could participate in this work-study program. However, in 1972, in working out the provisions which became Public Law 92–540, we agreed with the House to try this program out on the basis of about 16,000 so-called work/study agreements, executed through the limitation to 800 man-years of work contained in section 1685 of the present law. We also agreed to limit the number of hours that any veteran could work to 100 hours per academic year.

Given the experience with this new program and comments we have received from various VA regional offices and others, we have proposed to expand the program so as to permit up to 250 hours of work for each individual veteran over an academic year and to remove the limit on the number of veterans who can participate during any one fiscal year.

We see this program as a major way for the VA to improve and expand outreach efforts, pursuant to the new directions and authorities made by other amendments in the committee bill, especially on college campuses under the supervision of the new veteran representatives, provided for in section 217 of the reported bill, and also strongly believe that the program, as indicated in the provisions of the present law itself, should be directed far more to providing work/study veterans to carry out certain functions in connection with the VA medical program—a statutory function which has been virtually totally overlooked by the Veterans' Administration in its implementation of the present program.

PROVIDING EMPLOYMENT ASSISTANCE TO VIETNAM-ERA AND SERVICE-CONNECTED DISABLED VETERANS

Mr. President, in 1972 in title V of Public Law 92–540, we enacted the Veterans Employment and Readjustment Act of 1972, which was derived directly from the provisions of S. 2091 which Senator HARTKE and I had introduced in June of 1971. Given our experience with the implementation of the various provisions added to title 38 in 1972 in chapters 41 and 42, Senator HARTKE and I proposed a series of strengthening amendments. With respect to the operations of the Veterans Employment Service, we have expanded this program in the committee bill, to serve wives and widows who are eligible for chapter 35 GI bill assistance, and we have provided a new mandate to the Secretary of Labor in connection with the annual report which he is directed to submit on the operation of the chapter 41 job counseling, training, and placement service for veterans carried out through the Veterans Employment Service. The need for such mandatory specificity regarding this annual report was made very clear to us by the ridiculous three-page annual report submitted—4 months after it was due—by the Secretary of Labor with respect to implementation of the existing chapter 41 provisions, and by the failure of the Secretary to carry out the chapter 42 "special emphasis" program which I will discuss shortly.

Finally, the reported bill codifies into law the compliance procedures and performance requirements established by the Secretary of Labor under the Wagner-Peyser Act with respect to the performance by local public employment offices in carrying out the veterans preferences and priorities mandated by the existing chapter 41, and requires that the results of these performance standards and compliance surveys on a State-by-State basis be included in the Secretary's annual report as well as any corrective action taken by the Secretary in cases of noncompliance.

Mr. President, it is obvious that unem-

ployment continues to be a substantial problem among young veterans, of whom almost 10 percent are presently unemployed, an unemployment rate about 33 percent higher than the rate for their nonveteran counterparts. Even more distressing, over 61 percent of 20- to 24-year-old veterans currently are out of work, because they lost jobs which they had found; that is, they are the last hired and the first fired. The unemployment rate percentage for minority group veterans was 18.9 percent in April—almost twice as high as that of other young nonminority group veterans, and on the west coast, 42,000 veterans in the 20- to 24-age bracket were out of work, with an unemployment rate of almost 16 percent.

Thus, we felt it necessary, not only to try to provide greater focus to the efforts of the Veterans Employment Service, but also to provide the Department of Labor with some new direction with respect to its efforts to promote employment of Vietnam-era veterans and service-connected disabled veterans in the private sector. Toward this end, we included language in the reported bill to clarify section 2012 of existing law which provides for the program of special emphasis in the employment of these veterans under Federal contracts and subcontracts.

Here is the background on this, Mr. President. In a November 3, 1972, opinion, the Solicitor of Labor had advised the Under Secretary of Labor that, in his opinion, a misguided one in my opinion, the provisions of section 2012 did not require, or even permit, I might add, the Secretary of Labor to do anything more in providing this special emphasis than to proceed with the job listing which had been carried out prior to enactment of this law under Executive order and which was somewhat expanded after enactment of Public Law 92–540.

We have been in disagreement with this interpretation since we first became aware of it, Mr. President, but have been unable to convince the Department of Labor that it is an erroneous interpretation.

The committee report on pages 104 and 105 sets forth our interpretation of the law and the legislative history supporting it, but in order to make clear the scope of the original authority we have added clarifying language in section 2012 (a) of title 38 so as to make clear beyond any possibility of unsympathetic interpretation that the provision requiring job listings is in addition, and I stress in addition, to the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected disabled and Vietnam-era veterans.

At our hearings this past May on veterans' unemployment. I discussed this matter with the Assistant Secretary of Labor for Manpower, William Kolberg, and stressed to him at that time a number of possible ways in which the Department might go about enforcing the "special emphasis" requirement in connection with Federal contracts and subcontracts. These methods are set forth specifically on page 105 of the committee report, and I ask unanimous consent, Mr. President, that this discussion of section 402 in the reported bill be printed in the RECORD at this point.

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

Section 402

This section amends subsection (a) of section 2012 of chapter 42 to clarify Congressional intent with respect to the provisions requiring Federal contractors and subcontractors to give "special emphasis" to the employment of qualified disabled and Vietnam veterans. In explaining the compromise version of section 2012 reached by the House and the Senate immediately prior to sending it to the President for signature, Chairman Hartke noted on the floor of the Senate on October 13, 1972, that the term "special emphasis" had been substituted for mandatory preference provisions in the Senate bill to "avoid any 'unnecessary litigation' which the Department of Labor feared would result. . . ." The Chairman noted further that:

"[I]n carrying out the provisions of this section the compromise agreement *also* requires a mandatory listing of job openings with the employment service by Federal contractors." (Italic supplied.)

Senator Cranston, the co-author of the provision with Chairman Hartke, indicated on the floor that same day that "certain clarifications have been made . . . after consultation with the Department of Labor, *but the essential thrust of the Senate amendment is retained.*" (Italic supplied.)

Despite the foregoing statements, the Solicitor of Labor adopted a narrow interpretation which concluded that "special emphasis" required nothing other than job listing under the provisions for such listing included in section 2012(a). Thus, the amendment made by this section would correct that misinterpretation by clarifying the language so as to make clear that the provision to provide the job listings is *in addition to* the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected and disabled Vietnam era veterans.

On May 14, 1974, the Assistant Secretary of Labor for Manpower, in a letter in response to questions posed by Senator Cranston at the May hearing acknowledged that the "special emphasis" requirement is currently under "intensive review by various components of the Manpower Administration and the Office of the Solicitor." At the same time, the Assistant Secretary indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act (CETA). The Assistant Secretary acknowledged that the regulations as first published in the Federal Register on March 19, 1974:

"Do not specifically require that (CETA) sponsors promote job and job training opportunities for veterans. To focus attention on certain qualified disabled and Vietnam era veterans in the prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:

"Title I Section 95.32(e). Prime sponsors will take into consideration special problems and needs of qualified disabled veterans and veterans of the Vietnam era who served in the Armed Forces on or after August 5, 1964 and meet the eligibility requirements of paragraph (a) of this section."

The Committee is encouraged by the forthcoming regulatory change and hopes it will be implemented swiftly and effectively. The Committee also expects similar efforts with respect to the "special emphasis" requirements under section 2012(a). At a minimum, the Committee believes that there must be a good faith listing of job openings and a good faith consideration by Federal contractors and subcontractors of qualifying veterans seeking prospective employment. Given the anticipated lack of expected growth in the Veterans' Administration Apprenticeship and On-Job Training programs during the past two years, the Committee also intends that "special emphasis" should include a requirement to ensure that Federal contractors and subcontractors institute such programs wherever feasible. Finally, the Committee intends that under the "special emphasis" requirement, the Department of Labor should set forth guidelines for Federal contractors and subcontractors as to what it considers an adequate plan of providing special emphasis in hiring and should require Federal contractors and subcontractors to submit a plan showing what they propose to do and periodic reports of progress in implementing that plan.

Mr. CRANSTON. Mr. President, the committee report referred to and just printed in the RECORD, makes reference to the Assistant Secretary's May 14, 1974, letter to me. In addition to acknowledging that the "special emphasis" requirement is under "intensive review," the Secretary's letter also indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act—CETA—in order to focus attention on qualified disabled and Vietnam era veterans, as required by section 2002 of title 38 regarding "implementation of new programs."

Mr. President, I ask unanimous consent that the full text of Secretary Kolberg's May 14, 1974, letter to me be printed in the RECORD at this point.

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

U.S. DEPARTMENT OF LABOR,
Washington, D.C., May 14, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Your statement and direct questions to me at the hearing of the Veterans Affairs Subcommittee on Readjustment, Education, and Employment, April 30, 1974, concerned two specific items for response to be made within two weeks; (1) revision of CETA Title I regulations to carry out the statutory mandates in the most effective, integrated, and coordinated way possible, and (2) specific steps the Department of Labor will take to implement Section 2012 of P.L. 92–540, with particular reference to the "special emphasis" requirement.

Regulations implementing Title I of the Comprehensive Employment and Training Act (CETA) were published in the Federal Register on March 19, 1974. The published regulations do not specifically require that CETA prime sponsors promote job and job training opportunities for veterans. To focus attention on serving qualified disabled and Vietnam-era veterans in prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:

"Title I, Section 95.32(e) Prime Sponsors will take into consideration the special problems and needs of qualified disabled veterans and veterans of the Vietnam-era who served in the armed forces on or after August 5, 1964, and meet the eligibility requirements of paragraph (a) of this section."

With reference to your request relating to the Department's implementation of the mandatory listing requirements of P.L. 92–540, this matter, including a revision of the "special emphasis" requirement, is under intensive review by the various components of the Manpower Administration and the Office of the Solicitor. I can assure you that prompt and appropriate action will be taken,

and that the Veterans Affairs Subcommittee be informed of our progress.

Sincerely,

WILLIAM H. KOLBERG,
Assistant Secretary for Manpower.

[Memorandum for the Under Secretary]

IMPLEMENTING THE "SPECIAL EMPHASIS" PROGRAM FOR EMPLOYMENT OF DISABLED AND VIETNAM ERA VETERANS BY FEDERAL CONTRACTORS WHICH IS REQUIRED BY THE VIETNAM-ERA VETERANS' READJUSTMENT ASSISTANCE ACT

Section 503(a) of the "Vietnam Era Veterans' Readjustment Assistance Act of 1972" adds, *inter alia*, a new section 2012 to title 38 of the U.S. Code, entitled "Veterans' Employment Emphasis Under Federal Contracts."

Section 2012(a) requires Federal contractors and subcontractors to give "special emphasis" to the employment of disabled and Vietnam era veterans. To implement this program, the President is to promulgate regulations within 60 days after enactment which shall require that:

(1) contractors "immediately" list all "suitable" job openings with their local Employment Service office, and

(2) local Employment Service offices shall give "priority" to these veterans in job referrals.

Section 2012(b) further provides that aggrieved veterans may complain to the Veterans' Employment Service (in the Manpower Administration) which shall refer the matter to the Secretary who is to investigate the complaint and act accordingly. This enforcement procedure raises the following two interrelated questions:

(1) does this Act require more than mandatory listing by contractors with ES and priority of referrals therefrom?; and

(2) who in this Department is to carry out the investigatory function after a complaint is referred from the Veterans' Employment Service (VES)?

In interpreting this provision, it should be noted that it is derived from the original Senate version of this legislation, which called for a "Veterans' preference" in employment by Federal contractors. In that version, VES was to refer complaints to OFCC. Because it was felt that such a "preference" could weaken other OFCC-administered Equal Opportunity programs—especially those involving sex discrimination, since veterans are a predominantly male group—that provision was changed to the "special emphasis" program outlined above. In addition, the Secretary was given the enforcement authority rather than OFCC. Thus, it is apparent that although nondiscrimination is implied, there is no desire for an "affirmative action" type program like those administered by OFCC for women and members of minority groups, which require that contractors take steps to meet stated goals and timetables at the risk of contract debarment or termination.

Although the Act requires contractors to give "special emphasis" to the employment of eligible veterans, yet, in stating how the program is to be implemented by the President, only mandatory listing and priority of referrals are required. Both of these actions have already been taken. Executive Order 11398 provides for mandatory job listing by Federal contractors, and the ES administratively gives a preference to veterans in referrals. Both of these activities involve functions of the Manpower Administration. Thus, it would appear logical that the investigatory and enforcement functions should also be handled by it. That agency already possesses the necessary records involved. In addition, this would prevent the awkward situation which could result from having ESA, OFCC, or IMSA investigating Manpower programs, including MA supervision of Federal-State ES agencies.

It could be argued that a positive duty to hire veterans referred by ES may exist, bottomed on the requirement of "special emphasis" on hiring veterans. Investigating veterans' complaints that such a duty had been breached would involve functions similar to those now performed by OFCC in relation to Executive Order 11246 or IMSA in relation to Veterans' Reemployment cases. Executive Order 11598, which requires Federal contractors to list job openings with the ES, does not call for any other form of hiring preference, not to mention "affirmative action." We do not read the implementing provisions of this Act to confer any responsibility, or indeed, power, on the Secretary to investigate and proceed against contractors for failure to make what may be considered sufficient efforts to hire veterans, so long as such contractors comply in good faith with the listing requirements. This interpretation reflects the views of the bill's floor manager in the Senate (Senator Hartke), who referred to this provision as "a strengthened version of Executive Order 11598."

Under Executive Order 11598, enforcement of the present mandatory listing program rests primarily with the contracting agencies. The effect of this legislation may well be to concentrate such efforts in this Department. If the view of the impact of this Act spelled out above is correct, its enforcement provisions would require the Secretary to investigate and determine whether jobs have been suitably listed with ES, and whether ES has been carrying out its responsibilities to give eligible veterans a priority in referrals. For the reasons detailed above, such activities could appropriately be performed within the Manpower Administration at either the national or regional level.

Mr. CRANSTON. However, Mr. President, the major new employment program contained in the reported bill is set forth in section 403 with respect to employment within the Federal Government of Vietnam-era and service-connected disabled veterans. This provision is a modification of the new section 2014 which was proposed in S. 2784, as introduced, and which was identical to the provision included in S. 2161 in 1972 and as proposed in the bill Senator HARTKE and I introduced, S. 2091, in 1971. In our negotiations with the House committee on the 1972 bill which became Public Law 92-540, we were unable to obtain enactment of this Federal Government employment provision, because of objections from the Civil Service Commission and the House Committee on Post Office and Civil Service.

Thus, I undertook with Senator HARTKE to work with the Civil Service Commission this time, in order to try to arrive at a mutually agreeable provision. I believe that we have produced a provision which the Civil Service Commission can now live with regarding Federal Government employment.

Although, by and large, the figures of the Civil Service Commission with respect to employment of Vietnam-era veterans are quite impressive—showing that almost 100,000 Vietnam-era veterans will be hired during fiscal year 1974, approximately 20 percent of all new Federal hires—the committee felt that, because most of this employment was concentrated in the very low grades, further impetus needed to be given to provide for greater advancement, as well as initial employment opportunities.

Moreover, the committee was not satisfied with statistical completeness of the data which the Commission was able to provide in terms of this employment record, nor were we satisfied at all with respect to the gross statistics available in terms of the employment of service-connected disabled Vietnam veterans.

Mr. President, this provision is discussed in very complete form on pages 105–109 of the committee report, and I ask unanimous consent that this excerpt from the report be printed in the RECORD at this point.

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

Section 403

Section 403 adds a new section 2014 to chapter 42 designed to carry out the policy of the United States to promote the maximum employment and job-advancement opportunities within the Federal Government for qualified veterans and disabled veterans of the Vietnam era.

The current employment preference program for veterans and disabled veterans in particular has resulted in a generally positive record by the Federal Government. In its 1973 annual report, the Civil Service Commission stated:

"Disabled veterans already receive top preference in Federal employment. They get 10 points added to their passing examination scores (as compared with 5 points for nondisabled veterans), and compensably disabled veterans are put at the very top of most lists of eligibles for appointments to Federal positions. Disabled veterans may also have the added advantage of qualifying for special assistance under the Government's substantial action programs for hiring the handicapped. These strong, positive measures have resulted in some 250,000 disabled veterans now in the employ of the Federal Government—approximately 9% of the Government's total work force.

"The employment problems of the Vietnam era veteran are, and have been, of special concern to the Federal Government as an employer, and efforts are constantly being made to improve the positive action programs provided to meet their employment needs. The success of these programs is perhaps best demonstrated by the very significant numbers of Vietnam era veterans being placed with Federal agencies. For example, 84,100 were appointed in FY 1973, and during just the first 9 months of FY 1974 an additional 80,450 have received Federal appointments. (This latter figure represents approximately 20.5 percent of all new hires and 56 percent of all veterans hired during the period. If this rate of hiring is sustained for the remainder of the year, Vietnam era veteran appointments for FY 1974 will exceed 100,000.)"

The Committee is aware that the Civil Service Commission has created a special program of veterans' employment assistance to facilitate Federal Government employment of veterans in all 65 area offices. The Commission's report shows that the effort by the Federal Government to hire veterans has increased in the last three years; in Fiscal Year 1972, 149,000 veterans were hired by the Federal Government; in FY 1973, this was increased to 153,400; and in the first nine months of FY 1974 an additional 143,000 veterans found employment with the Federal Government, of which 80,450 were Vietnam era veterans.

The Committee believes that the Federal Government must be a model as an employer of veterans in order to provide the utmost encouragement to private employers to follow its example. The Committee finds the gross statistics for veterans employment as presented by the Commission to be generally impressive in regard to the employment of Vietnam-era veterans. However, the

Committee believes further progress can and should be made. In order to evaluate fully the effects of the program to promote employment of Vietnam era and service-connected disabled veterans within the Federal Government, further data is necessary. In particular, delineation is needed of the grade levels at which Vietnam era veterans have been hired, the duration of their employment, and the age groups of these veterans.

Further, the Commission data does not differentiate among disabled veterans by degree of disability. Title 5 defines a disabled veteran as any veteran with a service-connected disability, whether the disability is compensable or not. Therefore, the Committee believes further emphasis should be placed by the Civil Service Commission on collection of such categorized data in order that the Congress will have the best possible picture of the Federal Government's hiring of Vietnam era veterans and disabled veterans and the severity of their handicaps.

In addition, the Committee intends that the program of employment of service-connected disabled veterans promoted by the new section 2014 should be carried out in full coordination with the Federal program for the employment of handicapped individuals, under the Rehabilitation Act of 1973 (P.L. 93–112), and the new section so provides.

Subsection (a) amends chapter 42 of title 38, United States Code, by adding the following new section:

§ 2014. Employment within the Federal Government

Subsection (a). Provides that it is the policy of the United States and the purpose of this section to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam-era veterans.

Subsection (b). Incorporates into law, with one difference affecting the period of eligibility, a special appointing authority for certain veterans and disabled veterans of the Vietnam era. The authority is now provided by Executive Order No. 11521, which permits a veteran or disabled veteran who meets established eligibility requirements to be given a "veterans readjustment appointment" to any position in the competitive civil service at or below the GS–5 level (or its equivalent) for which qualified and thereafter to receive a career-conditional appointment. The primary purpose of the authority is to assist veterans and disabled veterans to develop skills through a program combining employment with education or training. Thus, a veterans readjustment appointment is authorized only under a training or educational program developed by an agency in accordance with guidelines set by the Civil Service Commission.

There are two basic eligibility requirements which Vietnam era veterans and disabled veterans must meet under the Executive Order as codified in the new section: (1) they must have had no more than 14 years of education at the time of appointment, and (2) they must have been separated from the armed forces for no longer than one year at the time of appointment. The Executive order makes an exception from the one-year-after-separation rule for veterans and disabled veterans who have a period of hospitalization or treatment immediately following separation from the armed forces. For this group, the one-year period of eligibility begins with the date of release from hospitalization or treatment.

Section 2014(b) provides another exception from the one-year-after-separation requirement. It covers veterans and disabled veterans who enroll in a program of education (as defined in section 1652(b)) on more than a half-time basis (as defined in section 1788) within one year after separation from the armed forces or release from hospitalization or treatment. For this group, the period of eligibility is extended by the time spent in the qualifying educational program (including vacation periods and incidental absences authorized during the educational program). All time between separation from the armed forces (or release from hospitalization or treatment) and enrollment in a qualifying educational program is counted against the one-year limit on eligibility, as is any time after the program has begun—other than absences attributed to the school cycle—when the veteran or disabled veteran first ceases to be enrolled on more than a half-time basis. Nevertheless, subject to the requirement in the last sentence of section 2014(b) that any appointment under the subsection must be made before July 1, 1978, eligibility for this group of veterans will always continue for at least six months after a veteran or disabled veteran first ceases to be enrolled on more than a half-time basis.

A veterans readjustment appointment is an excepted appointment. However, a veteran or disabled veteran who satisfactorily completes two years of substantially continuous service under a veterans readjustment appointment and who completes the educational or training program agreed upon at the time of appointment is converted to career-conditional employment and automatically acquires a competitive status for civil service purposes.

The subsection further provides that the Civil Service Commission will issue appropriate regulations to carry out the provisions of section 2014.

Subsection (c). Provides that each Federal department, agency, and instrumentality shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped persons under the Rehabilitation Act of 1973 (P.L. 93–112), a separate affirmative action plan for disabled veterans, in accordance with regulations prescribed by the Civil Service Commission in consultation with the Administrator and the Secretaries of Labor and Health, Education, and Welfare (in order to ensure that the stresses and priorities in that Act are not in any way diminished, especially as to persons with severe handicaps, by this new requirement).

Subsection (d). Provides that the Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each Federal agency, department, and instrumentality (those covered by P.L. 93–112) in carrying out the purposes of this section and shall periodically obtain and publish reports and results on the implementation of the disabled veterans plan by each such agency (including full statistical data on the numbers of covered veterans employed by each such agency and their grade levels and periods of retention in employment as well as the degree of disability for disabled veterans).

Subsection (e). Provides that the Civil Service Commission shall submit annually a report to Congress on activities carried out under this section. The Commission may include a separate report on activities regarding disabled veterans in its report required to be submitted by section 501(d) of P.L. 93–112.

Subsection (f). Provides that, since the section deals with Federal employment, the terms "veteran" and "disabled veteran" as used in this section (despite the definitions in section 2011) have the meanings given these terms in the civil service laws (5 U.S.C. 2108), as follows:

"'Veteran' means an individual who—

"(A) served on active duty in the armed forces during a war, in a campaign or expedition for which a campaign badge has been authorized, or during the period beginning April 28, 1952, and ending July 1, 1955; or

"(B) served on active duty as defined by section 101(21) of title 38 at any time in the armed forces for a period of more than 180 consecutive days after January 31, 1955, not including service under section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve;

and who has been separated from the armed forces under honorable conditions.

"'Disabled veteran' means an individual who has served on active duty in the armed forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Veterans' Administration or a military department."

Subsection (b). Amends the table of sections at the beginning of chapter 42 of title 38, United States Code, to reflect the addition of new section 2014.

Mr. CRANSTON. Mr. President, in addition to the new reporting requirements and the new explicit statement of U.S. policy to promote maximum employment and job advancement opportunities within the Federal Government for these veterans, the reported bill makes one significant improvement in the existing veterans readjustment appointment authority implemented by the President under Executive Order No. 11521. Presently, such a VRA appointment is open to a veteran only within 1 year after discharge or medical disability retirement. If the veteran enters into training or education under the GI bill, that VRA eligibility is lost at the end of 1 year after discharge. This treatment is significantly different than that afforded to VISTA volunteers under section 415 (d) of the Domestic Volunteer Service Act of 1973, Public Law 93–113, which I authored to provide the same sorts of eligibility for appointments in the competitive service as provided for Peace Corps volunteers by Executive Order No. 11103.

Under these provisions, both Peace Corps and VISTA volunteers are given 1 year following their service to use their special eligibility for these special appointments, but if they enter school they are permitted to complete their education and still retain their eligibility for the special appointment by virtue of a provision which provides that the time spent in school does not count as part of the 1-year period.

We have thus provided in the committee bill in a the new section 2014(b) that a veteran would remain eligible for a veterans readjustment appointment for up to 1 year after separation but that, if the veteran enters school or training at an educational institution on more than a half-time basis, he will then have no less than 6 months of eligibility in which to use this appointment after he ceases this employment or training or, at least, ceases to be at least a one-half-time student or trainee. Since the VRA appointments up to grade GS–5 level include persons with educational experience through the AA degree—that is, the second year of college—we felt this was a logical extension of the original concept underlying the Executive order which first established the VRA appointments.

Mr. President, I want to acknowledge my appreciation for the good faith and flexibility with which the Civil Service Commission, and especially Chairman Robert Hampton, were willing to discuss this provision and to suggest modifications in it in order to make it more acceptable to the Commission. I am sure that we can count on them to do an effective job in implementing the authority of new section 2014.

RELATIONSHIP BETWEEN NEW VET REP PROGRAM AND VCI PROGRAM

Mr. President, on May 31, 1974, the White House released a formal announcement concerning the Veterans' Administration's new man-on-the-campus program. Earlier in May, the Veterans' Administration had briefed the Congress on its plans to implement this program designed to improve service relationships with veterans, their dependents, and veterans' service organizations. The man-on-the-campus, or Vet-Rep program involves placing VA counselors on college and university campuses to identify and resolve VA educational assistance allowance problems.

Mr. President, in the weeks that followed the original VA announcement of these plans, there was considerable confusion, and much concern expressed by those persons already involved in campus veterans' programs. Specifically, Veterans cost-of-instruction—VCI—program campus coordinators, who are responsible for planning, implementing, and directing the full time offices of veterans affairs established under a provision I authored in the Education Amendments of 1972, Public Law 92–318, feared their programs were about to be taken over by the VA. The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish the kinds of special programs and services necessary to assist many veterans in readjusting to an academic setting.

VCI programs achieved a high level of success in their first year of operation despite the fact that in many cases VCI coordinators were unable to plan and develop special programs because they were forced to devote far too much of their time to the task of assisting veterans with VA-related problems, especially late arrival of GI bill checks. VCI coordinators were, in many cases, simply acting as a liaison between the veteran and the VA in the veteran's frustrating battle to receive VA educational benefits.

Unfortunately, Mr. President, the VA's early plans and job descriptions for the Vet-Reps appeared suspiciously duplicative of the responsibilities already being met by VCI coordinators. VA memos concerning the Vet-Rep program contained terms such as "outreach" and "peer counseling"—activities specifically required by law of VCI programs. Worse yet, the VA, in the weeks just after announcing the program, made no attempt to consult VCI coordinators or to include them in any of the initial planning and implementation of this program, a program which directly would affect these already existing programs.

This understandably led to much hostility on the part of VCI coordinators and other campus veterans representatives across the Nation. My staff worked closely, during this period, with the Veterans' Administration, the Civil Service Commission, the Office of Management and Budget, and the White House to work out details of the program, and to insure that the concerns of VCI coordinators would be taken fully into consideration before plans for the program were finalized.

Additionally, on June 14, 1974, I wrote to the Director of the Office of Management and Budget, Mr. Roy L. Ash, with respect to the assurances, I believed were necessary, regarding the manner in which it is proposed that this new program is implemented.

Mr. President, I ask unanimous consent that the full text of my June 14, 1974, letter to Mr. Ash be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., June 14, 1974.

Hon. ROY L. ASH,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. DIRECTOR: The Senate Appropriations Subcommittee on HUD, Space, Science, and Veterans has received the Veterans Administration's amended supplemental budget request for FY 1974, which contains $2.5 million for the VA's new Vet-Rep program, announced by the President on May 31. This new program was designed to improve VA service relationships with G.I. Bill trainees, colleges and universities, and veterans' service organizations by placing VA representatives on college and university campuses to identify and resolve VA educational assistance allowance problems.

I am generally supportive of this attempt to deal constructively with payment problems which have plagued the G.I. Bill educational assistance program, and thus authored a provision in S. 2784 (section 217, copy enclosed), as reported by the Committee on Veterans' Affairs, to provide statutory authority, as well as Congressional guidance, for this new program.

Given the considerable confusion surrounding preparation of the specifications for this program, and the great concern expressed by those persons already involved in campus veterans' programs, especially campus coordinators under the Veterans Cost-of-Instruction (VCI) program, which I authored in the Education Amendments of 1972 (P.L. 92–318), it would be most useful for those of us working on resolving differences between S. 2784 and the House-passed bill, H.R. 12628, as well as for the Chairman (Senator Proxmire) and members of the Appropriations Subcommittee, to receive, in writing, certain assurances regarding the manner in which it is proposed that this new program be implemented. Due to and because O.M.B. was so instrumental in developing the concept of the new program, I am addressing these concerns to you.

Specifically, I believe assurances are needed with respect to the following points to set forth the understanding expressed to my staff over the last several weeks by O.M.B. Assistant Director, Paul O'Neill:

1. Clarification is badly needed as to the scope and purpose of the new program in relationship to the VCI program. VCI coordinators are responsible for planning, implementing, and directing the full-time offices of veterans' affairs required to be established under the VCI program. The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit returning veterans and to establish the kinds of special programs and services necessary to assist veterans in readjusting to and succeeding academically in an educational setting. VCI coordinators are required by law to fulfill numerous substantive, programmatic responsibilities, although in this past year, as a result of the repeated problems in the VA's implementation of the educational benefits program, they were obliged to spend much of their time trying to facilitate routine paperwork in connection with G.I. Bill benefits.

It is my understanding that the responsibilities of Vet Reps will include facilitating all routine VA paperwork, the handling of all VA educational benefits program problems, and the provision of information concerning particular laws and VA regulations; Vet-Reps are to cooperate closely, but in no way overlap, or interfere with, the duties and responsibilities of VCI coordinators.

In order to assuage the very strong concerns which continue among many VCI coordinators that Vet Reps will duplicate, rather than complement VCI programs, I think it would be extremely important for you to indicate very emphatically that the Vet-Rep program is not designed to replace the VCI program, nor focused on carrying out the specific statutory functions assigned to VCI coordinators under section 420 of the Higher Education Act of 1965, as amended.

2. I believe assurances are also needed that Vietnam-era veterans will, in fact, be given priority in filling Vet-Rep positions.

3. Additionally, assurances are needed that VA Regional Directors will be provided flexibility in allocating and reallocating Vet Reps among schools in the most practicable manner, taking into account the need for these services at particular schools in light of on-going programs (especially VCI programs) and the desires of the school to have a Vet Rep on campus.

4. Further, assurances are needed that VA Regional Directors will have the discretion—with the approval of the VA's Chief Benefit Director—to assign Vet Reps to work in a VA Regional Office, with special responsibility for one or more than one particular educational institution. Such flexibility will be essential, especially after the onslaught of advance payment problems has subsided in November or December.

5. Finally, I would urge that a commitment be made to provide for a full, expedited evaluation of the Vet-Rep program not later than December, 1974, and, in order to facilitate this, to build-in to the program necessary data-gathering procedures at the outset. Such an evaluation should give special attention to the longer range assignments of Vet Reps, as well as the most efficient use of their services.

I will appreciate your earliest response to the concerns above, and I ask that you send copies of your repy directly to Mr. Odell Vaughn, Chief Benefits Director of the VA, and to those to whom I am sending copies of this letter, as shown below.

Sincerely,

ALAN CRANSTON.

Mr. CRANSTON. Mr. President, considering this rather unfortunate beginning, I am encouraged by what appears to be a willingness on the part of the administration to consider the specific problems and concerns that were expressed. The White House factsheet, and the President's statement, when they were finally forthcoming, announcing the man-on-the-campus program, clarify, I believe, the VA's originally expressed intention of close cooperation, not usurpation of the already existing campus veterans programs.

Mr. President, I ask unanimous consent that the full text of the White House factsheet on the VA man-on-the-campus program and the President's May 31, 1974, statement be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection the White House factsheet was ordered to be printed in the RECORD, as follows:

[The White House Factsheet, May 31, 1974]

VA MAN-ON-THE-CAMPUS PROGRAM

BACKGROUND

There are 7,000,000 Vietnam-era veterans and more than half of them have taken some training under the GI Bill.

The WW II GI Bill was considered highly successful with 2.23 million veterans enrolled in college level training.

The current GI Bill has already exceeded that figure with college enrollees exceeding 2.4 million.

While 96% of all veterans going to school got their checks on time, nearly 4% suffered delays and in a program of the GI Bill's magnitude this represented an unacceptable number of late checks.

On March 31 the President directed the formation of a crack task force from VA and OMB to study GI Bill check delivery problems and recommend solutions.

PROPOSAL

The major task force proposal is to assure veterans timely and effective help on the campus. At least one VA man will be assigned to every college campus with large enrollments of veterans. Itinerant VA service will be provided campuses with smaller enrollments.

OBJECTIVES OF MAN-ON-THE-CAMPUS PROGRAM

Reverse the current complaint oriented system to "front-end" affirmative controls.

Help colleges process veterans documents on time.

Insure that every enrolled GI gets his advance pay check through personal delivery.

Help veterans secure their full benefit entitlements now.

On every college campus with GI Bill students.

FUNCTIONS OF MAN-ON-THE-CAMPUS

VA presence; fills all gaps in local veterans services. Wherever there are existing veterans assistance elements, performs a complementing and supporting role.

Trouble-shooter to help Regional Offices in paper processing.

Paymaster to help distribute advance pay checks.

Man on the spot to correct errors early.

Liaison for campus veteran groups.

Information specialist on new laws and rules.

Consultant on VA to university officials and faculties.

ACTIONS NOW INITIATED

Instructions were issued to all VA Regional Offices May 6, 1974, launching the Man-On-The-Campus program as well as related procedural streamlining.

1,327 Men-On-The-Campus will be hired by VA during May and June. These will be Vietnam-era veterans who have experienced campus life and can counsel their peers.

Training will be accomplished during June and July 1974 in Regional Offices. There will also be a two week centralized training program on four geographically distributed college campuses.

All Men-On-The-Campus will be hired, trained, and ready to perform by August 1.

TARGET DATES

The program will be initiated for summer school 1974.

The program will be fully operational for fall term (September) 1974.

About 900,000 veterans are expected to enroll in colleges under the GI Bill in fall 1974 and benefit by the plan.

GOALS

On time checks.

Prompt, trouble-free service to Vietnam veterans going to school under the GI Bill.

Pertinent statistics

Total living veterans (April 30, 1974)	29,233,000
Post Korean conflict (peacetime) eligible under the GI bill (April 30, 1974)	3,100,000
Vietnam era (including Korean conflict service 454,000) (April 30, 1974)	7,002,000
Entered training under GI bill to date	4,791,000
Entered college level training to date	2,455,000
Now in training	1,537,000
Now in college	938,000
Number of Colleges where veterans enrolled	2,763

STATEMENT BY THE PRESIDENT

In trying to solve the problems faced by veterans of the Vietnam era, one of the first goals of the Administration has been to ensure that all beneficiaries of the GI bill receive prompt and efficient service.

In a radio address to the Nation on March 31, I stated that "veterans need to know if we can find a better way of delivering checks on time." I also directed the Administrator of Veterans Affairs to work with the Director of the Office of Management and Budget to come up with sound, workable solutions to the problem.

Today I am happy to announce an important result of this mandate for action: the establishment of a VA Man-on-the-Campus program. In Cooperation with colleges and universities, the Veterans Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans Administration participating in this new program.

Considerable progress has already been made in expediting the delivery of benefit checks. Now, with the inauguration of the Man-on-the-Campus program, the veteran student population will have the services of a network of concerned, knowledgeable aides, fellow veterans, and contemporaries, to help iron out problems and correct clerical errors or oversights right on the campus. The VA representatives will work closely with campus officials and organizations already involved in helping veterans. In effect, this new program provides veterans utilizing the educational benefits of the GI bill with an accessible, concerned individual available to help when problems or complications arise.

This welcome addition to existing Veterans Administration educational services should prove invaluable to the nearly one million veterans currently in college under the GI bill, and to those other eligible veterans who will take advantage of the GI bill education benefits in the years ahead.

Mr. CRANSTON. Mr. President, I must point out that while I am very pleased with this initiative to help veterans, the VA's past record of reluctance or inability to implement the GI bill educational assistance program in an imaginative and timely fashion, particularly in California, leads me to be cautions about expecting too much, too soon. For too long, too many veterans have been forced to suffer unnecessary hardships because of checks being delayed, misdirected, or never sent out in the first place.

For the sake of the veterans going to school on the GI bill, I hope this program works. And, for the sake of the VCI coordinators, who have been shackled by routine VA paperwork, I hope the VA can succeed in relieving them of those responsibilities.

Mr. President, I intend to monitor closely the results of this program later this summer by surveying the 222 colleges where veterans are enrolled in California.

Mr. President, I have already inserted into the RECORD the very complete—committee report, pages 93–96—discussion of the section 217 in the reported bill in which the committee provided specific statutory authority for the Vet-Rep program and congressional guidance on how it should be implemented.

FEDERAL ADVISORY COMMITTEE ON VETERANS SERVICES

Mr. President, section 218 of the reported bill includes a provision, which I suggested with Senator HARTKE, to establish a new Interagency Advisory Council on Veterans' Services in the Veterans' Administration. This new Advisory Council would be chaired by the Administrator of Veterans' Affairs and would be assigned the function of promoting the maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents. The principal intention here is to provide the Administrator of Veterans' Affairs, who, as I indicated would be the chairman of this new council, with a new program input to the activities affecting veterans carried out by the Departments of Defense, Labor, HEW, HUD, Treasury, and Agriculture, as well as those of the U.S. Postal Service, Civil Service Commission, the Small Business Administration, and other Federal departments and agencies with such programs. Presently, the Administrator has no such role and the degree of input he can make is very variable, the degree of influence he has is relatively insignificant, and the degree of coordination among these programs which his influence could bring about, is sadly lacking.

Mr. President, this provision is described in detail on pages 98 and 99 of the committee report, and I ask unanimous consent that this excerpt from the committee report be set forth in the RECORD at this point.

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

Section 218

Subsection (a) amends chapter 3 by adding a new subchapter which establishes within the Veterans' Administration an Interagency Advisory Council on Veterans' Services. The Council will seek ways to promote the effectiveness, coordination and interrelationship of services among all Federal programs affecting veterans and their dependents. Creation of this Advisory Council is in keeping with the intent of Congress and the express concern of the President to deliver all benefits and services as quickly and efficiently as possible to the veteran. The Council, which will be chaired by the Administrator

of Veterans' Affairs, will consist of the heads of ten Federal agencies who in various ways are responsible for assisting veterans as well as the heads of any other agencies which the President may consider relevant. Since 1955 seven similar veterans' advisory bodies have been established either by the President or by Congress. These include the President's Commission on Veterans' Pensions, better known as the Bradley Commission, which published its famous report in 1955. Congress has established three advisory committees dealing with particular subjects. These include, a special medical advisory group (38 U.S.C. § 4112) in 1958, the Advisory Council on Servicemen's Group Life Insurance (38 U.S.C. § 744) in 1965, and the Advisory Committee on Education Programs (38 U.S.C. § 1795) established in 1966.

Other advisory committees created by the Executive Branch include the U.S. Veterans' Advisory Commission which functioned from 1967 to 1968, and the President's Committee on the Vietnam Veteran, which issued its report in 1969. Such advisory bodies can and have produced insight and valuable recommendations on the coordination and interrelationship of various veterans' programs. Their limitations, however, have been either their specialized concern or their temporary nature. What the Committee intends by this amendment is to establish by statute an ongoing advisory body of some breadth of concern which shall meet on a regular basis and seek ways to improve the effectiveness and the interrelationship of services to veterans.

This subchapter is more fully described as follows:

SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

§ 250. Establishment of Advisory Council

This section provides for the establishment within the Veterans' Administration of an Interagency Advisory Council on Veterans' Services. This Council shall be chaired by the Administrator and shall be composed of the heads (or their designees who hold at least executive level IV positions) of the Departments of Defense, Labor, HEW, Housing and Urban Development, Treasury, and Agriculture as well as the U.S. Postal Service, Civil Service Commission and the Small Business Administration.

§ 251. Functions of Advisory Council

Subsection (a). Provides that the Council shall promote maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents.

Subsection (b). Provides that the Council shall make recommendations to the President to develop in his annual budget a coordinated plan for the provision of services to veterans and their dependents under all Federal programs and activities.

Subsection (c). Provides that the Council shall report annually on its activities to the President and the Congress and shall submit to the President and Congress appropriate reports and recommendations for improvements in existing Federal laws, programs, and activities affecting veterans.

Subsection (d). Provides that the Council shall meet at the call of its chairman (the Administrator) but at least four times annually, and shall employ such staff as necessary to carry out its functions.

§ 252. Cooperation of Other Federal Departments and Agencies

This section provides that each Federal agency of the Council shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.

Subsection (b) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter V in chapter 3.

Mr. CRANSTON. Mr. President, as indicated in the provision itself, this new interagency advisory council will also have the role of helping to develop, in connection with the annual budget, a coordinated plan for the provision of services to veterans and their dependents under all Federal laws, programs, and activities, so that the ensuing coordinated implementation of these laws, programs, and activities by the various agencies can be evaluated against some standard.

PROGRAM EVALUATION AND COLLECTION OF STATISTICAL DATA

Mr. President, the last feature of the reported bill which I would like to highlight is section 216, which would add a new section 219 to title 38. The new section would, for the first time, require the Administrator of Veterans Affairs to provide for independent measurement and evaluation of the impact and effectiveness of all programs authorized under title 38 and of their mechanisms for service delivery. Presently, the VA's evaluation activities are sporadic and limited. The evaluation provisions in the new section 219—in subsections (a) through (f)—are based directly on the evaluation provisions in section 401 of the Rehabilitation Act of 1973—Public Law 93–112, of which I was the principal author with Senators RANDOLPH and STAFFORD, who are also members of the Veterans' Affairs Committee and who collaborated, along with Senator HARTKE and me, on this provision in the reported bill.

Mr. President, subsection (g) of the new section adds an additional mandate and mission for the VA to collect all possible types of program and benefits statistical data and to do so on a continuing basis, and to make available to the public and submit to the Congress on a regular basis, but not less often than every other month, tabulations and analyses of the data collected. The provision specifies that the data collected would include the rates of participation in all VA benefits programs, including the duration of such participation and the participation for veterans of various service periods, and the costs associated with each; breakdowns of the various categories of all VA program beneficiaries and patients; details regarding planning and construction of all VA facilities and proposed space acquisition and land excessing; reports on accretion and attrition of personnel; and the categorized cost attributable to each of these categories.

Mr. President, these provisions are discussed on pages 90–92 of the Committee report, and I ask unanimous consent that these excerpts be printed in the RECORD at this point.

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

Section 216

Subsection (a) amends subchapter II of chapter 3 of title 38, United States Code, by adding at the end a new section 219, which directs the Administrator to measure and evaluate the impact of all programs authorized by this title with respect to their effectiveness and impact of their structure and mechanisms for the delivery of services.

The Committee since its formation in 1971 has been frustrated on a number of occasions in its attempt to secure meaningful data from the Veterans' Administration in connection with its oversight of VA programs and in considering various legislative alternatives.

The Committee considers the addition of this section to be consistent with the recommendations made by several studies conducted since World War II and, most recently, by the Educational Testing Service (ETS) in its *Comparative Study of the Three GI Bills* conducted pursuant to section 413 of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). In its findings and conclusions, the ETS found that:

"The VA has currently no means of measuring the quality of the performance of the State Approving Agencies and therefore cannot be assured that the money used to reimburse these agencies was wisely spent . . .

"There is no way to determine whether this money was wisely spent . . . little has been done to compile information that would allow an accurate evaluation of the performance of their agencies."

The ETS Report listed some of the data that the VA does *not* collect: the completion rates of veterans in the various programs, veterans' complaints in a systematic way, the socioeconomic status of veterans as they enter and complete programs of training, or the actual employment obtained as it relates to training received.

In addition, two major reports done since World War II were also critical of the VA's failure to compile such information for a systematic assessment of program effectiveness. The Booz-Allen-Hamilton report in 1952 stated for example:

"An important and basic part of the vocational rehabilitation and education program has been neglected. There is no real measure of the programs' effectiveness . . . No one has any real idea of how much and in what way the education programs have actually benefitted veterans."

Second, the Bradley Commission concluded that:

". . . the data gathered relate largely to administrative operations and do not give a basis for gauging needs or for analyzing the effectiveness of the program."

The Veterans' Administration apparently believes that it does not have a "mission" to gather such data and that priority must be given to "serving veterans" rather than "purifying statistics." While the Committee has no quarrel with the VA's emphasis on serving veterans, the dichotomy implied by that argument is too sharply drawn and somewhat disingenuous. Service to veterans can be improved only if there exists adequate data from which to evaluate the programs and make needed changes. The Committee believes that such collection and evaluation is vital to the mission of serving veterans and sees no dichotomy, but rather a definite need to make such evaluations to assure that the VA's mission of serving veterans is being carried out in the most efficient and effective manner. The Committee wants whatever recommendations and analysis the VA may be able to provide in order to more intelligently interpret the programs in a thoroughly uniform manner for future legislation. The dearth of statistics, for example, on completion rates of those who enroll in a course of training but do not finish such course has led to much controversy over GI bill participation rates during recent months and the need for increases in the assistance allowances. A more detailed analysis of subsection (a), section 219 follows:

§ 219. Evaluation and data collection

Subsection (a). Directs the Administrator to measure and evaluate the impact of all programs authorized by this title to determine their effectiveness in achieving stated goals, their impact, and their structure and

mechanisms for delivery of services. The evaluation shall be conducted by persons not involved in this administration of the programs evaluated.

Subsection (b). Directs the Administrator to develop and publish general standards for the evaluation of the programs not later than 90 days after the enactment of this section.

Subsection (c). Directs the Administrator to obtain the specific views of persons participating in and served by programs under this title in carrying out the evaluations.

Subsection (d). Directs the Administrator to publish the results of such evaluations not later than 90 days after their completion and promptly submit copies of all completed research studies and evaluations to the appropriate congressional committees.

Subsection (e). Directs the Administrator to take necessary action to assure that all studies, evaluations, proposals, and data developed under this title shall become the property of the United States.

Subsection (f). Directs all Federal agencies, departments, and instrumentalities to make available to the Administrator all information deemed necessary by the Administrator for such evaluations.

Subsection (g). Directs the Administrator to collect, collate, and analyze on a continuing basis full data regarding the operation of all programs under this title and shall make available such tabulations and analyses available to the public and the appropriate committees of Congress.

Subsection (b) provides that the table of sections at the beginning of chapter 3 of title 38, United States Code, be amended by adding the new section 219.

CONCLUSION

Mr. CRANSTON. Mr. President, this bill, as I indicated at the outset, has been a totally bipartisan effort. Extremely effective work has been done by many members of the committee, including the distinguished Senator from West Virginia, long a champion of veterans rights and benefits and one of my predecessors as chairman of the former Subcommittee on Veterans' Affairs on the Labor and Public Welfare Committee (Mr. RANDOLPH) and by the ranking minority members, the Senators from Wyoming (Mr. HANSEN) and South Carolina (Mr. THURMOND). Their work was made possible and most ably supported by many employees of the committee staff, principally the chief counsel, Guy McMichael, assisted by Larry Chernikoff, Michael Burns, Mary Whalen, John Szabo, Harold Carter and Rita Bass.

Mr. President, before closing I want publically to express my appreciation for the very effective work which has been done in support of this measure by veterans organizations and particularly express my appreciation to the Veterans of Foreign Wars for having presented me this past Sunday in their California State Department convention their highest State award, the Silver Medal of Merit. I was greatly honored by this tribute, and ask unanimous consent, Mr. President, that the text of my remarks to that VFW State convention be set forth in the RECORD at the conclusion of my remarks.

Mr. President, in closing, I again want to express my congratulations to Senator HARTKE and the other members of the Veterans' Affairs Committee for having worked so hard to produce what I consider to be such a significant and far-reaching measure. This bill when enacted will help literally millions of veterans, particularly Vietnam-era veterans, and dependents in our Nation. As I have said many times in the past, what these veterans really are asking for is no more than they deserve and they are entitled to—that is, simple justice and equity, and comparability in benefits with what their fathers and brothers received after their service in prior wars.

Mr. President, I believe that the reported bill meets this test, and I strongly urge a unanimous vote of approval by my colleagues.

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

ADDRESS BY SENATOR ALAN CRANSTON (D., CALIF.) BEFORE THE ANNUAL CONVENTION OF THE DEPARTMENT OF CALIFORNIA VETERANS OF FOREIGN WARS, BAKERSFIELD, CALIF., JUNE 16, 1974

Commander Andrew Skinner, Senior Vice Commander Jack Melban, other distinguished incoming and outgoing officers of the State Department of California Veterans of Foreign Wars, and members of the VFW and the Women's Auxiliary, I am very humbled by the high honor you have given me today. Working to improve programs and services and benefits for veterans and having some degree of success is reward in itself.

But, nevertheless, I am delighted with this high honor and will do everything I possibly can to continue to merit it.

In addition, coming from the VFW—which has worked so long and hard with me over the last five years back in Washington, especially in the area of bringing about important improvements in the VA medical and hospital program—makes this very generous tribute even more meaningful to me. So I thank you all for the Silver Medal of Merit.

This afternoon, I thought I would give you a brief report on legislative developments in Washington and then talk about several matters which I know are of very genuine concern to all of you: In the last two weeks, we have enacted two major pieces of legislation: first, a major disability compensation and DIC bill increasing benefits across the board by about 15% on the average. Second, a veterans life insurance bill providing for increasing the maximum amount of SGLI insurance from $15,000 to $20,000, expanding coverage under that program, and providing for automatic conversion of SGLI policies to a non-renewable, five-year term policy called "Veterans Group Life Insurance."

We also were successful last week in providing for a temporary extension of the eight-year period of G.I. Bill entitlement which for many veterans was due to expire on May 31.

Right now, we are preparing to take up on the Senate Floor this coming Wednesday a most major piece of legislation revising and improving and updating G.I. Bill benefits, including a permanent two-year extension—from eight to ten years —of the entitlement period. I am very proud of this measure and have been its principal architect along with Chairman Hartke of the Committee on Veterans' Affairs.

Among the other important provisions of this bill, S. 2784, as we reported it to the Senate floor last week—and which, as I said, we will take up and, I believe, overwhelmingly adopt, on the Senate floor on this Wednesday—are numerous features, which are responsive to many important VFW mandates. Among these are:

1. An 18.2 percent, across-the-board rate increase in all G.I. Bill programs, increasing the basic single/no-dependent veteran rate for full-time study from $220 to $260 per month;

2. A new partial tuition assistance allowance program, under which a veteran or chapter 35 dependent could receive from the VA up to $720 tuition assistance payments after paying the first $100 of tuition himself. Thereafter, the veteran would receive 20% of amounts over $100, up to $1,000;

3. An increase in the maximum number of months during which a veteran can study or receive training under the G.I. Bill from the present 36 months to 45 months;

4. Establishment of new veterans' and eligible dependents' education loan program under which low interest education loans of up to $2,000 per academic year would be made to G.I. Bill trainees based on their financial need and living and education costs;

5. Provision for up to six months of refresher training—a very important new feature when coupled with the additional nine months of eligibility—for any post-Korean conflict veteran using G.I. Bill training to update knowledge and skills in light of technological advances since their period of military service;

6. Improvement and expansion of the veterans work-study program and the tutorial assistance program, which I authored in 1972 and 1970, respectively;

7. Addition of substantial new authority for the Administrator to cut down on misleading and deceptive sales promotion of fly-by-night trade or technical courses and other similar abuses occurring in the present G.I. Bill program;

8. Strengthening of the present VA outreach program which I authored in 1970;

9. Substantial improvement of benefits for education, training and employment assistance for wives and widows of service-connected veterans;

10. Requiring very significant new information and assurances from the Secretary of Labor in providing job placement assistance through the Veterans Employment Service, provisions which I authored in 1970 originally;

11. Direction to the Secretary of Labor to get on the ball and start implementing, in a meaningful manner, the program I authored in 1972—which he has been refusing to carry out—requiring Federal contractors and subcontractors to provide special emphasis in their hiring to qualified disabled and Vietnam-era veterans.

12. Establishment of a new Federal government program requiring each Federal agency and department to provide the maximum employment and job advancement opportunities for qualified disabled and Vietnam-era veterans, and beefing up of the existing special appointment authority for Vietnam-era veterans to obtain jobs in the Federal government.

I hope you will agree that this is a terrific bill. I am confident it will be overwhelmingly accepted on the Senate floor, and I expect that in our negotiations with the House Committee we will be able to obtain the vast bulk of these many new strengthening provisions so that today's G.I. Bill assistance will be made virtually comparable to that provided after World War II and the Korean conflict. This has long been a major goal of the Veterans of Foreign Wars, I know.

Now, I want to turn to the veterans medical and hospital system. I think many of you know that I have devoted an enormous amount of my time and energy since coming to the Senate in 1969 to trying to resolve the deficiencies in this program. I have been Chairman of the Subcommittee responsible for VA health and hospital matters since coming to the Senate in 1969, and during this period we have been able to increase VA medical appropriations above amounts requested by the Administration—over the

staunch opposition of the Administration—by over one-half billion dollars.

This money has enabled us to add 26,000 new medical and hospital workers in the VA around the country.

It has enabled us to improve physical facilities and replace outmoded equipment.

It has enabled us to initiate a substantial construction program to replace ancient hospital facilities, including replacement hospitals now underway at Wadsworth in Los Angeles and at Ft. Miley in San Francisco. We in California have also been most fortunate in securing two new VA hospitals: the new San Diego VA hospital opened last year in La Jolla and the Loma Linda Hospital, for which I am leaving here immediately after this speech to attend the groundbreaking.

We also will be getting, beginning approximately July 1, a major new outpatient clinic in Sacramento affiliated with the University of California at Davis Medical School, something I have fought for very long and hard.

Thus, I think it's fair to say that we have made progress in improving VA medical care in California and around the Nation. But we still have a long way to go, and I intend to continue my work until we have achieved high quality care for every eligible disabled veteran seeking care from the VA.

I know that is your goal. Your organization has been of the greatest assistance to my efforts in the Congress to enact new laws—and we enacted two major ones in 1972 and 1973—to improve the VA medical system and to expand medical care eligibility for veterans and their dependents, and to secure major additional appropriations to provide other improvements in this system.

I ask you today to continue your great efforts, and together I truly believe we can continue to move forward, making significant progress and bringing about real change.

Many of you also know, I think, that the new Chief Medical Director of the Veterans Administration, Jack Chase—a distinguished career professional—has just completed an extensive survey of the VA hospital system and has submitted his report to the President. I am watching and monitoring this situation very carefully and expect to have access to Dr. Chase's complete report.

I believe we will require additional appropriations of over $100 million for medical care for the next fiscal year. I will seek to carry out all justifiable recommendations made by Dr. Chase's study. I will do this regardless of whether or not the President goes along with these recommendations or rather, I should say, whether the O.M.B. tells him to or not.

I expect to receive the White House recommendations and Dr. Chase's study in the next several weeks.

I think you know that there are a number of people in high positions in Washington in the Executive Branch who would like to see the VA medical program folded into some kind of national health insurance proposal. Indeed, under the President's national health insurance proposal, it is not at all clear what the role of the VA would be and what future integrity and independence the VA medical program would have.

I pledge to you today that those enemies of the VA in Washington will lose this battle, just like they have lost all the others they have started. They will lose because they are wrong.

They will lose because we will not let them win.

They will lose because the VA medical program is absolutely necessary to assure quality medical care for the disabled veterans who are entitled to it from their country. They will lose because the VA medical program is an enormously valuable national resource necessary to provide the training to meet the health personnel needs of the entire Nation.

I have long believed that the VA medical system can serve as a model for the kind of medical care that must be provided to all citizens of our country.

I will not stand by and see anything done to weaken or dilute that system.

I would like to acknowledge publicly at this time the great support which the Veterans of Foreign Wars lent to the joint efforts I made with my dear friend, "Tiger" Teague of Texas, to bring about new leadership for the Veterans Administration.

I can report to you today that friends of the present Administrator, Mr. Johnson, are now planning his farewell party to be held in the next week or so. I can also reveal to you today that when Mr. Teague and I met with General Alexander Haig at the White House last April 29, we received a commitment that Mr. Johnson would no longer be the Administrator of Veterans Affairs by the end of this month. I have every expectation that the President will honor that commitment and that we will have a nominee for the position of Administrator of Veterans Affairs before the 4th of July Congressional recess.

In that connection, I have one more pledge to make to you today: The Committee on Veterans' Affairs will have to report to the Senate on any nomination of a new Administrator. And the Senate will have to advise and consent to any nomination in order for any new Administrator to take office.

The hearings on the new nominee for Administrator will be extremely important. I expect to ask the most detailed and searching questions about the qualifications and intentions of the new nominee—whoever it is. I intend to find out whether or not that nominee intends to be his own man, or whether he will be a handmaiden and puppet of the Office of Management and Budget.

I intend to press for assurances from the White House, in connection with any such nomination, that the Administrator of Veterans Affairs will indeed be the person running the Veterans' Administration on a day-to-day basis without improper interference by the Office of Management and Budget.

At the same time, I also intend to get assurances from the nominee for Administrator that he will give to VA Chief Medical Director Chase the latitude and responsibility he needs to run the VA Department of Medicine and Surgery in a professional manner.

If I am not convinced that we will be getting an individual who can act in good conscience and free conscience as an advocate of the needs and rights and interests of veterans and their dependents, I will not vote for that nominee for Administrator, no matter who it is. And if we do not receive adequate assurances, I will make every effort to block the nomination.

I hope I will have your support in this important business and that my work in the Senate will continue to earn the type of tribute you have so generously given me today.

Mr. HARTKE. Mr. President, I suggest the absence of a quorum. I understand there are some other amendments to be offered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1140

Mr. BELLMON. Mr. President, I call up an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

TITLE VI

SEC. 601. Chapter 36 of title 38, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1796. Cost-of-living increase in educational assistance and subsistence allowances

"(a) As soon as possible after the beginning of each calendar quarter, the Administrator shall determine the extent by which the price index in the preceding calendar quarter was different than the price index in the applicable base period (as those terms defined in subsection (e)). If he determines that the price index has changed by a percentage (of its level in the base period) equal to 3 per centum or more, the amount of the educational assistance or subsistence allowance payable to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence or a program of flight training, in an educational institution under chapter 31, 34, or 35 of this title shall be changed by the same percentage (adjusted to the nearest one-tenth of 1 per centum), effective with respect to such allowances for months after the quarter in which the determination is made.

"(b) In the case of any individual who first becomes entitled to an educational assistance or subsistence allowance in or after the month in which a change becomes effective under subsection (a), the amount of such allowances payable to or with respect to him on the basis of such entitlement shall be determined by applying such change (or, if more than one change has become effective under subsection (a), by applying all such changes successively) to the amount of such allowances which would be payable under the provisions of chapter 31, 34, or 35, as the case may be, without regard to this section.

"(c) Any change under subsection (a) shall apply with respect to all educational assistance or subsistence allowances payable under chapters 31, 34, and 35 of this title during the period in which such change is effective regardless of the provisions under which such allowances are payable or the manner in which the amounts payable are determined, but shall be applied with respect to the allowances payable to or with respect to any particular individual only after all of the other applicable provisions of this title which relate to eligibility for and the amount of such allowances and all prior changes made in such allowances under this section, have been applied.

"(d) If the amount of the change in any educational assistance or subsistence allowance under subsection (a) is not a multiple of $0.10 it shall be raised to the next higher multiple of $0.10 in the case of a multiple of $0.05 or adjusted to the nearest multiple of $0.10 in any other case,

"(e) For purposes of this section—

"(1) the term 'price index' means the Consumer Price Index (all items, United States city average) published monthly by the Bureau of Labor Statistics; and the average level of the price index for the three months in any calendar quarter shall be deemed to be the level of the price index in such quarter; and

"(2) the term 'base period' means—

"(A) the calendar quarter commencing July 1, 1974, with respect to the first change under subsection (a), and

"(B) the calendar quarter immediately preceding the quarter in which the determination constituting the basis of the most recent change under subsection (a) was made, with respect to any change under subsection (a) after the first such change.".

(b) The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following:

"1796. Cost-of-living changes in educational assistance and subsistence allowances."

(c) The amendment made by subsection (a) of the section shall apply only with respect to changes in educational assistance and subsistence allowances under chapters 31, 34, and 35 of title 38, United States Code, for months in and after the second calendar quarter beginning after the date of the enactment of this section on the basis of determinations made (under section 1796 of such title, as added by subsection (a) of this section) in and after the first calendar quarter beginning after the date of the enactment of this section.

Mr. BELLMON. Mr. President, this amendment is cosponsored by Senators GURNEY, BUCKLEY, and DOMINICK, and I ask unanimous consent that they be added as cosponsors.

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

Mr. BELLMON. Mr. President, during the past few weeks I have followed with great interest the activities of the Veterans' Affairs Committee. Through the good work of the committee the problems of the Vietnam veteran have been well defined and generally excellent solutions developed. I congratulate the distinguished chairman and members of the Veterans' Committee for quick action in reporting this measure to the floor.

Mr. President, the bill proposed by the committee is both well conceived and timely. The citizens of this country have witnessed unprecedented inflation. Every American has felt the squeeze of higher prices. However, those veterans who are trying to obtain an education for a better future have been especially hard hit. Most of them have no financial reserves. The cost of living has risen 43.8 percent in the past 8 years. Veterans in school have no way of coping with these ever-rising costs. Given the high costs of food, clothing, housing, and other necessities, it is no wonder that the Vietnam veteran has a difficult time making ends meet.

Mr. President, over the years Congress has periodically reassessed the sufficiency of the veterans' benefits. Significant adjustments were considered and passed in 1967, 1970, and 1972. However, in making these adjustments we are always trying to make up for lost ground. It seems that Congress makes significant adjustments only after inflation and rising costs have already deteriorated the purchasing power of the veterans' dollar. It seems that we always wait until after inflation has taken its toll before we act. It is almost as if we knew there was going to be a flood and yet we refuse to build a wall to protect ourselves or failed to take preventive action. Since 1972, the cost of living has risen almost 14 percent. During that time, veterans' benefits have been frozen. The value of his benefit has constantly gone down. Now, some may argue, Mr. President, that benefits granted are too high for today and are therefore sufficient for tomorrow's needs. I contest that view. Every Member has doubtless received quantities of mail that substantiate the fact the veteran has suffered heavily from spiraling inflation since 1972. It is only now that we act to make up for the loss that the veteran has suffered since 1972.

Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. BELLMON. The committee cites at page 30 of its report that given the unchecked inflation rate, the cost of living can be expected to approach 18 percent by the beginning of the fall term. Therefore, by the committee's own admission the veteran faces great rises in the cost of living in the very near future. It seems reasonable to conclude that within a very short period of time the benefit proposed by the committee will once again be eaten up by inflation and once more the veteran will be faced with yet another crisis of the inadequacy of funds.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, our commitment to the veteran is irreversible, and rightfully so. Accordingly, I rise today to offer an amendment to the provisions of S. 2784 which would protect the purchasing power of the veterans' dollar on a more equitable basis by attaching a cost of living escalator clause to the educational and subsistence allowances provided to veterans. At the end of each calendar quarter, the Administrator of the Veterans' Administration would determine the extent by which the price index in the preceding calendar quarter was higher than the price index in the applicable base period—July 1, 1974. If the price index has risen by 3 percent or more of its level in the same base period, then the amount of the educational assistance allowance payable to the eligible veteran would rise by the same percentage. Accordingly, as the cost of living rises so will the veterans' benefits. With adoption of my amendment what happens to the veterans' dollar since 1972 will not happen again.

Mr. President, there are many Senators here today who benefited from the benefits offered by the GI bill.

Mr. President, when education is even more important, as it is now, we should be even more concerned to make certain that veterans who are entitled to these benefits receive the full value of the benefits which Congress intends to provide. We need to be concerned that the young veteran attending a university has the funds he needs to pay his monthly electric, water, gasoline, clothing, food, and other necessary expenses.

Mr. President, under my proposal, the veteran would be in a better position to satisfy those monthly obligations. By adjusting benefits quarterly and tying these benefits to the Consumers Price Index, the veteran will not have to face the difficult struggle he has had to face in the past years in his battle against inflation.

Mr. President, adjusting benefits through the method I suggest will provide a more equitable basis upon which to address the needs of the student-veteran.

Mr. President, my proposal is not without precedent. Similar measures have been proposed in the House and several bills now lie before the Senate Veterans' Affairs Committee suggesting that cost of living escalator clauses be attached to other types of veterans' benefits. Congress has long recognized the needs for automatic cost-of-living clauses for social security recipients. It is rather ironic that while we protect the social security recipient from the rising cost of living through the passage of escalator clauses, we have failed to sufficiently protect those individuals who have so courageously served in our Armed Forces from the ever-rising cost of living.

Mr. President, in my mind, commonsense dictates adoption of this amendment. If the Senate is to faithfully discharge its obligation to Vietnam era veterans, I ask that we act with wisdom and foresight by confirming here today through passage of my amendment our commitment to the future of the Vietnam era veteran.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, I yield myself 5 minutes.

I appreciate the intent behind this amendment, but I believe that the Senator is attempting to direct himself at something we have already done in this committee bill. There is no question that today's veteran is not receiving an adequate amount to live on and go to school. But what we are dealing with here are increases in educational assistance allowances. We are not dealing solely with an income maintenance program; we are dealing with an education program, and the reason we have increased the amount in the reported bill is because that is the necessary amount required to go to school.

The $260 rate for example, for a single veteran is not just a subsistence allowance but is intended in part for educational costs; to pay for the 20 percent deductible and the first $100 on the tuition allowance which we have included in this bill.

We have taken a major step forward by increasing the monthly educational assistance rate by 18.2 percent. We have taken a major step forward by making sure that the individual has part of his tuition paid under a variable tuition assistance allowance. We have taken a major step forward by providing for direct low interest Federal loans for these individuals who want to go ahead to schools where the monthly educational allowance and the tuition allowance will not cover it.

As to tying to assistance rates to the cost of living, if we had followed that theory in the past, the veteran would be in worse shape today than he is under current law. That is to say the cost of living has gone up some 48 percent since 1966, but we in Congress have increased the veterans' educational benefits by some 150 percent. Thus, I believe the

operation of this amendment would be a disservice to the veteran rather than a service to him. It would tie him to the wrong index, the cost-of-living index, which does not cover increases in the cost of education which progress at a faster rate than the general increases in the cost of living.

I should also say that the committee has considered and rejected automatic increases in other veterans programs and has rejected that approach because among other things it reduces the incentive for review by the committee and action by Congress, which is necessary to insure programs of the highest quality for our Nation's veterans. I refer my colleagues to the committee report on S. 3072 concerning service-connected compensation in which we have reviewed this concept in some depth.

I hope that the distinguished Senator from Oklahoma will reconsider his approach. To add to the bill another complicating factor which has little relevance to the cost of education would, in effect, be of no real service to the veteran. That is one of the reasons why the VFW has so consistently opposed this type of approach. It is one reason why the committee has opposed this type of approach because it does not properly address itself to the need of the veterans seeking an education.

Mr. President, I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, it is with reluctance that I oppose my good friend and admired colleague from Oklahoma. I am well aware of the great contributions he made during World War II in the defense of his country, of his continuing concern for veterans everywhere, and of the respect in which he is held by veterans and veterans' organizations nationally. I say those things because I cannot support the amendment of the Senator from Oklahoma.

I am compelled to oppose the principle of an escalator clause, because I believe the current method which we use to review the GI bill education program serves the best interests of the veteran. Where the escalator principle would provide for automatic cost-of-living increases, the current method involves detailed review and oversight of the entire program by the Congress when an increase is called for.

Periodic review of the various entitlement provisions serves as a catalyst for the Congress to examine all aspects of the education program. The adequacy and responsiveness to the needs of the veteran are dealt with in detail.

Mr. President, I fear the net result of enacting an automatic escalator provision will be to downgrade the urgency for periodic review and oversight of the entitlement programs.

Periodic congressional review has resulted in the following increases in subsistence rates for the single full-time student since 1966. In 1966, the student veteran drew $100 per month; in 1967, $130 per month; in 1970, $175 per month; in 1972, $220 per month; and if the current bill is enacted into law, he will receive $260 per month. During the period of time from June 1, 1966, to June 1, 1974, the corresponding increase in the Consumer Price Index was 48.76 percent.

Mr. President, it is my sincere view that the veteran has fared better under the present method than he would under an escalator provision.

In the event the rate of inflation continues, Congress can easily adjust the rates to reflect the necessary changes in the Consumer Price Index.

Mr. President, I would like to point out that the administration is also opposed to the enactment of this amendment.

Mr. President, I hope that the Senator can see fit to withdraw his amendment. Otherwise, I am compelled to support the committee bill and oppose the amendment.

ADMINISTRATION POSITION

In a November 19, 1973 letter from Administrator Donald Johnson to the chairman of the House Veterans' Affairs Committee, the Administrator set out the administration's views on automatic Consumer Price Index adjustments.

The letter reads, in part, as follows:

We also question the desirability of legislating at this time a rigid requirement for annual automatic adjustments in the future level of educational benefits based on increases and decreases in the Consumer Price Index. Unlike other programs in which automatic cost adjustments are provided, the veterans education program is not intended to be an income maintenance program. It is not a program based on the income of a veteran, nor was it designed to provide the sole source of support for those receiving benefits.

Accordingly, while the administration favors automatic CPI adjustments as part of a reform of the veterans pension system—because such adjustments can reflect changed income needs and be related to comparable changes occurring in social security benefit levels—we do not believe such an approach is appropriate for the educational benefit structure.

I thank the Senator from Indiana.

Mr. HARTKE. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I join the distinguished chairman of the committee, the Senator from Indiana (Mr. HARTKE) and the ranking Republican member, the Senator from Wyoming (Mr. HANSEN), in opposing this amendment.

I agree that it sounds appealing, but it would not help the bill in conference, and it really would not help the veterans it is intended to help, because it would probably result in a freeze on increases that will become necessary to provide educational assistance to veterans in excess of cost of living index increases. The fact is that the cost of education goes up more rapidly than the cost of living.

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

Mr. CRANSTON. I am delighted to yield to the Senator from Oklahoma.

Mr. BELLMON. The Senator has just used the words that this amendment would freeze veterans' benefits. I wonder if he would point out how the amendment would have that effect.

Mr. CRANSTON. The procedure under the Senator's amendment ties the increases to the cost of living. That would make far more difficult the burden of Congress to persuade its Members that increases were needed despite this new procedure that would have been adopted. Increases in GI bill educational aid beyond those provided by the Senator's amendment would thus be needed.

Mr. BELLMON. I agree with the Senator that other adjustments will be needed from time to time to take care of the rising costs of education other than the cost of living, but there is nothing in the bill that would keep the committee or Congress from acting to improve other benefits, just as we do now.

The purpose of the amendment is to make certain that the veterans *do not* fall behind in the cost of living benefits they are entitled to receive. There is nothing to prevent increases in other benefits. This is only to make certain that the cost of living benefits does not fall behind while we delay action.

Mr. CRANSTON. In my judgment, it would have the effect of indicating a freeze, and perhaps bringing about a freeze, because the political realities are, in my judgment, that it would be more difficult to bring about those increases that would really be necessary for veterans if this amendment were adopted, and that is why the VFW, for example, is opposed to the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I rise in support of my distinguished colleagues on the committee.

The proposal for an automatic cost-of-living increase measured by changes in the Consumer Price Index, omits the important element of legislative oversight in determining the need for adjustments in education benefits.

This year the hearings on the education program were initiated because of the need to adjust the subsistence rates with increases in the cost of living. The hearings and discussions which followed, accentuated the need for other changes in the program. As a result, the bill before us today contains other major provisions—that is, a tuition assistance plan, an increase in the maximum entitlement, an extension of the delimiting period, and necessary vocational rehabilitation and reemployment amendments.

Any automatic increase in rates, without hearings, and the accompanying legislative oversight investigations, may well lead to our overlooking other factors which determine the need for adjustments.

Mr. President, it is my understanding that the basic thrust of the amendment is to provide automatic increases in the subsistence rate and protect the veteran's subsistence benefits as other costs rise.

Historically the veteran has fared better under Congressionally approved adjustments than he would have under an automatic increase measured by changes in the Consumer Price Index. I believe Congress will continue to be sympathetic to the needs of the veteran in an inflationary economy.

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

A table prepared by the Library of Congress, Congressional Reference Service, substantiates this fact.

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

COMPARATIVE INCREASES IN CONSUMER PRICE INDEX [1] AND EDUCATIONAL ASSISTANCE RATES

		1st increase			2d increase			3d increase			Proposed in S. 2784			Total increase from June 1, 1966 [3]	
	June 1, 1966	Oct. 1, 1967	Dollar Increase	Percent change	Feb. 1, 1970	Dollar increase	Percent change	Sept. 1, 1972	Dollar increase	Percent change	May 1, 1974	Dollar increase	Percent change	Amount	Percent
Consumer Price Index (percent)	96.8	100.7	.....	4.03	113.3	.....	12.51	125.7	.....	10.94	144.0	.....	14.56	.....	48.76
Readjustment assistance: (veterans, no service-connected disability ch. 34):															
Institutional	$100	$130	$30	30.00	$175	$45	34.62	$220	$45	25.71	$260	$40	18.18	160	160.0
Cooperative	80	105	25	31.25	141	36	34.29	177	36	25.53	209	32	18.08	129	161.25
Cooperative farm	NA	[2] 105	NA	NA	141	36	34.29	177	36	25.53	209	32	18.08	104	99.05
On-job training	NA	[2] 80	NA	NA	108	28	35.00	160	52	48.15	189	29	18.13	109	136.25
War orphan assistance: (wives, widows, and children, 100 percent disabled service-connected or deceased service-connected veterans: ch. 35):															
Institutional	130	NC	NA	NA	175	45	34.62	220	45	25.71	260	40	18.18	130	100.00
On-job training	NA	NA	NA	NA	NA	NA	NA	[2] 160	NA	NA	189	29	18.13	29	18.13
Cooperative	105	NC	NA	NA	141	36	34.29	177	36	25.53	209	32	18.08	104	99.05
On-farm training	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	209	NA	NA	NA	NA
Vocational rehabilitation: (service-connected disabled veterans: ch. 31):															
Institutional	110	NC	NA	NA	135	25	22.73	170	35	25.93	201	31	18.24	91	82.73
Farm cooperative or OJT	95	NC	NA	NA	118	23	24.21	148	30	25.42	175	27	18.24	80	84.21

[1] CPI cited for first day of stated month is index for the preceding month.
[2] Benefit provided for the first time for this group of beneficiaries.
[3] Dollar or percentage increase since benefit was first provided.

NA—means Not Applicable.
NC—means No Change in Benefit.

Mr. BELLMON. Mr. President, for all practical purposes, I am ready to vote on the amendment. I would like to make a comment or two concerning the statements by the chairman of the committee and the distinguished ranking minority member of the committee. I do not intend in any way to criticize what the committee has done. I think the committee has done an extraordinarily good job in understanding the needs of veterans at the present time and acting to meet those needs, and I am confident that Congress will approve this legislation.

My concern is that with inflation running, as it now is, at the rate of some 13 or 14 percent a year, if we approve the bill with no provision for meeting these unprecedented increases in the cost of living, a year from now or 2 years from now, when we again take up veterans' benefit legislation, by that time the veteran's income will be running roughly 25 percent or perhaps even 30 percent behind his needs.

It seems to me that we can act now to make certain that at least that part of meeting the cost of education to a veteran will have been taken care of. To me, it seems extremely unkind to consign a veteran to the absolute certainty that the purchasing power of his educational support check is going to go down month after month, without making some provision to adjust it as a cost-of-living increase.

The committee can go ahead and act a month, 2 months, or 6 months from now, or a year or 2 years from now, to take care of increases in the cost of other educational requirements, but we ought to take action to make sure that the veteran does not pay the penalty for constantly spiraling inflation in his cost of living.

The veteran receives the appearance here that we are taking care of his needs. I say we ought to go further and make certain that his needs will be taken care of, not only today but for the future. There is nothing, as I say, to keep the appropriate committee of Congress from acting. This amendment only makes certain that the benefits will be increased as the cost of living rises.

Mr. President, I am ready to vote.

Mr. HARTKE. Mr. President, just one word with regard to the amendment now before us. I think the Senator from California and the Senator from Wyoming have expressed it exactly right when they said the amendment would freeze in an operation which would not be of real benefit to the veteran. The question that we should ask the veteran is simply "Would you rather have a cost-of-living increase over the past few years, or would you rather have what Congress has done?" The difference is substantial. Congress has done better by the veteran than under this concept. If this amendment goes into the bill, we would eliminate some of the incentive to review the program for improvements, and we would strengthen the hand of those who want to hold veterans' benefits down. I do not want to do that. Congress has a responsibility to review and improve veterans' programs. It should not abdicate that responsibility and say, "We automatically adjust veterans' benefits by changes in the Consumer Price Index," which has little relevance to the actual cost of going to school.

Thus, Mr. President, I urge that the amendment be rejected.

Mr. DOLE. Mr. President, I am pleased to join the distinguished Senator from Oklahoma (Mr. BELLMON) in offering an amendment to S. 2784, the Vietnam veterans assistance bill, to put veterans educational benefits on a cost-of-living escalator.

In recent years, we have seen the cost of living soar to tremendous heights due to high rates of inflation. Under the current law, educational assistance levels for veterans cannot be improved except by action of Congress. We have seen that the actions of Congress have been too slow to keep up with the rapidly rising expenses veterans must meet.

Rather than have this constant lag between the rising cost of living and congressional increases in the level of veterans educational assistance, we can resolve this problem very simply by adding a cost-of-living escalator to GI bill benefits. This provision would increase educational assistance rates automatically according to increases in the living expenses of veterans.

From my meetings with veterans in Kansas, I know that this measure is greatly needed. The veterans in my State and in many others have had great difficulty in obtaining adequate educational training because of the inadequacy of educational assistance rates.

Considering that GI bill educational programs after World War II and Korea have greatly improved our national strength and productivity, I believe that every step we can take to improve the GI bill is appropriate. As indicated in the numerous improvements included in S. 2784, the level of educational assistance in the past has been inadequate.

I believe that this amendment to add a cost-of-living escalator to the GI bill will be greatly beneficial in meeting the needs of veterans attending school. I urge

every Senator to give his full support to this measure.

Mr. HARTKE. Mr. President, I yield back the remained of my time.

Mr. BELLMON. Mr President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HATHAWAY). All time on this amendment has now been yielded back.

The question is on agreeing to amendment No. 1440 of the Senator from Oklahoma (Mr. BELLMON).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "nay."

The result was announced—yeas 35, nays 54, as follows:

[No. 260 Leg.]

YEAS—35

Abourezk	Dominick	Montoya
Aiken	Eagleton	Nelson
Baker	Eastland	Pastore
Bartlett	Ervin	Pearson
Bellmon	Gurney	Ribicoff
Bentsen	Helms	Roth
Brock	Hruska	Scott, Hugh
Buckley	Jackson	Stevens
Chiles	Mansfield	Taft
Clark	McGovern	Tower
Dole	Metcalf	Young
Domenici	Mondale	

NAYS—54

Allen	Hart	Muskie
Beall	Hartke	Nunn
Bennett	Haskell	Packwood
Bible	Hatfield	Pell
Brooke	Hathaway	Percy
Burdick	Hollings	Proxmire
Byrd, Harry F., Jr.	Huddleston	Randolph
	Hughes	Scott, William L.
Byrd, Robert C.	Inouye	
Cannon	Javits	Sparkman
Case	Johnston	Stennis
Church	Kennedy	Stevenson
Cranston	Long	Symington
Fannin	Magnuson	Talmadge
Fong	Mathias	Thurmond
Goldwater	McClellan	Tunney
Gravel	McGee	Weicker
Griffin	Metzenbaum	Williams
Hansen	Moss	

NOT VOTING—11

Bayh	Curtis	McIntyre
Biden	Fulbright	Schweiker
Cook	Humphrey	Stafford
Cotton	McClure	

So Mr. BELLMON'S amendment (No. 1440) was rejected.

Mr. HARTKE. Mr. President, I ask unanimous consent that the vote by which the amendment was rejected be reconsidered.

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

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Mr. President, does any time remain on the bill?

The PRESIDING OFFICER. Some time remains on the bill.

Mr. HARTKE. How much time remains on the bill, Mr. President?

The PRESIDING OFFICER. The Senator from Indiana has 15 minutes; the Senator from South Carolina has 35 minutes.

Mr. HARTKE. Mr. President, I yield 5 minutes on the bill to the Senator from Alaska.

Mr. STEVENS. Mr. President, I had an amendment which was similar in some sense to the amendment which was just rejected. Being able to count, I will not offer the amendment. It would have provided for the extension of the cost-of-living allowance paid to Government employees under title 5, United States Code, to veterans who are attending schools in the areas where those allowances are paid to Federal employees in the offshore areas.

I do want to ask the chairman of the committee concerning another matter we have discussed off the floor, I wanted to make certain of this, if a State determines to pay its veterans who are attending a university, pursuing an educational course, funds out of its own treasury to assist them in their educational activities, will any of the funds provided under this bill be reduced, will any of the Federal support, educational benefits for veterans, be reduced because of payments from States or other sources to assist veterans in their activities?

Mr. HARTKE. I assure the Senator from Alaska that this bill which provides a direct payment of educational assistance allowances to the veteran will not be reduced by a veteran's income. It provides for a direct payment to the veteran as an obligation of the U.S. Treasury. In no way can it be reduced by any other payment made to the veteran.

Of course under certain need tested programs such as the veterans' pension program, the amount of pension is reduced by other available countable income. But the educational assistance program is different from the pension program.

Mr. STEVENS. Well, I thank the Senator from Indiana on that.

I would have hoped the committee might have considered the other problem. We have now, for instance, the cost of living in Anchorage of 141.9 percent of that here in Washington, D.C., and in Fairbanks it is even worse, and most of our students are going to school in the Fairbanks area.

I have seen the vote on this ceiling, the cost-of-living escalation, and I think we face the same problem with regard to our cost-of-living payments to the people in the offshore areas.

I do believe, though, it is going to have to be adjusted by our State legislature and that is why I am glad to have the Senator's comment that if the States do increase any pay, any kind of veterans' benefits, it will not decrease the Federal payment in any way.

Mr. HARTKE. The Senator is exactly right.

The distinguished Senator from Alaska (Mr. GRAVEL) has also talked to me about this same matter and the tremendous increase in the cost of living in the Alaska area. I want to assure my colleagues that we are going to ask the Veterans' Administration to do a complete review of this matter and see if they have any recommendations.

We are well aware of your concern and feel it should be reviewed, examined, and reported back to the committee.

Mr. STEVENS. I appreciate that very much. Thank you.

AMENDMENT NO. 1444

Mr. DOLE. Mr. President. I call up my amendment No. 1444.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 45, strike out the table at the top of the page, not including the footnotes thereunder, and insert in lieu thereof the following:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	[1] $235	[1] $278	[1] $316	$19
Three-quarter-time	[2] 177	[2] 208	[2] 344	15
Half-time	[3] 118	[3] 139	[3] 158	10."

On page 64, line 6, immediately after "SEC. 215." insert "(a)".

On page 66, between lines 3 and 4, insert the following:

"(b)(1) Chapter 36 of title 38, United States Code, is amended by adding at the end thereof a new section as follows:

§1796. Farm cooperative program; State coordinator

"'(a) The Administrator is authorized to pay to any State which employs an individual (hereinafter in this section referred to as a "State coordinator") to carry out the duties described in subsection (b) of this section an amount equal to 75 per centum of the annual salary paid to such individual by the State, but the amount paid by the Administrator may not exceed $20,000 per annum in the case of any State coordinator. No payment may be made in the case of the State coordinator of any State unless such State coordinator is an employee of the State department of education or a corresponding agency of the State.

"'(b) The Administrator is authorized to make payments authorized by subsection (a) in the case of any State which employs a

State coordinator and requires such State coordinator to perform the following duties:

"'(1) locate veterans eligible for and identify their educational needs under farm cooperative program;

"'(2) work with the appropriate officials of educational institutions within the State to organize and carry out farm cooperative programs within the existing educational system in order to meet the needs of eligible veterans;

"'(3) determine whether farm cooperative programs offered by educational institutions within the State are organized and administered in accordance wtih regulations prescribed by the Administrator and, if not, to assist such institutions to comply with such regulations;

"'(4) encourage educational institutions within the State to use veterans' cost-of-instruction payments received under section 420 of the Higher Education Act of 1965, as amended, to develop and carry out farm cooperative programs;

"'(5) encourage the publicizing through Veterans Assistance Centers of farm cooperative programs available within the State to eligible veterans, and encourage participation in such programs by eligible veterans; and

"'(6) carry out such other duties related to the foregoing as the State may prescribe.

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

"(2) The table of sections at the beginning of chapter 36 of such title is amended by adding at the end thereof the following:

"'1796. Farm cooperative program; State coordinators.'."

Mr. DOLE. Mr. President, I ask unanimous consent that I may make a correction in the amendment. On page 2, there is a typographical error for veterans attending "three-quarter time," with two dependents, the figure $344 should be changed to $237.

Mr. President, I have discussed this amendment with the distinguished chairman and the ranking Republican member of the Veterans' Affairs Committee.

The PRESIDING OFFICER. The amendment is so modified.

The modification is as follows:

On page 2, in the table following line 3, under "two dependents" change the figure $344 to $237.

FARM COOPERATIVE PROGRAM

Mr. DOLE. Mr. President, I offer this amendment to S. 2784, the Comprehensive Veterans Education program, for the purpose of developing the farm cooperative program into a meaningful and beneficial training institution for veterans involved in farming.

PRESENT PROGRAM IN SHAMBLES

In the State of Kansas, a mere 32 of more than 72,000 Vietnam era veterans have participated in farm cooperative programs, according to statistics compiled by the Veterans' Administration. This essentially nonexistent enrollment compares to a farm training participation rate of 12.7 percent of the 185,000 World War II veterans in Kansas. Participation in the farm cooperative program nationwide is a bare 0.3 percent compared to 8.9 percent in the post-World War II era.

Mr. President, I feel this comparison is shocking evidence of our failure to provide a meaningful farm cooperative program to Vietnam veterans. Kansas is the Nation's and the world's primary wheat producing area. We are also major producers of livestock, corn, and grain sorghum. It is simply incomprehensible to me that one of the country's leading agricultural States does not have a viable farm training program for veterans.

Unfortunately, the rest of the States follow much the same example as Kansas, as indicated by the table prepared from VA figures. I ask unanimous consent that the table be printed in the RECORD at this point.

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

Participation under farm cooperative training programs during Vietnam era through April 1974

Alabama	12
Alaska	3
Arizona	11
Arkansas	3,073
California	100
Colorado	17
Connecticut	3
Delaware	2
District of Columbia	2
Florida	446
Georgia	13
Hawaii	2
Idaho	6
Illinois	65
Indiana	781
Iowa	2,412
Kansas	32
Kentucky	5
Louisiana	50
Maine	2
Maryland	5
Massachusetts	5
Michigan	8
Minnesota	2,045
Mississippi	3
Missouri	972
Montana	19
Nebraska	1,591
Nevada	1
New Hampshire	3
New Jersey	5
New Mexico	2
New York	17
North Carolina	722
North Dakota	467
Ohio	5
Oklahoma	791
Oregon	4
Pennsylvania	7
Rhode Island	0
South Carolina	9
South Dakota	740
Tennessee	105
Texas	40
Utah	3
Vermont	1
Virginia	59
Washington	16
West Virginia	1
Wisconsin	610
Wyoming	29
Puerto Rico	1
U.S. total	15,328

Figures compiled by Veterans' Administration.

Mr. DOLE. Mr. President, the table also shows a wide discrepancy among the States. Since nearly all States have agricultural areas, it is clear that changes need to be made in the program to promote greater uniformity among the States. These changes, as provided by my amendment, are only fair in the interest of providing equal opportunity to farm veterans in all States.

It is also clear from the wide differences in enrollment levels among States that some States are better organized than others. In drafting this amendment, I have received information from some of those States which have more successful programs.

TREMENDOUS NEED

Mr. President, the need for a viable farm training program for veterans is obvious. Farming is becoming an evermore technical and complicated industry. Farming techniques are becoming progressively more sophisticated with the application of fertilizer and chemicals and the use of larger and more complicated machinery. In order to be competitive, young farmers must be proficient in a large number of administrative skills in such areas as marketing, recordkeeping, tax laws, labor management, and numerous other items.

With the complicated requirements placed on farmers these days, there is clearly a great need for a good training program. As Senators from predominantly consumer areas know, the price of food is one of the most critical items in holding down inflation. In order to have reasonably priced food, we need competent, efficient farmers. The money we spend in developing a good farm cooperative training program would undoubtedly be returned many times over in abundant, high quality, and more efficiently produced food.

And the number of veterans who could benefit from farm training is substantial. In Kansas alone, over 20,000 Vietnam era veterans have not participated in training under the GI bill. Undoubtedly, many of these veterans live on farms and could benefit greatly from a farm training program. Similarly, many thousands of the 2.3 million Vietnam veterans across the Nation who have not used the GI bill could benefit from training under a good farm cooperative program.

ASSISTANCE RATE INCREASED

Mr. President, my amendment would change the farm cooperative program in two ways, by increasing the monthly educational assistance allowance and by creating a State coordinator for farm cooperative programs.

Veterans involved in farming frequently have to travel long distances to reach facilities where farm training programs can be held. In Kansas, these distances are frequently in excess of 50 miles, and this is not unusual for many Western and Midwestern States. An increase in the monthly assistance will help veterans on farms to overcome these travel expenses.

Because of the dispersion of veterans in rural areas, it is more expensive to organize and operate meaningful farm training programs. The lower number of students per instructor may drive the cost of instruction up and instructors may have higher travel and miscellaneous expenses involved in training farm veterans. To help cover the additional expense of these programs, a larger assistance rate is needed. The tuition payment provision is also helpful in this regard, and I approve of it.

As veterans representatives in Kansas have pointed out, the requirement of 10

hours per week for the farm cooperative program is very nearly as much as the 12 hours per week required for university training. I believe that an increase in the monthly allowance rate is necessary to provide a level of assistance adequate to encourage participation.

In accordance with this, I have raised the level of monthly educational assistance allowance by one-half the difference between the existing farm cooperative rates and those for institutions of higher learning. In view of the efforts veterans in farm programs must make and the importance of participation in these programs to the Nation as a whole, I believe these increases are necessary to provide more equitable assistance to farm veterans.

STATE COORDINATOR

The second part of this amendment to establish a State coordinator for farm cooperative programs was drawn up after consulting with education and agricultural training officials and veterans representatives in Kansas, and VA officials. Information about successful programs in other States was also taken into consideration.

The dispersed nature of the veteran population in rural areas has made it extremely difficult for schools to identify the type and magnitude of veterans' farm training needs. The consequence is that farm cooperative programs simply have not been organized, although an adequate number of junior colleges, vocational-technical schools, and universities exists to allow excellent training.

It has been pointed out that several organizations exist, which collectively could set up meaningful programs. The Extension Service of the U.S. Department of Agriculture and veterans organizations have the facilities to determine the number and location of farm veterans and their training needs. State education and school officials, with this type of information, could better organize farm training programs to meet these needs.

Although these groups exist in every State, the difference between States with successful programs and those with unsuccessful programs appears to be the amount of coordination and cooperation between these groups. In at least some areas with successful programs, a coordinator has been established to promote cooperation and joint efforts among these groups.

For this reason, the creation of a State coordinator has been identified as one of the steps necessary to develop meaningful agricultural training. The State coordinator would be responsible for working with the organizations mentioned before to identify the number of veterans and their training needs, and then organizing programs to meet those needs. The coordinator would be employed under each State department of education and up to 75 percent of his salary would be paid by the Federal Government to give States an incentive to establish this office.

Although the Extension Service, State education facilities, and other essential organizations already exist, there is presently no individual responsible for getting these groups together to produce a meaningful farm training program. I believe that this measure is essential to achieving a useful farm training program to obtain uniformity among the States.

Mr. President, the States of every Member of the Senate stand to gain from the improvements this amendment would make in the farm cooperative program. I urge every Senator to support this measure.

Mr. President, I have discussed this amendment with the distinguished chairman and the ranking Republican member of the Committee on Veterans' Affairs. I believe that since calling this to the attention of the committee, the matter which I sought to correct with the amendment has been fairly well taken care of in the report.

I ask the distinguished chairman if that is not correct.

Mr. HARTKE. Yes. I would like to say to the Senator from Kansas, if he will look on pages 54, 55, and 56 of the report, that the report does cover this matter quite extensively and was done at the specific request of the Senator from Kansas. In fact, some language in the report is identical to the language in the letter which he submitted to the committee and which has been made part of the hearing record on the GI bill.

We are quite concerned about low participating levels in and want to see greater participation in these farm cooperative programs.

We believe that the low participation is one which should be reviewed not only by the Veterans' Administration, but also by the Secretary of Agriculture and the Commissioner of Education and the State directors of Agriculture Extension Services.

In my judgment, the committee's directions contained in the report to S. 2784 provide a needed first step remedy to improving the program. At the same time I want to assure the Senator from Kansas that if this does not correct the situation then the committee will be more than willing to review it once again.

Mr. DOLE. I thank the distinguished chairman, the Senator from Indiana (Mr. HARTKE) because in my State, for example, there are only about 32 veterans out of more than 72,000 eligible who participated in farm cooperative programs. There are just too many out there who are not participating who could have some benefit. That is the reason for my suggestion.

I appreciate the fact that the committee saw fit to include in the report a strong statement and also emphasized that there should be more done in this area.

I am happy to yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I would like to compliment my distinguished colleague from Kansas for his continuing interest in this GI education bill.

Without any doubt at all, his interest and concern, his involvement in the program, have resulted in language in the committee report that focuses on the attention that has been of such concern to him.

There is no question but that one of the ways of measuring the success of a program is to see how much involvement results from it.

As the distinguished Senator from Kansas has pointed out there is not the participation in these agricultural farm cooperative programs that we might have hoped would be the case.

I think they do need to be looked at. I compliment him on his leadership in seeing that we examine closely how successful are our well-intentioned efforts to bring about the kind of perfection of schools, whatever they may be, that will make a typical veteran more productive, able to live a more satisfying and fruitful life, and able to contribute to his country.

Few people have done a better job in this area than has the distinguished Senator from Kansas. I thank him for his interest.

Mr. DOLE. I thank the distinguished Senator from Wyoming.

This seems to me a view shared by both those Senators who have just spoken, that farming is becoming more technical, there are a great many areas where we can have training to benefit not just the farmers, but the consumer.

Based on the statement made by my distinguished colleague, I am prepared to withdraw the amendment.

I ask unanimous consent that the Senator from North Dakota (Mr. YOUNG) be added as a cosponsor of the amendment.

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

Mr. DOLE. I am prepared to withdraw the amendment and yield back the balance of my time.

The PRESIDING OFFICER. Does the Senator withdraw the amendment?

Mr. DOLE. Yes.

The amendment was withdrawn.

Mr. HARTKE. Mr. President, I know of no other amendments.

I am ready to ask for a third reading of the bill.

Mr. CRANSTON. Mr. President, before we have third reading, I wish to thank the Senator from Indiana for his very, very effective leadership and for management on this bill. There were all sorts of problems and varying viewpoints on it. It was all brought together under the leadership of the Senator from Indiana, and I thank him again.

Mr. HARTKE. I thank the Senator from California for being so gracious.

Without the cooperation of what I think is the best working committee in the whole Senate, we would never have been able to come forward with this bill.

The committee members are dedicated and hard working. The staff members who are working on it have done equally long, arduous work in dealing with so many complicated issues.

I feel we have come forward with what, in my opinion, is one of the most comprehensive modifications of the education program for veterans that has been done since World War II.

In many ways this bill exceeds the measure under which many of us in Congress went to school after World War II.

Mr. President, I am glad to yield to the Senator from Wyoming.

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

Mr. HARTKE. I yield.

Mr. LONG. What is the estimated cost of this bill when it is in full operation?

Mr. HARTKE. The estimated first year's cost from the Veterans' Administration is $1.9 billion. The committee seriously questions whether it will cost nearly that much. However, the difficulty in making estimates with the program is that frequently when we increase the educational assistance rate, the number of people who go to school is also increased. If participation is increased, that ought to be a good sign rather than a bad sign. We have the obligation to educate these veterans who have honorably served their country.

Mr. LONG. Will the Senator repeat that figure?

Mr. HARTKE. $1.9 billion.

Mr. LONG. $1.9 billion. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HANSEN. Mr. President, let me add my word of commendation to the distinguished chairman of the committee for his diligence and his willingness to hold hearings and to listen to those who sought to counsel and advise the Veterans' Affairs Committee. I want to pay my respects and express my appreciation, as well, to those Senators who have presented amendments here on the floor today. I speak with particular reference to the Senator from Maryland (Mr. BEALL) and his cosponsors, the Senator from Oklahoma (Mr. BELLMON) and his cosponsors, and the Senator from Alaska (Mr. STEVENS) and his cosponsors. While those amendments were either withdrawn or voted down, I think without question their interest has helped focus attention upon the problems that the veterans face, and for that not only the veterans but all Americans can be grateful.

There are few programs that I know of that have returned in as great a measure the moneys that have been invested by the people of the United States as the GI education bill. I have every confidence that we will have the same experience with this bill as we have had with earlier bills.

The question was asked by the distinguished chairman of the Finance Committee as to what it is estimated this bill will cost. The distinguished chairman of the committee observed that for the year 1975 it has been estimated by the administration to cost $1.9 billion. The chairman of the commttee expressed the opinion that there are those who feel it will not cost that much.

For 1976, the estimate is $1.8 billion plus; for 1977, $1.4 billion plus; for 1978, $1.4 billion plus; and for 1979, a smaller amount—$1.4 billion.

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

Mr. HANSEN. I am happy to yield to the distinguished Senator from Maryland.

Mr. MATHIAS. I just want to express my thanks both to the distinguished chairman and the ranking Republican Member, the distinguished Senators from Indiana and Wyoming, respectively, for the real job they have done here. As has been suggested by him, it has not been an easy job reconciling all the various suggestions, all the demands, and all the ideas, but they have done an excellent job.

I hope the Senate will accept the bill so overwhelmingly that there is no doubt as to the Senate's position. I am sure it will be passed by a very strong vote.

I have no inside information, but I am very much heartened by some information that indicated the President would also accept the principle of returning to a tuition policy.

I hope the conferees, I hope the Senator from Indiana and the Senator from Wyoming, will feel just as strongly when they get to conference as they have all along on this bill—that the tuition principle is an enormously important one, and that if they have any problems about it, they will bring it back and we will send it back to the conference with a new vote of confidence.

Mr. HARTKE. I thank the Senator. His enthusiasm and his help have been contributing factors to the tuition principle that is in the bill.

Mr. HANSEN. Mr. President, if I may say an additional word, I happen to be the ranking Republican member of the committee because the distinguished Senator from South Carolina chose, rather than to choose the assignment which I now occupy, to be ranking Republican member of the Armed Services Committee.

I know of no one who has been more interested, more diligent, and more effective in sponsoring programs that look to the needs and the aspirations of the veterans than has been demonstrated by the distinguished Senator from South Carolina, and I just wanted to take this occasion to pay my respects to him for the tremendous job he has done not only for veterans but for all Americans.

Mr. THURMOND. Mr. President, I wish to thank the able and distinguished Senator for his kind words.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, in the nature of a substitute, as amended.

The amendment was agreed to.

Mr. BIDEN. Mr. President, having reserved time with the distinguished manager to speak on behalf of S. 2784, the Comprehensive Vietnam Era Veterans Readjustment Act, whose progress I have watched very closely during the past months, my foremost impression has been the able and determined leadership of its sponsor and author as he shepherded it through the legislative process. As has been the case with all veterans legislation since the creation of the Senate Committee on Veterans' Affairs by the 92d Congress, this effort to extend to veterans educational opportunities commensurate with their sacrifice by providing financial benefits equal to the high cost of education, bears the stamp of its chairman, Indiana's exemplary senior Senator, VANCE HARTKE. The committee's deliberate and open consideration of three major proposals for improving the GI bill has produced a landmark piece of legislation and given the Senate a shining example of how the committee process ought to function.

I reject the contention put forth by the House in an effort to force the Senate to accept the least expensive proposal, H.R. 12628, that the Senate was to blame for the expiration of benefits for post-Korean GI's because of foot-dragging in marking up this bill. The RECORD will show that the committee reported out and the Senate passed bills to prevent the cutoff twice before the House passed a similar measure.

Now the Senate Committee on Veterans' Affairs has unanimously reported this comprehensive bill, which represents months of effort on their part on behalf of the greater number of my colleagues who have taken an interest in shaping a GI bill that addresses itself to the particular needs of the Vietnam veteran. The unflinching determination of the staff and the chairman to stand up to the Veterans' Administration, which claims that the present system is sufficient response to the promise made to the veterans of America's longest war; to stand up to the President, who has threatened to veto any rate increase in benefits in excess of 8 percent; and to stand up to the House, whose 13.6 percent addition to the status quo is insufficient before the bill was even passed, must not be forsaken now as we enact this bill and send it to conference with the House. The veterans and the Nation have been well served by the committee in forging this bill. I have every confidence in the persuasive genius of the chairman, and am confident that he and the other Senate conferees will meet with great success in insisting upon the excellent Senate bill, and in resisting House attempts to whittle away the Vietnam veterans' due.

Mr. President, two dates loom large on the calendar in these closing days of June. The first occurs this Saturday, June 22, which marks 30 years to the day that President Franklin Roosevelt, less than a month after the invasion of Normandy, made ready to welcome America's World War II troops home by signing into law the very first GI Bill of Rights. The GI bill has been, through the decades since that day, one of the most effective pieces of social legislation ever enacted by Congress. The return on the $14 billion in benefits paid under the first GI bill of 1944 has approached a ratio of 6 to 1. But these investments can only have their full impact for the Vietnam veteran if they can be used by all of the nearly 12 million veterans covered by the 1966 bill. At the present rates of assistance, many former GI's find themselves "priced out" of a higher education, or taking classes at a retarded pace because of the need to work to supplement the monthly VA checks. Furthermore, 285,000 cold war veterans who were retroactively covered by the present GI bill will find themselves ineligible even for their present meager benefits on June 30 unless this legislation is passed. This is the second date to which the conferees must address

themselves, as my esteemed colleague is well aware. Having borne the vituperation of the other body and of uniformed public opinion in order to buy the Senate time to consider its options and draft this desperately needed bill, I am confident that Senator HARTKE and the Senate language will prevail, in the interests of the Vietnam veterans. At this point, on behalf of Delaware's 20,000 eligible veterans, I would once again applaud the continuing efforts of the Senate Veterans' Affairs Committee to do right by our struggling young veterans, who so richly deserve the chance for a better future, and to insert in the RECORD a letter from the Adjutant of the Department of Delaware American Legion memorializing the Senate of the critical nature of the legislation, and supporting the Hartke bill. I ask unanimous consent that this letter be printed following my remarks.

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

THE AMERICAN LEGION,
Wilmington, Del., June 14, 1974.

Hon. JOSEPH R. BIDEN,
U.S. Senator,
Dirksen Building,
Washington, D.C.

DEAR SENATOR BIDEN: I refer to H.R. 12628 as amended. We have reason to believe that the Senate version of this bill will be brought before a conference committee composed of members of the Senate Committee on Veterans Affairs and the senior Members of the House Veterans Affairs Committee. It is indicated that this action will take place within the next few days and I respectfully invite your attention to the fact that The American Legion in Delaware strongly supports the Senate version of H.R. 12628.

This matter is critical and we need your help. On June 30 time will run out for hundreds of thousands of deserving student veterans unless the Senate and House Committees on Veterans Affairs act quickly to resolve their differences.

We respectfully urge you to support this measure.

Sincerely,
GARLAND D. BLOODSWORTH,
Department Adjutant.

Mr. HUMPHREY. Mr. President, just a year ago, our Nation, encouraged over the cease-fire in Southeast Asia, was indeed joyful over the repatriation of 596 prisoners of war, some of whom had been held by North Vietnam and the Vietcong for years. The enthusiastic welcome given them when they returned to their homeland was a fitting manifestation of gratitude and appreciation for service rendered as members of the Armed Forces of the United States during time of war.

But we must not forget the almost 7 million other Vietnam-era veterans. For many of these veterans, 2½ million of whom served in the Indochina theater, readjustment to peace has proven no less traumatic then adjustment to war. While returning POW's have been received with ringing accolades there is growing evidence and concern that other veterans have been ignored and even neglected.

Despite claims our veterans are being provided easy transition to civilian life, it is significant to note that a smaller slice of the Federal budget is going to help veterans now than went to them 10 years ago.

We cannot replace the time these men lost in Vietnam. But we can do much to improve their health, their jobs, and their hopes. The Vietnam veteran of today faces grave difficulties in returning to civilian life. For, in addition to the dislocation 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.

I would like to commend the Committee on Veterans' Affairs for reporting S. 2784, a bill which goes a long way toward helping our young veterans returning to civilian society after Vietnam. The Vietnam-Era Veterans' Readjustment Assistance Act of 1974, gives our veterans the needed rate adjustments for vocational rehabilitation and educational assistance. The bill also helps veterans with a new education loan program and it improves employment assistance to veterans, and wives and widows of veterans.

Mr. President, thousands of young men from all of the States have served this country valiantly. I would like to specifically point out the debt that has been paid by young men from the State of Minnesota. I take pride in announcing that over 541,000 veterans have served from the State of Minnesota, including 135,000 during the Vietnam war.

We need to help our veterans and this bill is quantum leap in that direction. The least this Nation can do is to further insure that the needs of our veterans are met whether they are Vietnam veterans or our older veterans who need increased attention in their later years. Let us make certain that the security and well-being of all veterans are taken care of with the same wholehearted support our veterans have displayed for the cause of this country—our peace and free way of life.

Mr. President, I urge my colleagues to support S. 2784.

Mr. McGOVERN. Mr. President, today is a proud day for the U.S. Senate. We have before us landmark legislation designed to improve the benefits available to Vietnam veterans.

It is a full and comprehensive approach that speaks to the real problems encountered by veterans in States with higher than average public tuition costs, by married veterans attempting to complete their educations while supporting a family, and, finally, by disadvantaged and minority veterans who simply do not have the means to pay for the skyrocketing costs of an education or training program.

The Senate Veterans' Affairs Committee, led by Chairman HARTKE, has done a remarkable job in bringing together a number of excellent proposals under one comprehensive approach. The combination of increased subsistence allowances with a vital variable tuition payment program and a low-cost loan provision should lay to rest the major problems confronting young veterans attempting to find a decent place in society.

I cannot overstate the importance of the variable tuition payment plan of the legislation before the Senate. It stands as the most important provision of this Vietnam Veterans' Act, and for a most sound and fundamental reason. It will open the door for literally thousands of young veterans who, until now, have been unable to afford the high cost of a college education or training program.

The monthly subsistence payment in its present form discriminates against three major groups of Vietnam veterans. The most obvious discrimination is evident in States where the tuition costs of a 4-year public institution exceed the average of $400. Veterans living in the States of New York, Ohio, and Pennsylvania, to name only three, pay an average tuition of well over $800. Without the benefit of a tuition payment, these men and women have very little chance to make ends meet without a sizable source of income other than the GI bill.

It is easy to see the results by consulting the State-by-State list of veteran participation in the GI program. California heads the list with the highest percentage of veterans enrolled under the GI bill. California also heads the list of States with low cost public tuition, averaging less than $200 per year for the school year 1973–74. In nearly every case a direct correlation can be drawn between the cost of tuition in a State and the percentage of veterans who are enrolled under the GI bill. This point was vividly made in the study conducted by the Educational Testing Service, which concluded with a very specific recommendation for some form of variable tuition plan to make up the obvious difference in tuition costs from State to State. Veterans deserve an equal opportunity for a quality education regardless of where they live. They sacrificed the same for the country, and not one of them should be penalized by their residency.

The second group of veterans that are experiencing particular difficulty under the present system are those who are married. Again, a very brief investigation uncovers the heart of the problem. Presently, well over half of the Vietnam veterans in the country are married. Single veterans enrolled under the GI bill outnumber enrolled married veterans by close to 3 to 1. It is obvious that a married veteran with a family to support is in greater need of the benefits than a single veteran. Without the tuition equalizer, married veterans have much less than an even chance to make it through 4 years of college. Their problems are only compounded if they happen to live in a State where the tuition costs in the 4-year State schools exceed the national average. Thus, the tuition payment plan is doubly important for over half of the Vietnam veterans.

Finally, the tuition payment plan will aid the financially disadvantaged veterans and most particularly, minority veterans. The unemployment rate among minority veterans is alarmingly high, running three to four times as high as

the national average for the same group and well above the rest of the veteran population. Again, we find that where the need is greatest, the present program falls far short. The ETS Survey showed that when all costs are figured in for a normal school year, at the average 4-year institution, the veteran would still have to make up a difference of anywhere from $600 to $2,000 depending on marital status. For the minority and financially disadvantaged vet, this virtually rules out the possibility of enrolling in the GI education program.

If we wish to take the argument to the end of the line, Mr. President, we can consider the thousands of veterans who fall into all three of the discriminated categories. A nonwhite married veteran living in New York or Pennsylvania has absolutely no chance to better his own position in the society he fought for without some form of generous tuition payment.

Mr. President, it is apparent that existing commitments to the Vietnam veteran have been inadequate. We know from a study conducted by the Veterans' Administration that one out of five Vietnam veterans who participated in the war zone are experiencing "serious and prolonged readjustment difficulties." Out of a total of 2.5 million men who did see action in Vietnam that means that half a million men are severely depressed and looking for a way up. The simple increase in subsistence allowance that barely keeps pace with the rate of inflation will not do the job. Nor are any number of time extensions in the delimiting period and the entitlement going to make up for the obvious glaring insufficiencies in our GI program.

Let me repeat the conviction that I share with so many of my colleagues and fellow veterans. The tuition provision is the single most compelling feature of this much-needed legislation. It provides the fundamental platform upon which Vietnam veterans can readjust to civilian life and begin to fashion their own careers.

Friday marks the 30th anniversary of the original GI bill. I am confident that 30 years hence, when today's young veteran looks back upon his career, he will recall the tuition assistance we provided in 1974 as one of the most important actions ever taken by the Government on his behalf. With that in mind, I am most heartened that we can rely on the firm leadership of Senator HARTKE as the bill goes to conference with the House. He is a solid ally of the veterans and I am confident that he will defend the Senate position on tuition against any attacks by the administration.

This bill is particularly gratifying for me. In May of 1973, I introduced the first tuition payment proposal in the 93d Congress. At that time, I felt very strongly, as I still do, that we have a special obligation to the veterans of the Vietnam era. They fought an unpopular war. They returned to a country still torn over that effort. And, through no fault of their own, the stigma of that war became attached to them. They had truly become prisoners of peace.

Since that initial legislation was introduced, I have been gratified to see a growing awareness of the problem both in the Senate and throughout the country. In December of last year, three of my very able colleagues, Senators MATHIAS, INOUYE, and DOLE, joined me in offering a comprehensive approach to the problem of inadequate benefits. Together, we gathered the support of 35 of our colleagues including the distinguished majority and minority leaders.

In the House, our legislation was passed with great enthusiasm by five members of the Veterans' Affairs Committee. The idea of a variable tuition payment as contained in our bill was endorsed by virtually every major veterans' organization. That entire effort has culminated after months of hard work on the part of our bipartisan coalition and the tireless efforts of the Senate committee in the bill we have before us today.

Before going any further I want to pay special tribute to the people who really made the effort a success. The people I refer to are Vietnam veterans all over the country. They came home to a less than hearty welcome and a less than generous GI bill. They organized on the campuses and in the towns and cities throughout the country. And they made their voices heard. No amount of speechmaking or arm-twisting on the part of any Member of the Senate has meant so much.

Particular tribute should be paid to the unselfish efforts of Jim Mayer, president of the National Association of Concerned Veterans. For the past 2 years, Jim has sacrificed his own personal ambitions to organize and lead what has become a strong and vital nationwide network of young Vietnam veterans. It is especially good to know that we can stand up in the Senate today with this bill before us and know that we are coming through for Jim Mayer and the thousands of young, dedicated veterans like him all across the country.

This is one note of caution that should be sounded here today, Mr. President. The administration is squarely on record as being opposed to the kind of programs we are going to pass in the Senate today. While the Senate can be justifiably proud of our work up to now, we must also realize that House agreement and Presidential approval are still necessary to make these reforms a reality to millions of young GI's who have looked to the leadership in the Senate where others have failed.

So the commitment and responsiveness of the Senate Veterans' Affairs Committee will continue to be a critical factor. Rather than bending to the will of the Office of Management and Budget or pressure from the administration, the committee has stood firm in its resolve to do right by Vietnam veterans. I am confident that their resolve will be carried through the negotiations with the House so that we can anticipate final enactment of a GI bill of rights very similar to the one we pass in the Senate today.

Mr. INOUYE. Mr. President, on February 19, 1974, the House of Representatives passed H.R. 12628 to improve the education benefits that veterans receive under the GI bill. The House in consideration of that measure acknowledged the inadequacy of present provisions of the GI bill. Unfortunately, the House-passed measure would do little to solve the major deficiencies in the structure and substance of our veterans educational benefits programs.

During the 5 months since the House acted, the leadership of the Senate Veterans' Affairs Committee has worked diligently and creatively to design a new GI bill which, in the words of the honorable committee chairman, Senator HARTKE, will "open the doors of education to thousands more Vietnam-era veterans."

The members of the Senate Veterans' Affairs Committee and Chairman HARTKE withstood innumerable unjustified attacks during the months which they set aside to consideration of the legislation which is now before us. They were accused of dragging their heels and jeopardizing the well-being of the student veteran. They were attacked because they refused to rush through the Senate a bill which might face little opposition from the House or the administration, but which would also continue the faults of the present GI bill.

The Senate committee decided, instead, to "hang tough" and in the process they have produced a bill which restructures our veterans educational programs in such a way that thousands of Vietnam-era veterans who had previously been denied benefits or received inadequate assistance will now have the opportunity to be trained and educated to their fullest capabilities. I am proud to join as a cosponsor to S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974. The committee members and especially Chairman HARTKE deserve congratulations for this excellent bill.

What sets this bill apart from previous veterans legislation that has passed the Congress since the post-World War II GI bill was created in 1966, is the inclusion of a tuition grant provision. It is obvious that the Senate committee has taken the time necessary to draft a tuition grant provision, including safeguards against abuses in its implementation, so that the need for the veterans is addressed, while the objections of opponents to a tuition payment are met.

The sentiment of the Senate on both sides of the aisle is clear today. A new GI bill without tuition grants will not serve the veterans who risked their lives on our behalf 10,000 miles away from home. The sentiment of the Veterans' Committee and its chairman is also evident. The 5 months of hard work, the withstanding of insults and accusations, and the willingness to risk cutting off 285,000 veterans whose benefit entitlements were to expire on May 31—these extraordinary steps would not have been taken if the commitment to all the provisions in this bill—especially the tuition grants—were not there. The steel in the Senate's spine has been there for all to see during the past 5 months. It must and will prevail when Senator HARTKE takes this legislation—including tuition—to the conference. His inspired leadership on this legislation has overcome many road-

blocks placed in the way of a new and adequate GI bill by a recalcitrant House and a hypocritical administration.

Last December, when I joined with Senators McGOVERN, MATHIAS, and DOLE to author the Comprehensive Vietnam-Era Veterans' Educational Benefits Act, S. 2789, the issue of Vietnam veterans' benefits was not on the national agenda. Yet, we had little difficulty getting 39 cosponsors on that bill. The Senate recognized the need for an overhaul of the provisions of our veterans' educational legislation. This awareness of the shortcomings of the GI bill was heartening. The increased national concern for the plight of the Vietnam-era veteran is equally encouraging.

The low participation rates of veterans in the Vietnam-era GI bill—in light of the Vietnam veterans' educational attainment levels and the importance of education in today's society—spotlights the inadequacies of the present educational programs. The inadequacies are primarily financial as demonstrated by the extremely low participation rates by veterans living in States with high education costs; poor, minority, and educationally disadvantaged veterans; and married veterans with children. Numerous studies have shown that veterans in these categories cannot afford to go to school using their GI benefits alone. They must have outside sources of income to supplement their benefits or else they are denied the opportunity that more fortuate veterans receive.

When Senators McGOVERN, MATHIAS, DOLE, and I were considering how best to solve the problems of veterans using or desirous of using the GI bill to further their education, we examined each of the provisions in the legislation before us.

There is no question that an increase in supplemental benefits is desirable. The rise in the cost of living—irrespective of the rising cost of education—necessitates raising the level of supplemental benefits above the 8-percent level proposed by the Nixon administration. The 18.2-percent increase in S. 2784 will make up for past increases in the cost of living and anticipates the inevitability of continuing inflation in future months. But increased supplemental benefits, even at a 23-percent level as previously recommended in an earlier version of S. 2784, will not serve to solve the inadequate structural deficiencies in today's educational benefits program. It would result in veterans attending low cost public schools receiving an overly generous supplement, while veterans enrolled in high cost schools would still fall short of their needs. The Senate Veterans' Affairs Committee has wisely rejected this approach, as the authors and cosponsors of S. 2789 had previously done.

The low interest loan provision which was authorized by the chairman has considerable merit and deserves strong support. This measure will assist thousands of veterans pursuing advanced degrees and attending high tuition private colleges. Many of these student veterans will be seeking professional degrees which will prepare them for jobs that will pay salaries high enough to permit repayment of the loan without undue hardship. The loan provision will not, however, give assistance to those veterans who are already financially burdened and who will be unwilling to incur substantial debts that they fear they will be unable to bear if their future earnings outlook is not overly bright, even with a better education.

A combination of the loan program and substantially increased supplemental benefits package will not address the needs of those veterans who are poor, educationally disadvantaged, minority or married with dependents. For example, a married veteran with one child would receive supplemental benefits of $2,889 per school year with a 23-percent increase; with a $2,000 loan he would have a total of $4,889. After paying average monthly living costs of $534—as estimated in the Educational Testing Service report and adjusted to the January 1974 Consumer Price Index—for a yearly average of $4,806, the veteran would have only $83 for tuition, fees, and books. By using an average this means that half the veterans will have far less than $83 left. The committee in recognizing this situation reached the same conclusion that Senators McGOVERN, MATHIAS, DOLE, and I realized—a tuition grant program is the only mechanism to provide an equal opportunity for utilization of GI benefits to all veterans—without regard to income, marital status, and place of residence. I am confident that the Senate conferees will convince the House Members of the truth of this situation. I am equally confident that the President who has exploited the veterans and the POW's for his own political purposes and who has given eloquent lipservice to the need for improved veterans' programs will shrink from any threat of a veto.

There are numerous other provisions in the legislation before us that merit support and acclaim. The extension to 10 years of the period for utilization of benefits is especially needed for those veterans who were unable to take advantage of previously inadequate benefits or whose personal and academic histories have precluded their finishing their schooling in the previous 8-year period. The strengthening of work-study, outreach, tutorial, and other programs will improve the effectiveness and utility of this new GI bill.

The committee's work in the area of developing safeguards against abuses in the current and proposed benefits programs deserves high praise. I have been disappointed that certain Members of the other body have concentrated their concern over abuses on the tuition grant system in existence after World War II, rather than analyzing the tuition grant system proposed in S. 2789, and revised in this bill. Also, those Members could have better spent the past few months investigating abuses in present educational programs uncovered by members of the press, rather than criticizing the Senate for doing its job too well in writing an equitable bill.

One final comment, I am sure that the chairman and members of the committee will readily admit that if this legislation becomes law, all of the problems inherent in this kind of educational benefits program will not go away overnight. I am hopeful that the accelerated payment provision that was a part of the Comprehensive Vietnam-Era Veterans' Educational Benefits Act will receive continuing consideration as a potential palliative for special educational problems facing married veterans with sepecial financial burdens and individual educational needs.

To reiterate, the committee—its chairman, members, and staff—have fashioned a new GI bill which I believe deserves high commendation. It provides a fair deal for Vietnam veterans. It will bring educational, job, and monetary benefits for Vietnam veterans to a level more equal to the benefits enjoyed by veterans of previous wars. I am proud to cast my vote for this bill. I urge the chairman to take this legislation to the conference and to bring it back for final passage in its present form. The casualties of the Vietnam war and its aftermath must not include this worthy bill.

Mr. DOLE. Mr. President, I believe the Vietnam-era veterans education bill we are considering today will be beneficial to all the veterans eligible for assistance under it. I give my wholehearted support to this measure and am pleased to be a cosponsor of it.

This bill has been of particular interest to me, because of my concern about the difficulties Kansas veterans have had in obtaining adequate education and training. Through my contacts with them, I have gained an awareness of the problems they face and it is particularly gratifying to see many of my efforts to assist them reflected in this bill.

I note that this bill contains nearly all of the concepts embodied in the comprehensive Vietnam-era Veterans Educational Benefits Act which I helped introduce with my distinguished colleagues from South Dakota (Mr. McGOVERN), Maryland (Mr. MATHIAS), and Hawaii (Mr. INOUYE). These provisions include tuition payments, increased monthly assistance rates, an extended eligibility period from 8 to 10 years, a longer entitlement period from 36 to 45 months and reduced restrictions on the work-study program. My understanding of the needs of veterans in Kansas would indicate that these measures are necessary and completely justified.

EARLY PASSAGE NEEDED

Extension of the eligibility period from 8 to 10 years is one of the most pressing issues for veterans. It is my hope that we can achieve an early final passage of this bill since the expiration of educational assistance eligibility for many thousands of veterans will occur on July 1. It is my understanding that as many as 4,000 of the 12,000 veterans attending school in Kansas will lose eligibility on July 1 unless this measure is signed into law before that time.

It is only fair that these veterans receive an extension of eligibility since the present GI bill, when first enacted in 1966, did not provide enough assistance to make it possible for very many veterans to get further education. The subsistence allowance under the GI bill in 1966 was only $100 per month for single veterans. And this was less than the $110 per

month than Korean veterans were able to receive in 1954.

HIGHER ASSISTANCE RATES

The low assistance rates in the early stages of the Vietnam-era GI bill provide an important reason to increase the tuition and subsistence payments along the lines proposed in this bill. Many of these men and women who could not afford further schooling earlier now have families and financial commitments. Increasing financial assistance will provide these and also those with marginal jobs the means to get advanced training to improve their career potential.

The figures from Kansas show that Vietnam veterans need a higher level of financial assistance. Tuition and fees at public universities in Kansas range from $390 to $544. With an assistance rate of $1,980 for single veterans in a 9-month academic year, each veteran must make up a difference of $600 to $1,500 each year, according to the individual's curriculum and living expenses. The situation is even more difficult for veterans with dependents. VA assistance falls short by $1,300 to $3,000 or more every year. The differences between VA assistance and school expenses are difficult or impossible to make up in part-time or summer jobs for many veterans.

TUITION PAYMENTS

A particular note should be made on tuition payments. Nonpublic colleges in Kansas require annual tuitions ranging from $1,150 to $2,100 for an average of $1,500. This is about $1,000 higher than for public schools. The veteran who desires to attend private colleges obviously has a much more difficult financial problem. The only way to be fair to him is to provide tuition payments. I think the support this bill has received in the Senate is indicative of widespread agreement on this.

While there has been much concern about possible abuses of tuition payments, I believe the solution is a matter of adequate statutory safeguards and guidelines and proper administration, and I feel the provisions in this bill are sufficient to prevent abuses. There will probably always be concern about abuses when a question of money is involved, but the question of equal educational opportunities for all veterans is too important to be sacrificed to this concern. The expertise of a large number of people has gone into the drafting of this bill and the safeguards it contains against abuses.

I believe we in the Congress would be remiss in not including tuition payments in this veterans education bill, particularly since a large number of us had the benefit of tuition payments under the GI bill after World War II.

ENTITLEMENT AND WORK-STUDY PROGRAM

Two other provisions similar to the bill I helped introduce are extension of entitlement from 36 to 45 months and reduction of limitations on the work-study program. The first measure will be of great benefit to veterans in obtaining the more sophisticated and longer education programs being offered today. With all professions becoming more technical, the length of training necessary to be proficient is constantly growing. I believe the extension of entitlement from 36 to 45 months will be beneficial to the country as a whole.

Reduced limitations on the work-study program should be of benefit in allowing veteran-students to help themselves. The wages they earn there will help defray the school expenses they must meet. In addition, the manpower veteran-students contribute to the VA should help improve the services provided by that organization.

The bill we are considering now contains several other provisions which should be helpful to Vietnam-era and other veterans. Of particular significance are the provisions to provide for education loans to veterans and to improve reemployment benefits.

I believe this bill will be beneficial to veterans and to the country and the economy as a whole. I support this measure and urge all Senators to give their support. I hope that final passage of this bill will be accomplished as quickly as possible.

Mr. CLARK. Mr. President, this important legislation (S. 2784) will go a long way toward providing Vietnam-era veterans with educational benefits equal to those provided their World War II counterparts.

Veterans across the Nation have been anxiously awaiting this Vietnam-Era Veterans' Readjustment Assistance Act of 1974, and with good reason. The current educational allowances under the GI bill simply are insufficient to cover the cost of continually rising tuition rates and today's inflated living expenses.

When he introduced S. 2784 last December, the chairman of the Senate Committee on Veterans' Affairs, Senator HARTKE, said that educational opportunities available for Vietnam-era veterans "should be no less than those available to me and my fellow veterans who served during the Second World War." But a recent study by the Educational Testing Service concluded that the "real value" of the educational allowance available to veterans of World War II was greater than the current allowance—$220 for a 9-month school year—being paid to veterans of the Vietnam conflict when adjustments are made for the payment of tuition, fees, books, and supplies.

While every veteran of World War II could command a 4-year public education, today's veteran can do the same and still have enough money to live on—however marginally—only if he or she attends a public college with a tuition charge equal to or below the national average of $419.

On the $220 a month provided by the GI bill for the 9-month school year, today's veteran cannot even consider attending a private school, where tuition, books, and fees average about $4,300 a year. By contrast, World War II veterans attended private colleges in great numbers.

Veterans in many States, including Iowa, have problems financing their education even if they attend State schools. At the University of Iowa, for example, where the 1973–74 tuition rate for State residents was $620 and the average cost for books was $216, the veterans would have only $127 a month left for living expenses. This adds up to $31.75 a week—hardly a significant sum at a time of double-digit inflation.

Today's GI bill is adequate only in States like California where public education is virtually free. As a result, 38 percent of that State's Vietnam-era veterans are attending college today while, by comparison, only about one of every five of Iowa's Vietnam-era veterans are enrolled in school.

S. 2784 would restore equity among veterans residing in different States with differing systems of public education by providing partial tuition assistance of up to $720 a year. I fully realize that some Members of the House of Representatives are reluctant to approve a tuition program, because of abuses that occurred during the post-World War II tuition program. But the committee has included specific controls to offset the possibility of abuse, and these safeguards are adequate.

The 18-percent increase in benefits included in S. 2784—from $220 to $260 a month—is desperately needed. Since the last increase in the monthly educational assistance allowance—September 1, 1972—the cost of living has increased by 14.6 percent, and the cost of living can be expected to approach 18 percent by the beginning of the 1974–75 school term.

So this 18-percent increase in educational assistance is the minimum amount needed if veterans are just to keep up with this country's record inflation.

The other major provisions of the legislation—extending the maximum entitlement of educational benefits from 36 to 45 months, extending to 10 years the current 8-year time period for veterans and eligible wives and widows to complete their educational programs, and a low-interest loan program of up to $2,000 a year—are no less important to veterans attempting to use the GI bill to complete their schooling.

The blistering rate of inflation today has greatly accelerated living expenses, placing heavy financing burdens on the average veteran going to school. Many of them are living at or near poverty levels. At a time when so much emphasis is placed on the quality of life, we cannot continue to let veterans live under such severe financial pressure. The passage of S. 2784 would be a giant step in the direction of easing this pressure by providing the Vietnam veteran with the same amount of educational assistance provided to his counterpart after World War II.

Mr. President, this country's veterans have not had much to cheer about during these past months of incredible inflation, but hopefully the Congress will help by approving S. 2784. Vietnam was an unpopular war, but these veterans served their country well, and their sacrifices and the sacrifices of their families were no less great than those of veterans of other wars. They must not be forgotten.

Mr. MATHIAS. Mr. President, I consider that it is a moral obligation to support the bill before us for consideration today, S. 2784, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974. As one who has watched with pain the frustrations and obstacles which seem continually to confront the millions of veterans now seeking to readjust to

civilian life after a long and controvesial war, I believe this bill represents an important step forward in fulfilling our most basic commitment to the modern veteran.

The Committee on Veterans' Affairs, under the able guidance of the distinguished Senator from Indiana (Mr. HARTKE), is to be commended for its work in producing this thoughtful and truly comprehensive response to the education and training needs of veterans of the Vietnam era. I also want to take this opportunity to thank Chairman HARTKE for his kind words on behalf of my own efforts, among others, in developing the kind of support necessary to assure passage of one of the most crucial new provisions of this legislation—a program of direct tuition grants for veterans, to cover a substantial portion of the skyrocketing tuition costs which are rapidly pricing more and more veterans out of the market of higher education.

When I first introduced legislation—3 years ago this month—to provide a direct tuition grant of up to $1,000 per academic year for each veteran, prospects for enactment appeared remote; this, in spite of the strong support of concerned veterans groups such as the American Legion, whose longtime backing of this proposal dramatizes its genuine commitment to today's youngest generation of veterans. There were simply too many others who accepted an almost ritualistic opposition to tuition grants based on abuses that occurred under the World War II tuition program a quarter of a century ago.

One year after I first introduced the proposal, during consideration in this Chamber of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540), I considered offering that tuition proposal as a floor amendment; but again, there appeared to be insufficient support to secure enactment. Instead, we enacted a provision of Public Law 92-540 which required the VA to provide for an independent study to assess the adequacy of education benefits for Vietnam-era veterans as compared to those which were available to veterans of World War II and the Korean war.

The results of that study were finally released last fall, and they confirmed what I and many of my colleagues had long believed—that the educational benefits available to Vietnam-era veterans were grossly inadequate in comparison to previous generations of veterans, and that the soaring cost of tuition was the chief obstacle preventing veterans in many States from fully utilizing their GI bill benefits.

In December of last year, therefore, when I joined Senator MCGOVERN, Senator DOLE, and Senator INOUYE in authoring and introducing S. 2789—a primary feature of which was a program of direct grants to a portion of tuition costs up to $1,000—we were most gratified to see the support which was generated for this approach. Indeed within 3 months, 35 of our colleagues joined us in cosponsoring this proposal.

In reviewing the bill we have before us today, Mr. President, I must commend the committee and its distinguished chairman for recognizing and implementing an idea whose time has come. Section 104, which provides direct grants covering 80 percent of all tuition costs above $100 up to a maxmum of $1,000, represents an improvement on the tuition grant provision in S. 2789, because it provides more tuition assistance to a larger number of veterans. Indeed, the bill we have before us today comes closer to the full $1,000 tuition grant program I introduced 3 years ago.

We have come a long way, Mr. President, to the point where we stand today—as we prepare to vote on legislation including this major tuition proposal which now commands such wide support in the Senate and throughout the Nation. The battle for a tuition grant program for veterans will not be over, of course, merely with passage of this bill by the Senate today. The agreement of the House of Representatives will also be necessary, and apparently may not be easily gained. In this regard, I would like to call to the attention of my colleagues an excellent article which appeared in the June issue of Legion magazine, written by the national commander of the American Legion, Bob Eaton—a Marylander whom I have known for many years and am proud to call my friend. General Eaton's article eloquently sets forth the urgent need for the tuition grant assistance for today's veteran as well as observing some of the obstacles the proposal may face as we seek agreement on it from the other body.

If there is no objection, Mr. President, I request that General Eaton's article be printed at this point in the RECORD.

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

THE SORRY STATE OF VIETNAM VETS' EDUCATION—AND WHAT TO DO ABOUT IT

(By Robert E. L. Eaton)

In recent months, newspapers and TV stations have begun to make the public more aware of the plight of thousands of Vietnam veterans in attempting to go to college under their GI Bill.

Many of them (typically those most in need of help) cannot go to school at all.

Their GI Bill benefits, which are far short of the WW2 benefits in the education they can buy, are too meagre for them to make out.

Each Vietnam vet who wants to go to school on his GI benefits but can't represents a failure of the program, but a windfall for the government.

Last year, the Vietnam GI Bill benefits for a full-time, single, college student came to $220 a month or about $55 a week—known as a subsistence allowance. For a normal nine-month college program, this came to $1,980. For each Vietnam veteran who could see no way to pay for his tuition, books, college fees, room, board and transportation on $55 a week for nine months, Uncle Sam simply saved himself the whole $1,980, while the Vietnam vet got no allowance and no education.

The chief difference between the WW2 GI Bill education program and the Vietnam benefits is that in addition to a subsistence allowance, the WW2 veteran got up to $500 toward his tuition, books, etc. In those days, this covered the entire cost of tuition and books at most colleges.

The American Legion estimates that a similar allowance, not to exceed the actual cost of tuition, fees, books, etc., and with a ceiling of $1,000, would serve fairly well under today's soaring education costs.

But Vietnam veterans get no such allowance at all. Their subsistence allowance is their entire GI benefit. If they can't pay for their tuition, books, fees, etc. out of their $55 a week "subsistence" they can forget about school unless they have ample means from other sources.

The average cost for books and miscellaneous fees at most colleges today is put at about $216, or just about one month's Vietnam GI "subsistence." Tuition fees range all up and down the scale, and are going up. In some state universities, tuition is free for veterans of that state, which is a real break for as many resident veterans as they'll accept. In others, it is as high as $890 for residents and $1,000 or more for non-residents. Private colleges and universities may charge up to $5,000 or more with no break for state residents. Some purely technical schools below college level charge over $2,000 in tuition. Tuition in the neighborhood of $700, which is quite common and due for a further raise next fall, would take every cent of 13 weeks subsistence allowance.

Small wonder that TV stations have had little trouble finding Vietnam veterans to put on the air to make cynical remarks in the order of: "Yeah, I could make it to college if I didn't eat, and slept in the gutter."

Nevertheless, the program has worked "well" enough to permit a large number of rosy statements from government sources citing its "success." Large numbers of Vietnam veterans have been able to use their GI benefits. But citing the raw numbers hides the discrimination against the neediest veterans that is built into the meagreness of the Vietnam education program to date.

The $55 a week has been of great value to those veterans who have enough money of their own to make up for its inadequacy, or whose parents can afford them substantial help, or who have been able to qualify for substantial scholarships or loans, or who are lucky enough to live in those states with the most progressive state university programs for their young citizens.

State aid seems to account for a large percentage of college attendance by Vietnam veterans for which the federal government has tended to credit the Vietnam veteran's GI benefits. California, with an excellent state university program, seems to have a veteran enrollment of about 37%. Vermont, whose state program is no match for California's, shows about 14.2% veteran enrollment. West Virginia, Indiana and quite a few others don't show a great deal more. This situation has been continuous since the first substantial number of Vietnam veterans began to be discharged nearly ten years ago.

Many borderline Vietnam veterans (financially) are going to college but can hardly be considered a success for the GI program. They have made it by shopping around for the cheapest course in the cheapest college, often abandoning the course of study they preferred because it wasn't offered in the schools they could afford to attend. Any WW2 vet who was accepted for admisison could have made it to Harvard Business School financially, in 1946, granted he would take the usual student job if he was personally on his uppers. His GI Bill was sufficient to scratch through somehow. This is impossible for a Vietnam veteran if his chief asset is his GI benefits.

The worst situation by far, however, is the plight of the Vietnam veteran without other resources, who simply cannot go to school at all.

It is remarkable that a nation which expresses a great concern for the needy has for years gone along with a GI education program whose workings favor those veterans

with the most means and deny any benefits at all for those with the least.

I am hopeful that the sudden interest of the news media will help push forward a speedy reform. The Legion has been seeking improvement for some years but without much support from other segments of the public. Two years ago the Harris poll took an interest. It reported, after a survey, that 59% of Vietnam veterans didn't apply for GI school benefits, and as many as 83% of these indicated that there was no point in applying because there was no way they could afford college even with their GI benefits.

The media have as yet largely failed to pinpoint where the trouble has been or what the remedy is. Some TV programs have done an excellent job of portraying the plight of the veterans, but have then explained that it was the fault of the public, of the viewers, of you and me, because we just had too little sympathy for Vietnam veterans and were "turned off" on their war.

The nub of the problem is quite simple. Vietnam veterans need a tuition and book allowance on top of their subsistence payments. The TV viewers never did anything to prevent it. Only the Congress and the President can provide it. Neither President Johnson nor President Nixon ever gave Administration support for GI tuition and book allowances. News programs sometimes blame the Veterans Administration. The VA has consistently opposed tuition payments while issuing statistics about the success of the present benefits. It does this as an arm of an Administration which is opposed to tuition aid. But the VA cannot grant tuition allowances until the Congress enacts authorization, and if it does, the VA then must pay the allowances. The Congress has never approved tuition allowances and has rejected the appeals of Vietnam students and the Legion, working together.

Not until the 7th of April of this year have I seen any of the media indicate where the center of resistance has been in Congress. On that day, William Grieder reported in the Washington Post that Rep. Olin E. Teague of Texas, has opposed veterans' tuition allowances since 1950 when, as a young member of the House Veterans Affairs Committee, he led an investigation of the rackets which colleages, universities and their faculties made of the tuition and book allowances granted WW2 veterans.

This is an old story to the Legion. Rep. Teague rose to be Chairman of the House Veterans Affairs Committee, and held the chairmanship until quite recently, when he voluntarily left it to head a different committee. During his years he did a great deal for veterans, but he became a stone wall of opposition to tuition allowances for Vietnam veterans. In his powerful position he refused to report out any bill authorizing them.

In 1971, Gil Moody, the state Legion Commander in Rep. Teague's own state of Texas, wrote him beseeching him to report out some kind of tuition payment to Vietnam veterans. The answer was a flat no, because the colleges had cheated the government after WW2 by abusing the tuition allowance as it was then administered.

In 1972, when Legion National Commander John Geiger was trying desperately to get tuition payments authorized, the Legion's Director of Rehabilitation and Veterans Affairs, Edward Golembieski, advised in a letter of Jan. 2, that there was almost no point of the Legion even putting in a tuition bill "in view of the Chairman's adamant opposition." We did put it in, and, as predicted, it was never reported out.

What we were able to get was a gradual increase in the subsistence allowance to the $55 a week in effect last year. The House of Representatives has recently approved a 13% increase for next year, bringing the weekly allowance for a single, full-time student to about $62. Though any increase would help, this would hardly solve the problem. In fact, its chief effect would be to keep the present situation from getting worse in the face of mounting educational costs, every aspect of which is rising faster than the cost of living.

It is ironical to think that it was the sins of the colleges and universities a generation ago which have been invoked to deny an education to the Vietnam veterans who need help the most—and not the nature of the Vietnam war, as many have said.

It is entirely possible for Congress to devise a program granting tuition which the colleges could not so easily abuse, and I am happy to report that the Senate Veterans Affairs Committee is now considering several bills to provide a tuition allowance to Vietnam vets. I had the pleasure on April 9 of discussing it in person with the Chairman, Sen. Vance Hartke of Indiana, and the next day our representatives testified before a Senate sub-committee, offering our recommendation that a tuition allowance of up to $1,000, but not to exceed the actual cost, should be authorized.

Since there is no such provision in the House bill—while the President and the Veterans Administration actively oppose tuition—I hope that the public will now get in the act and write vigorous letters to their Representatives and Senators to support such a measure. I hope the media will keep it up, too, and will do more to spell out what their audiences can do to help. It isn't very hard to do. Demand reasonable tuition and book allowances for Vietnam veterans, so that the neediest veterans can benefit as much as those with more ample resources.

Mr. MATHIAS. In addition to the direct tuition grant provision of S. 2784, Mr. President, the bill we are considering here today includes a great many other crucial provisions to assure Vietnam-era veterans adequate educational opportunity.

The low-cost loans authorized by title III, for example, represent a most important program for today's veterans. The tuition grants authorized in section 104, of course, will provide the lion's share of tuition up to $1,000 per academic year—which is sufficient to cover tuition at virtually all publicly supported colleges and universities in the Nation. But for those who prefer to pursue higher cost private education, the loan program of title III will allow them to borrow up to an additional $2,000 per year at reasonable interest rates.

It should be noted, however—as I pointed out in my joint testimony on this matter before the Veterans' Affairs Committee in April—that such a loan program without a tuition grant—such as embodied in section 104—would do a serious disservice to poorer and working-class veterans. For these are the veterans who would be most reluctant and most ill-advised to go heavily into debt to pay for an education without the ultimate promise of a high-paying job at the other end with which to pay off their loans. But as a supplement to the tuition grant provision of section 104, this loan program will go a long way toward opening up private education opportunities to Vietnam-era veterans.

I offer these words of caution largely with an eye toward the conference with the other body which necessarily must follow the passage of this bill by the Senate today. For as was pointed out in Commander Eaton's excellent article which I have asked to be reprinted in the RECORD, it is no secret that some high-ranking members of the House Committee on Veterans' Affairs—who are likely to be conferees from the other body—do have a history of opposition to the idea of direct tuition grants.

My point is, Mr. President, that in view of the strong and deep support that has been demonstrated for tuition grants in this Chamber, I sincerely hope and trust that our Senate conferees will hold firm on section 104, and resist any temptation to trade tuition grants for the loan provision of title III in an effort to reach a compromise with the other body.

Other sections of the bill we have before us today are also worthy of special note, including provisions which are identical or similar to four of the five other major provisions of the comprehensive bill we introduced last December, besides the tuition grant program.

These are:

A substantial increase in monthly subsistence payments to keep pace with the soaring cost of living and even more rapidly accelerating cost of education generally;

A 2-year extension of eligibility to allow more than 300,000 veterans to pursue their education beyond this June;

An additional 9 months of entitlement to allow veterans up to 5 academic years of education instead of the present 4-year limit; and

An expanded work-study program to provide added opportunities for part-time work while the veteran is in school.

In addition, Mr. President, the committee is to be highly commended for other much-needed provisions which have been included in this bill. I refer particularly to sections 204 and 215, which seek to regulate the abuses which are beginning to appear with respect to the bilking of veterans by less-than-reputable "get rich quick" courses of instruction.

I am also struck by the importance of the provisions of title IV, which are designed to step up the Federal effort to deal with an employment rate among Vietnam-era veterans which is nothing less than a national disgrace. Title IV will provide much-needed clarity and strength to existing law requiring Federal contractors to give special emphasis to the employment of qualified Vietnam-era veterans, and will expand the mandate of the Department of Labor to take other steps necessary to provide an adequate opportunity for a decent job to every Vietnam-era veteran.

On balance, Mr. President, the bill we have before us today, S. 2784, represents an excellent and truly comprehensive effort to fulfill our commitment to today's veterans seeking to integrate themselves back into civilian life. I am gratified to have been able to play a role in shaping some of its components, and I urge my colleagues to join me in supporting its swift passage and in standing firm behind its most important provisions in the upcoming conference with Members of the House of Representatives.

Mr. BEALL. Mr. President, earlier this year I joined several of my colleagues in the sponsorship of S. 2789, the Vietnam veterans GI bill. This, along with the other proposals in this area was the

subject of comprehensive and far-reaching hearings held by the Senate Veterans' Affairs Committee and I am certainly pleased that the final bill contained many of the provisions, of S. 2789. Thus, I am pleased to rise in support of the measure before us today, S. 2784, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974.

A report conducted by the Education Testing Service concluded that the GI bill is not doing today for veterans as it did in the past and the testimony presented to the Veterans' Affairs Committee confirmed this premise. An analysis of the participation rate shows that both full- and part-time enrollments are below those for the GI's who fought during World War II. In fact, in my own State of Maryland, with an estimated veterans population of 147,000, only 38.7 percent have utilized benefits under the GI bill.

According to the ETS study, when all factors such as books, tuition, and supplies at a 4-year public institution are considered, the remaining is not sufficient to meet the veterans' living expenses. The study further indicates that "the single veterans would require $728 in additional resources, a married veteran with no children would require over $2,000 in resources over and above current allowances. In addition, the committee report on S. 2784 points out that since the effective date of the last increase the cost of living has increased 14.6 percent and can be expected to approach 18 percent by the beginning of the school year.

Comments from my own constituents throughout Maryland indicate that marriage, children, and additional responsibilities entailed have necessitated "choosing" employment over education.

Although it is pointed out that there are other federally funded programs available to veterans, none of them have given a priority to veterans and the data which has been compiled indicates that the veterans' participation in these programs has been substantially low.

Of particular significance also is the increasing educational levels of veterans, which of course reflects the increasing educational levels of the population in general. Today only 1 in 5 veterans lacks a high school education, compared with over one-half of the World War II and demands for the veterans will ining emphasis on education, the needs, veterans. Thus, as there has been a growculties that our young veterans are havcrease accordingly. The continued diffiing finding jobs without the necessary education further increases this demand.

Likewise, the age of the veterans reveals much about his or her needs. At the end of World War II, 61.2 percent of the veterans were under 30 years of age, while 78.3 percent of the Vietnamese veterans are under 30. This indicates that an increasing percentage of veterans went into the service during the years when most of their peers were obtaining their education and it is more likely that their time in the service disrupted their educational plans. Certainly those who gave of their time in the service of our country deserve an adequate opportunity to continue the pursuit of their goals.

Since it is necessary to take into account the cost of living since the last increase, as well as increases in tuition at public and private schools, the proposal before us today provides for an 18.2-percent increase in the monthly educational assistance allowance. In addition, since there appears to be a higher cost of education in private and public institutions in those States where the participation rate is low, S. 2784 provides for a partial tuition assistance allowance of up to $720 a school year on a formula basis.

Of particular importance to many of our veterans whose benefits were temporarily extended for 30 days by the interim legislation, is the provision which increases from 8 to 10 years the time during which a veteran may complete his educational program. The other major provision of S. 2784 includes an extension of the maximum entitlement of educational benefits to veterans from 36 to 45 months, a liberalization of the work-study program, the establishment of an Interagency Advisory Committee on Veterans Services, and low-cost loans of up to $2,000 a year for those attending high-cost schools.

Mr. President, it is evident that more time and more money is needed if our veterans are to meet their objectives. I believe Senate bill S. 2784 is a major effort in correcting current deficiencies and inequities in present law and I hope it will receive prompt and favorable consideration.

Mr. JAVITS. Mr. President, it is apparent today that many of our close to 7 million veterans from the Vietnam conflict are beset with problems that demand our urgent attention.

I am concerned about the fact that the educational benefits given to the Vietnam veteran under the GI bill are not only low, but that under the present system of distribution, many veterans are precluded from going to college. Thus, underutilization of their educational opportunities has resulted, particularly in New York State, where the rate of use is only 36 percent.

I wholeheartedly support S. 2784, which I feel will, if enacted, go a long way toward aiding the veteran in his pursuit of higher education.

Of particular importance is the fact that this bill would enable veterans in States with high-cost public education, such as New York, to use effectively the GI benefits. Not only would this be accomplished by an 18.2-percent increase in the monthly educational assistance allowance, but also by providing partial tuition assistance. This tuition assistance will be in the form of the Veterans' Administration paying 80 percent of the school's yearly tuition charges up to $1,000, excluding the first $100 paid by the veteran.

Not only does S. 2784 provide for an increase in educational benefits to all veterans, but acknowledges the problems that exist for certain groups of our Nation's veterans. An example of this, that will be of particular importance in cities like New York, are provisions using community organizations with special expertise to communicate with and provide services to those who may be disadvantaged due to linguistic factors. This will greatly aid the large number of Spanish-speaking veterans, enabling them fully to benefit from the GI bill provisions.

In New York City alone there are 350,000 Vietnam veterans who, like other veterans, deserve and need the increased education benefits, which will in some way help them in the lonely and difficult task of readjusting to civilian life after having participated in a tragic war. When they were called upon, these men answered the call and performed admirably. We must not let them down when they need our aid.

Mr. WILLIAMS. Mr. President, with the passage today of the Vietnam Era Veterans' Readjustment Assistance Act, the Senate has demonstrated a profound understanding of the serious burdens befalling a substantial proportion of our population—our veterans.

This far-reaching measure will provide deserving benefits to thousands of men and women who unselfishly served our country in the military. It will give these citizens an opportunity to meet the financial hardships they are now confronting in the course of pursuing higher education or professional training, and will also greatly benefit the wives, widows, and children of our veterans.

The act particularly emphasizes assisting the veteran who is anxious to enrich his life through education or training by means of a monthly allowance. The Veterans' Affairs Committee made great strides in substantially increasing the stipend on educational assistance. Especially important, though, is the new provision in this act which, for the first time since the World War II GI bill, offers the veteran a formula-based monthly tuition allowance. With the skyrocketing cost of tuition today, this tuition allowance will be a substantial assistance to veterans in meeting financial needs.

Because of the controversy surrounding the war in Vietnam, our veterans have returned from a conflict only to face additional, and in some cases, most severe hardships. We, in this Nation, must not turn our backs on these dedicated citizens. Therefore, I believe that the adoption of the Vietnam-Era Veterans' Readjustment Act is a vitally important step toward alleviating a significant share of these hardships.

Mr. President, I am pleased to have been a cosponsor of this major piece of legislation. The members of the Senate Veterans' Affairs Committee deserve special praise for their foresight and dedicated efforts. Senator HARTKE and Senator CRANSTON have particularly demonstrated a serious and personal concern for the welfare of every veteran, and a deep understanding of their needs. I am hopeful that this important legislation will receive rapid Presidential approval so that our veterans may receive the benefits they greatly deserve.

Mr. EAGLETON. Mr. President, I strongly support the passage of S. 2784,

the Vietnam-Era Veterans' Readjustment Assistance Act of 1974.

Despite increases in monthly assistance allowances voted by Congress in 1970 and 1972, Vietnam-era veterans are still receiving inadequate assistance measured either by objective standards or in comparison with that given veterans of World War II. The most glaring inconsistency between the two GI bills has been the lack of any assistance with tuition costs.

The bill before us would for the first time make the educational assistance available to today's veteran comparable to that received by his father's generation.

First, monthly educational allowances would be increased by 18.2 percent in order to compensate for the increased cost of living since September 1972, the effective date of the last increase. To date, the cost of living has increased by 14.6 percent, and all the evidence suggests that it will have increased by about 18 percent by the beginning of the next school year.

The monthly allowance for a full-time student with no dependents would be increased from $220 to $260. The rate for a veteran with one dependent would be increased from $261 to $309. A veteran with two dependents would receive $352 instead of the $298 monthly payment he now receives.

Second, I am particularly pleased that the bill reported by the committee provides a partial tuition assistance allowance. Under this provision, a veteran would receive an allowance equal to 80 percent of his annual tuition costs above the first $100 and up to a maximum annual allowance of $720.

The combination of an increased monthly allowance and a partial tuition allowance should be of significant benefit to all student veterans. For example, a single veteran attending the University of Missouri during the past school year received a 9-month subsistence allowance of $1,980 from which he was required to meet an annual tuition cost of $540.

Under the provisions of S. 2784, that veteran would receive a subsistence allowance of $2,340. In addition, he would receive a tuition allowance equal to 80 percent of $440, or $352. Thus, his total assistance under the GI bill would total $2,692 as compared to $1,980 last year.

Third, for those veterans who have extraordinarily high educational costs not covered by the GI bill or other Federal grant and loan programs, S. 2784 would establish a new program of direct, low-interest educational loans of up to a maximum of $2,000 per year.

Fourth, the maximum entitlement to educational benefits would be increased from 36 to 45 months. The high price of education, the lack of adequate assistance, and the loss of credits in transferring from one program to another have all combined to make it impossible for many veterans to complete requirements for an undergraduate degree within 4 school years.

A survey of veterans in schools in Missouri and nine other States indicated that 49.4 percent would be unable to obtain an undergraduate degree within the allotted 36 months of entitlement. The provision of an additional 9 months of entitlement, together with the increased assistance provided by S. 2784, should enable all veterans to complete their degree work before the expiration of their entitlement.

One of the more important provisions of this bill is, of course, that which extends from 8 to 10 years the period of time during which a veteran may use his educational benefits. Without this provision, approximately 4 million post-Korean veterans who are currently eligible for educational assistance would become ineligible on June 30. Over a half million of those veterans, including 143,000 Vietnam-era veterans who were discharged in 1965 and 1966, have been using their educational benefits during the past school year. It is estimated that about 285,000 of this number were in school as of May 31. Primarily because of the inadequate level of assistance available to them, many of these veterans have been unable to utilize all of their entitlement during the last 8 years. The extension of this period by 2 years will permit more veterans to complete their educational programs under the GI bill.

S. 2784 contains a number of other important provisions, including those relating to the eligibility of disabled Vietnam veterans for vocational rehabilitation, the work-study program, and the tutorial assistance program. Title IV of the bill would strengthen existing provisions of law with respect to job training and employment assistance for veterans, employment of veterans by Federal contractors and by the Federal Government, and reemployment rights.

Approximately 3 months ago we observed Vietnam Veterans Day. As I said on that occasion, we can honor the veterans of Vietnam more fully by determining to do what is necessary to see to it that these men who served their country now receive in return the educational assistance, job opportunities, and medical care they need and deserve.

Mr. President, we can take a major step toward meeting that commitment today by the passage of S. 2784.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall it pass?

Do Senators yield back their time?

Mr. HANSEN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), and the Senator from New Hampshire (Mr. MCINTYRE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD), and the Senator from Kentucky (Mr. COOK) would each vote "yea."

The result was announced—yeas 91, nays 0, as follows:

[No. 261 Leg.]

YEAS—91

Abourezk	Fong	Mondale
Aiken	Goldwater	Montoya
Allen	Gravel	Moss
Baker	Griffin	Muskie
Bartlett	Gurney	Nelson
Beall	Hansen	Nunn
Bellmon	Hart	Packwood
Bennett	Hartke	Pastore
Bentsen	Haskell	Pearson
Bible	Hatfield	Pell
Biden	Hathaway	Percy
Brock	Helms	Proxmire
Brooke	Hollings	Randolph
Buckley	Hruska	Ribicoff
Burdick	Huddleston	Roth
Byrd, Harry F., Jr.	Hughes	Scott, Hugh
	Humphrey	Scott, William L.
Byrd, Robert C.	Inouye	Sparkman
Cannon	Jackson	Stennis
Case	Javits	Stevens
Chiles	Johnston	Stevenson
Church	Kennedy	Symington
Clark	Long	Taft
Cranston	Magnuson	Talmadge
Dole	Mansfield	Thurmond
Domenici	Mathias	Tower
Dominick	McClellan	Tunney
Eagleton	McGee	Weicker
Eastland	McGovern	Williams
Ervin	Metcalf	Young
Fannin	Metzenbaum	

NAYS—0

NOT VOTING—9

Bayh	Curtis	McIntyre
Cook	Fulbright	Schweiker
Cotton	McClure	Stafford

So the bill (S. 2784) was passed, as follows:

S. 2784

Strike out all after the enacting clause and insert:

That ths Act may be cited as the "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL ASSISTANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "if such disability" and inserting in lieu thereof "arose out of service during World War II, the Korean conflict, or after January 31, 1955."; and

(3) by amending the table contained in section 1504(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$201	$249	$293	$21
Three-quarter-time	151	188	221	17
Half-time	100	125	147	11
Farm cooperative, apprentice, or other on-job training:				
Full-time	175	212	245	17".

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1651 "(consisting of payment of a monthly educational assistance allowance and a partial tuition assistance allowance)" after "program";

(2) by striking out in the last sentence of section 1677(b) "$220" and inserting in lieu thereof "$260";

(3) by inserting in section 1681 (a) (b) "and partial tuition assistance allowance" after "allowance" in each place it appears;

(4) by inserting in section 1682(a)(1) "and partial tuition assistance allowance as" after "allowance"; and by amending the table contained therein to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	[1] $260	[1] $309	$352	$21
Three-quarter-time	[2] 195	[2] 232	[2] 265	17
Half-time	[2] 130	[2] 155	[2] 176	11
Cooperative	[1] 209	[1] 246	[1] 279	17

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

(5) by striking out in section 1682(b) "$220" and inserting in lieu thereof "$260";

(6) by inserting in section 1682(c) (1) (C) and (2) "and partial tuition assistance allowance" after "allowance" in each place it appears; and by amending the table contained in section 1682(c)(2) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents The amount in column IV plus the following for each dependent in excess of two:
Full-time	[1] $209	[1] $246	$279	$17
Three-quarter-time	[2] 157	[2] 184	[2] 209	13
Half-time	[2] 105	[2] 123	[2] 139	8

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

and

(7) by striking out in section 1696(b) "$220" and inserting in lieu thereof "$260".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1731(a) "and a partial tuition assistance allowance" after "allowance";

(2) by inserting in section 1731(b) "or partial tuition asistance allowance" after "allowance";

(3) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance and partial tuition assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed in section 1682(a)(1) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents.";

(4) by striking out in section 1732(a)(2) all after and including "of (A)" and inserting in lieu thereof "prescribed in section 1682(b)(2) of this title for less-than-half-time pursuit of an institutional program by an eligible veteran.";

(5) by striking out in section 1732(b) "$177" and inserting in lieu thereof "$209";

(6) by inserting in section 1733(a) a comma and "and, as appropriate, a partial tuition assistance allowance" after "allowance"; and

(7) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on his behalf a special training allowance computed at the basic rate of $260 per month. If the charges for tuition and fees applicable to any such course are more than $82 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $82 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $8.69 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 104. (a) Chapter 36 of title 38, United States Code, is amended by adding after section 1780 the following new section:

"§ 1780A. Partial tuition assistance allowance

"(a) The Administrator shall pay the partial tuition assistance allowance to be paid, as specified in sections 1682(a)(1) and (c), 1691(a)(2), 1732, and 1733 of this title, in addition to the educational assistance allowance payable to an eligible veteran or eligible person under the provisions of such sections directly to such veteran or person pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis in such amounts (up to $720 per ordinary school year) as specified in such sections 1682(a)(1) and (c) and 1732.

"(b) In no event shall the payment made to any veteran or person under the authority of subsection (a) of this section be based upon charges that exceed the customary tuition (or established fee in lieu of tuition) charged other similarly circumstanced students in the same institution, and in no case may any such veteran or person be paid a partial tuition assistance allowance based upon the out-of-State tuition rate if such veteran or person was resident in such State immediately prior to such veteran's entry into the Armed Services.

"(c) No partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprentice and other on-job, or PREP training.

"(d) Payment of the partial tuition assistance allowance authorized by subsection (a) of this section shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine (1) that the veteran or person has enrolled in and is pursuing a program of education at the educational institution, and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by such veteran or person. Subject to the limitations set forth and referenced in subsection (a) of this section, each payment of partial tuition assistance allowance shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled, and shall be in a ratio which the length of such term, quarter, or semester bears to the length of the ordinary school year. In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year and payment of the partial tuition assistance allowance shall be made in such increments as the Administrator, by regulation, shall determine.

"(e)(1) Payments of partial tuition assistance allowances shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof.

"(2) Upon delivery of any such payment, the institution shall submit a certification of delivery under the same terms as provided for in section 1780(d)(6) of this title.

"(f) In the event that a veteran or person fails to commence a program of education, or terminates enrollment before the end of the enrollment period for which a partial tuition assistance allowance has been paid to such individual, and has been paid a partial tuition assistance allowance, then an overpayment shall be declared and shall be recovered by the Administrator in the same manner as any other debt due the United States from the individual or educational institution in accordance with the following:

"(1) If the veteran or person has failed to commence a program of education within thirty days after the date prescribed for enrollment, the full amount of the partial tuition assistance allowance shall be considered an overpayment and shall be recov-

ered from such individual or from the educational institution in the event that the individual has paid the full tuition to the educational institution.

"(2) If the veteran or person has failed to commence a program of education, but has paid part of the tuition to the educational institution, the full amount of the partial tuition assistance allowance retained by the individual and not paid to the educational institution shall be recovered from such individual, and that portion of the partial tuition assistance allowance paid to the educational institution shall be recovered from such institution.

"(3) If the veteran or person has commenced a program of education, but has terminated such program before the end of the enrollment period, that portion of the partial tuition assistance allowance retained by the individual shall be recovered from such individual in a ratio which the amount of the partial tuition assistance allowance paid to such individual bears to the uncompleted portion of the program, and the Administrator shall recover from the educational institution so much of the partial tuition assistance allowance paid to such institution by the veteran or person as is provided for in the refund policy which each such institution shall establish in accordance with guidelines prescribed by the Administrator.

"(g) The Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowances.

"(h) The Administrator shall promptly report to the Attorney General of the United States for appropriate action any violation by an individual of section 3502 of this title (relating to fraudulent acceptance of payments) and any violation by an educational institution, or by any officer, employee, or agent of an educational institution, of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or of any other Federal criminal statutory provision.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1780A. Partial tuition assistance allowance."

after

"1780. Payment of educational assistance or subsistence allowances.".

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

SEC. 201. Section 1652(a)(3) of title 38, United States Code, is amended by inserting "except as provided therein," after "1661(a),".

SEC. 202. Section 1661 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "36 months" and inserting in lieu thereof "45 months";

(2) adding at the end of subsection (a) the following: "For purposes of this subsection, in determining the period to which any eligible veteran is entitled to educational assistance under this chapter, the initial period of active duty for training performed by him under section 511(d) of title 10 shall be deemed to be active duty if at any time subsequent to the completion of such period of active duty for training such veteran served on active duty for a consecutive period of one year or more."; and

(3) striking out in subsection (c) "thirty-six" and inserting in lieu thereof "45".

SEC. 203. Section 1662 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by striking out "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by striking out "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year" in each place, respectively; and

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

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing such veteran's 10-year period of eligibility for educational assistance, any period during which such veteran was so detained and any period immediately following his release from such detention during which such veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.".

SEC. 204. Section 1673 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

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

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of this chapter) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 55 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.".

SEC. 205. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance and a partial tuition assistance allowance based upon the rate payable as set forth in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance and partial tuition assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.".

SEC. 206. Section 1685 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by striking out all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of $625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours".

(b) Subsection (a) is further amended by striking out the last sentence and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours.".

(c) Subsection (c) is amended by striking out "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

SEC. 207. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "$50" and inserting in lieu thereof "$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "$450" and inserting in lieu thereof "$720".

SEC. 208. (a) Section 1712 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by striking out "eight" in subsection (f) and inserting in lieu thereof "10".

(b) Section 604 (a) and (b) of Public Law 92-540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

SEC. 209. Section 1723 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training."; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree".

SEC. 210. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a halftime basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance and a partial tuition assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance and partial tuition assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed in section 1682(c)(2) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents.".

SEC. 211. Section 1780 (a)(2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

SEC. 212. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$550.
Over $5,000 but not exceeding $10,000	$1,000.
Over $10,000 but not exceeding $35,000	$1,000 for the first $10,000 plus $925 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	$6,050.
Over $40,000 but not exceeding $75,000	$6,050 for the first $40,000 plus $800 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	$12,000.
Over $80,000	$12,000 for the first $80,000 plus $700 for each additional $5,000 or fraction thereof."; and

(2) by amending section 1784(b) to read as follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either chapter 34, 35, or 36 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to report to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under chapter 34, 35, or 36 of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable.".

SEC. 213. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "$220" and inserting in lieu thereof "$260";

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$189	$212	$232	$9
Second 6 months	142	164	184	9
Third 6 months	95	117	137	9
Fourth and any succeeding 6-month periods	47	70	90	9";

and

(3) by amending section 1787(b)(2) to reads as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be computed at the rate prescribed in paragraph (2) of this subsection for an eligible veteran with no dependents pursuing such a course.".

SEC. 214. Section 1788(a) of title 38, United States Code, is amended as follows:

(1) by striking out in clause (1) "below the college level" and inserting in lieu thereof a comma and the following: "not leading to a standard college degree,";

(2) by striking out in clause (2) "below the college level" and inserting in lieu thereof a comma and the following: "not leading to a standard college degree,";

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

(4) by adding at the end of such subsection the following:

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses must be measured on not less than one quarter or one semester for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. In no event shall such course be considered a full-time course when less than eighteen hours per week of attendance is required.".

SEC. 215. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out all of section 1795;

(2) by inserting in lieu thereof the following new section:

"§ 1795. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to part 3.11 of the Federal Trade Commission Rules of Practice, to cease and desist against any institution the courses of which are approved under this chapter or chapters 34 and 35, such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to subsection (a) disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section."; and

(3) striking out in the table of sections at the beginning of chapter 36 of such title

"1795. Limitation on period of assistance under two or more programs."

and inserting in lieu thereof

"1795. Limitation on certain advertising, sales, and enrollment practices.".

SEC. 216. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Evaluation and data collection

"(a) The Administrator shall measure and evaluate the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program evaluated.

"(b) Not later than ninety days after the date of enactment of this section, the Administrator shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. The annual report submitted pursuant to section 214 shall describe the actions taken as a result of these evaluations.

"(c) In carrying out evaluations under this title, the Administrator shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs carried out under this title about such programs.

"(d) The Administrator shall publish the results of evaluative research and summaries of evaluations of program impact and effectiveness not later than ninety days after the completion thereof. The Administrator shall promptly submit to the appropriate committees of the Congress copies of all such completed research studies and evaluation summaries.

"(e) The Administrator shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"(f) Such information as the Administrator may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.

"(g) In order to carry out this section, the Administrator shall collect, collate, and analyze on a continuing basis, full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of space, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title. The Administrator shall make available to the public and provide to the appropriate committees of the Congress on a regular basis (but not less than bi-monthly) tabulations and analyses of all such data.".

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding immediately below

"218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations."

the following:

"219. Evaluation and data collection.".

SEC. 217. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(a) Section 241 of such title is amended by—

(1) inserting "in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services"; and

(2) inserting in paragraph (2) "to eligible veterans and eligible dependents" after "information" the first time it appears.

(b) Section 242(b) of such title is amended by striking out "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible programs and services, including special telephone and mobile facilities.".

(c) Redesignate sections 243 and 244 as 244 and 245, respectively, and add the following new section after section 242:

"§ 243. Veterans' representatives

"(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, or 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to—

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

"(C) maintain active liaison and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments and of partial tuition assistance allowance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I. institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions, provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title), and carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more particular educational institutions.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.".

(d) Section 244 (as redesignated by subsection (c) of this section) of such title is amended by—

(1) striking out "may" and inserting in lieu thereof "shall utilize his authority to enter into contracts or agreements under section 213 of this title where he determines that a community-based national or local organization or agency has special expertise in facilitating communication with and the provision of services to particular groups of veterans, especially those who do not have a high school education or the equivalent and those who are disadvantaged by virtue of linguistic or other socioeconomic factors, and shall"; and

(2) inserting "and provide for" after "conduct" in paragraph (5).

(e) The table of sections at the beginning of such chapter is amended by striking out

"243. Utilization of other agencies.
"244. Report to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.
"244. Utilization of other agencies.
"245. Report to Congress.".

SEC. 218. (a) Chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

"§ 250. Establishment of Advisory Council

"There is established within the Veterans' Administration an Interagency Advisory Council on Veterans' Services (hereinafter referred to as the 'Council'), of which the Administrator shall serve as Chairman and which shall be composed of the heads of the following departments or agencies (or their designees whose positions are executive level IV or higher): Department of Defense; Department of Labor; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Department of the Treasury; Department of Agriculture; United States Postal Service; Civil Service Commission; Small Business Administration; and such other departments and agencies as the President may designate.

"§ 25. Functions of Advisory Council

"(a) The functions of the Council shall be to seek to promote maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all Federal departments, agencies, and instrumentalities, especially in terms of the plan provided for under subsection (b) of this section.

"(b) The Council shall make recommendations to the President in order to develop in the President's annual budget submitted to the Congress a coordinated plan for the provision of services to veterans and their dependents under all programs and activities carried out by or under all Federal departments, agencies, and instrumentalities.

"(c) The Council shall report annually on its activities to the Congress and the President, and shall from time to time submit such reports and recommendations to the Congress and the President as it deems appropriate for improvements in, and more effective coordination of existing Federal laws, programs, and activities affecting veterans.

"(d) The Council shall meet at the call of the Chairman but not less often than four times annually, and shall provide for the employment of such full-time staff as required for it to carry out its functions under this section.

"§ 252. Cooperation of other Federal departments and agencies

"Each Federal department, agency, and instrumentality shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

"Sec.
"250. Establishment of Advisory Council.
"251. Functions of Advisory Council.
"252. Cooperation of other Federal departments and agencies.".

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

SEC. 301. (a) Chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

"(a) Each eligible veteran shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran satisfies the requirements set forth in subsection (c) of this section.

"(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2)(A) The amount needed by a veteran to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran which may be reasonably expected to be expended by him for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which he is enrolled.

"(B) The term 'total amount of financial resources' of any veteran for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran less Federal income tax paid or payable by such veteran with respect to such income.

"(ii) The amount of cash assets of the veteran.

"(iii) The amount of financial assistance received by the veteran under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran under this chapter other than under this subchapter.

"(v) Financial assistance received by the veteran under any scholarship or grant program other than those specified in clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran is enrolled.

"(3) The aggregate of the amounts any veteran may borrow under this subchapter may not exceed $260 multiplied by the number of months such veteran is entitled to receive educational assistance under section 1661 of this title, but not in excess of $2,000 in any one regular academic year.

"(c) An eligible veteran shall be entitled to a loan under this subchapter if such veteran—

"(1) is in attendance at an approved educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identifiable professional or vocational objective;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

No loan shall be made under this subchapter to an eligible veteran pursuing a program of correspondence, flight, apprentice, and other on-job, or PREP training.

"(d) Any agreement between the Administrator and a veteran under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations held by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"(e) If a veteran who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's liability on such loan by repaying the amount owed on such loan.

§ 1699. Sources of funds; insurance

"(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

"(b)(1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the 'Fund') shall be available to the Administrator for making loans under section 1698 of this title. The Administrator shall set aside out of such Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans are entitled under section 1698 of this title.

"(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time such funds are set aside.

"(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1698 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, 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 of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

"(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1698(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

"(e) A fee shall be collected from each veteran obtaining a loan made under this section for the purpose of insuring against defaults on loans made under this subchapter, and no loan shall be made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the administrator to discharge his obligations under subsection (c) of this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof.

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"1698. Eligibility for loans; amount and conditions of loans; interest rate on loans.

"1699. Source of funds; insurance.".

SEC. 302. (a) Subchapter IV of chapter 35 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1737. Education loans

"Any eligible person shall be enttiled to the benefits provided an eligible veteran under subchapter VII of chapter 34 of this title (if the program of education is pursued in a State) and shall be entitled to an education loan in such amount and on such terms and conditions as therein specified.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1737. Education loans."

after

"1736. Specialized vocational training courses.".

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 401. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability,

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37, and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

"(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.".

(b) Section 2002 is amended by (1) inserting "and eligible persons" after "eligible veterans" and (2) inserting "and persons" after "such veterans".

(c) Section 2003 is amended by—

(1) striking out in the first sentence "250,000 veterans" and inserting in lieu thereof "250,000 veterans and eligible persons";

(2) striking out in the fourth sentence "veterans" and inserting in lieu thereof "veterans and eligible persons";

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence "and eligible persons" after "eligible veterans" each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence "or an eligible person's" immediately after "eligible veteran's"; and

(5) inserting in clause (4) of the fifth sentence "and persons" immediately after "such veterans".

(d) Section 2005 is amended by inserting "and eligible persons" immediately after "eligible veterans".

(e) The last sentence of subsection (a) of section 2006 is amended by striking out "veterans" and inserting in lieu thereof "eligible veterans and eligible persons".

(f) Section 2007 is amended by—

(1) inserting in subsection (a)(1) "and each eligible person" immediately after "active duty,";

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b):

"(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section."; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) "and other eligible veterans" and inserting in lieu thereof "other eligible veterans, and eligible persons".

SEC. 402. Chapter 42 of title 38, United States Code, is amended by striking out in the third sentence of section 2012(a) "The" and inserting in lieu thereof "In addition to requiring that such special emphasis be given to the employment of such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the".

SEC. 403. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 2014. Employment within the Federal Government

"(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

"(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS–5, as specified in subchapter II of chapter 51 of title 5, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted. The eligibility of such a veteran for a readjustment appointment shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

"(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93–112 (87 Stat. 391, September 26, 1973), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

"(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

"(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section except that, with respect to subsection (c) thereof, the Commission may include a report of such activities separately in the report required to be submitted by section 501 (d) of such Public Law 93–112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

"(f) Notwithstanding section 2011 of this title, the terms 'veteran' and 'disabled veteran' as used in this section shall have the meaning provided for under generally applicable civil service law and regulations.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"2014. Employment within the Federal Government.".

SEC. 404. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

"Chapter 43—VETERANS' REEMPLOYMENT RIGHTS

"Sec.

"2021. Right to reemployment of inducted persons; benefits protected.

"2022. Enforcement procedures.

"2023. Reemployment by the United States, territory, possession, or the District of Columbia.

"2024. Rights of persons who enlist or are called to active duty; Reserves.

"2025. Assistance in obtaining reemployment.

"2026. Prior rights for reemployment.

"§ 2021. Rights to reemployment of inducted persons; benefits protected

"(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selecive Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

"(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

"(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

"(B) if such position was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case,

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so. Nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this chapter.

"(b)(1) Any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

"§ 2022. Enforcement procedures

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b)(1), (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits of such provisions, such United States attorney or official, if reasonably satified that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent. No State statute of limitations shall apply to any proceedings under this chapter.

"§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

"(a) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the Armed Forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

"(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

"(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term 'agency in the executive branch of the Government' means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

"(b) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment to which such person claims restoration, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such person after August 1, 1961, does not exceed five years, and if the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b)(1) Any person who, after entering the employment to which such person claims

restoration, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this chapter in the case of persons inducted under the provisions of the Military Selective Service Act (or prior to subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be restored by that employer or his successor in interest to such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employer not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining by a preinduction or other examination physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to that rejection or examination, such employee shall be permitted to return to such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or sections 206, 301, 309, 402, and 1002 of title 37, is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

"§ 2026. Prior rights for reemployment

"In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by adding at the end thereof

"43. Veterans' Reemployment Rights. § 2021".

SEC. 405. Section 9 of the Military Selective Service Act is amended by—

(1) repealing subsections (b) through (h); and

(2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE V—EFFECTIVE DATES

SEC. 501. Except as otherwise provided therein, title I of this Act shall become effective on July 1, 1974.

SEC. 502. Title III of this Act shall become effective on September 1, 1974.

SEC. 503. Titles II and IV of this Act shall become effective on the date of their enactment.

Amend the title so as to read: "An Act to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes."

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 12618, that H.R. 12628 be made the pending business, and that the text of S. 2784, as amended, be substituted for the text of H.R. 12628.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

An act (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes.

The PRESIDING OFFICER. The first question is on agreeing to the request of the Senator from Indiana to discharge the committee. Is there objection? The Chair bears none and it is so ordered.

The question is on agreeing to the amendment in the nature of a substitute for the bill.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12628) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12628) was passed.

Mr. HARTKE. Mr. President, I ask unanimous consent that passage of S. 2784 be vacated and that the bill be indefinitely postponed.

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

The title was amended, so as to read:

A bill to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

Mr. HARTKE. Mr. President, I ask unanimous consent that the text of H.R. 12628 be printed as passed.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session briefly.

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

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of the two nominations confirmed by the Senate this morning.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

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

ORDER TO PROCEED TO CONSIDERATION OF S. 2581 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, that the Senate proceed to the consideration of S. 2581, a bill to amend the Randolph-Sheppard Act; that there be a time limitation of 15 minutes to be equally divided between the majority and minority leaders; and that while I do not anticipate any amendments thereto, but if there be amendments, there be 15 minutes on any amendment, debatable motion or appeal and that the agreement be in the usual form.

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

RECESS FOR 45 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess now for a period of 45 minutes.

There being no objection, at 2:08 p.m., the Senate took a recess for 45 minutes; whereupon, at 2:53 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

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

The PRESIDING OFFICER. The clerk will please call the roll.

The third assistant legislative clerk proceeded to call the roll.

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

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

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

Mr. GRIFFIN. Mr. President, in behalf of the minority leader, I yield the time allotted to him for this debate—is that correct, that half the time is under the control of the minority leader?

The PRESIDING OFFICER. First, the Chair lays before the Senate the unfinished business, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. GRIFFIN. Now, Mr. President, I yield the time under the control of the minority leader to the distinguished Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 6 minutes to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the Senator from Alabama.

Mr. President, this bill, the major bill before the Senate, is a bill to increase the national debt limit, to a figure that none of us are proud of, but we are responsible for it nevertheless.

As a protest against increasing the debt limit from year to year, I have a few times voted against such bills, but I said at the time it was a protest, but if my vote was necessary to pass the bill, I would put off my protest and vote for it.

We continue to be proud of the fact that we have never had a default in payment of all the obligations of the Federal Government when properly presented. I understand that has been true from the very beginning, with the first operation under our present Constitution down until today—this very minute. That is something that I hope we will always continue to protect.

But the major point now, Mr. President, which I wish to make, is that the debt limit bill is more of a formality because it must be passed between now and the end of June, and we should not be cluttering it up with a great number of tax amendments. I say that with all deference to all the amendments, whoever the authors may be. We are making good headway in passing legislation, but we still have a long way to go.

As I say, I have all the respect in the world for the authors of these amendments. But I think it is a mistake—I hold some 20 of them in my hand—and unsound, legislative-wise, to be taking up these amendments without the benefit of consideration first by the committee who are experts themselves and its staff with understanding and expertise concerning our present fiscal affairs. We are entitled to the printed testimony that would go with the hearings that these experts and members of the committee and members of the staff would hold, and the questions and answers that would be in the hearings. We are entitled to the benefit of a written report from the committee with recommendations that we could study and our staffs could study and give us a chance, at least a better chance—it is difficult enough as it is—to pass sound judgments on the merits of an amendment.

Many of these amendments involve highly technical terms. They involve highly complex tax laws. Each amendment will affect every taxpayer in America whether it applies directly to every one or not. Reading and digesting all the highly complex amendments and, after full debate, to vote on them properly on their merits, is almost impossible without committee hearings and committee reports.

I emphasize my deference to the authors of the amendments, but I do not think the membership should be called on to vote yea or nay on a great many of these amendments, although after study many of us would likely support some of them if they stood alone and would not adversely affect the Treasury. The deficit we are running with and have been running almost without exception since World War II, is undoubtedly a substantial cause of our present runaway inflation—and it has almost run away already. I am serious about that. There is a chance it will actually become runaway inflation which will destroy—greatly impair at least—and could destroy the values that we have been building on for decades and decades.

I understand that we already are experiencing 10 percent to 12 percent of added inflation for each 12-month perod. Of course we already know that that is in the face of the interest rates which are already unbeliveable and almost at an unlivable level—11 percent interest. A young couple trying to get ahead, wanting to buy a home of their own, have to finance that home now on 15-, 18-, 20-, or a 25-year basis at the current

rates of interest which are unconscionable. These rates of interest, left that way, will stagnate the country and its economy. Of course, they are artifically made in order to try to stem the tide of inflation. But, if we are going to pass tax bill reductions here, we will be consciously and actively stimulating further inflation ourselves.

Thus, my counsel is that we have to "tough" it out here and postpone the tax reductions until our fiscal affairs are in better shape. By all means we must not vote the reductions now without the benefit of the information, the reports, and all, to which I have already referred.

I know that it is always good politics, as we say, to vote for a tax reduction. Of course, it is also popular to vote for appropriations. I think that is one of the things we have been guilty of here for several years. All we are doing is fanning the fires of more inflation.

Some of the amendments might reduce the taxes a person has to pay for a few dollars. He may have some extra take-home dollars but the real question is: How much will those dollars buy? How far will they go toward enabling him to buy the necessities of life?

Everyone knows, who has to work for a living, that the dollars he does finally get home with are buying less and less and less and less.

So, Mr. President, I believe that we could better help the American taxpayer if we would exercise more fiscal responsibility and try harder to balance our annual budget.

Some of the proponents of some of these tax reduction amendments say they are going to close the so-called loopholes in the tax laws to offset the loss of revenues. We want to reach the right result on these matters but the present flaws in the system of trying to do it now are the same as those which apply to the reductions.

We have to know what we are doing, after we have been advised by people who understand the problems, the techniques, and have the expertise and the know-how.

Mr. President, let me say in conclusion that I had not intended to speak on the so-called debt-ceiling bill, but having seen how many tax amendments have been proposed—over 20 so far—I feel I must make my position clear.

There is no doubt, Mr. President, that we must pass this legislation temporarily increasing the debt limit. While I am distressed that the debt is so large, I support the legislation because I realize that the Government must be able to legally meet its financial obligations. We should reduce this debt by regaining control of the budgetary process.

But right now, Mr. President, I am very concerned about all these proposed tax amendments. As I said, over 20 have been proposed to this bill on temporarily increasing the debt ceiling. Mr. President, the Senators who have prepared these tax amendments are doubtless sincere and believe in the relief they are seeking. But, the amendments involve highly technical and highly complex tax laws—important laws that pertain to every taxpayer in America. Senators do not have a chance to read and digest the substance of these highly complex amendments and properly vote without full debate on each of them, and without the benefit of full committee hearings and a committee report.

Without sound and deliberate consideration of these matters, we could be doing a great disservice to the American taxpayer. We cannot only think of the short-range effect of this. We have to consider the long-range effect also.

Many of these amendments, I am sure, have merit and some are no doubt needed. But the tax laws are laws which should not be considered lightly. Amending the tax laws often starts a chain reaction resulting in changes which were not thought of originally.

We have a fine committee, Mr. President, to handle these tax matters. When they come over from the House, Chairman LONG, his committee and staff always do an excellent job in considering these matters and bringing them to the floor of the Senate. The Finance Committee's expertise in tax matters is very important to the rest of us here in the Senate. When a tax bill comes out of the Finance Committee, it has been debated and thought through and extensive hearings have been held. Some of the best tax minds in the country have worked on the bill. Then a full debate on the floor is had where all the ramifications of the bill are explained. All of this is extremely important to us, Mr. President, in helping us to cast an intelligent vote. I would therefore hope Mr. President that we could postpone these tax matters at the present time and pass the debt-ceiling bill.

Now, Mr. President, I want the record to show that I oppose a tax reduction at the present time and I underscore "at the present time." I think it highly unwise to reduce the revenue of the Government. It can only fuel the fires of inflation.

It is always good politics to reduce taxes. It puts money in our pockets temporarily. We get a short-range benefit. But, Mr. President, we are not being candid with the American taxpayer when we do this. Very shortly these "extra dollars" will not be buying more for the people. The question is, "How much will these dollars buy," not "How many dollars do I have?"

We could better help the American taxpayer, Mr. President, if we would exercise a little fiscal responsibility by balancing our annual budget.

We now have double-digit inflation, a rate greater than we have experienced in over 20 years and yet here we are talking about, in effect, increasing our deficit.

Some of the proponents argue that closing some of the so-called loopholes in our tax laws will replace the revenue lost through tax deductions or credits. But I wonder how much consideration has been given to those proposals? What is the long-range effect? Will business slow down? Will workers be laid off? Will business expansion cease? All of these matters should be considered carefully

I want very much to reduce taxes and give the taxpayer a chance to put more money in his pocket. Most of the time he spends it more wisely than his Government does. But, Mr. President, now is not the time. We must be responsible.

Mr. President, let us pass this debt ceiling bill without all these tax amendments and get it to the President before June 30. The bill is too important to be loaded down with unwise tax legislation.

Mr. President, I thank the Senator very much for yielding to me.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished majority leader, I yield such time as may be required to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, in the virtually unprecedented parliamentary situation the Senate faces of two separate cloture votes on the same day, we have a unique opportunity to break the present impasse and proceed to a vote on the real issue waiting for Senate action—tax reform and tax relief.

Not since February 26, 1927, has the Senate voted twice on cloture on the same day. That day, the Senate voted once on cloture on the historic Boulder Dam bill, and once again on cloture on the World War emergency officers bill Both cloture votes failed that day, but I hope the result will be different this afternoon.

Although for nearly 50 years, the Senate has managed to avoid the dubious distinction of double cloture votes on the same day, we face it now, and our action will have far-reaching consequences for 80 million ordinary taxpayers and their families awaiting our decision.

I hope, therefore, that Senators will give their full support to the Mansfield cloture motion, and that they will strongly oppose the Bennett cloture motion.

There should be no real doubt about supporting cloture on the Mansfield motion. That motion seeks to invoke cloture only on the Allen amendment to the Debt Ceiling Act, thereby untying the Senate from its present knot and freeing the Senate for action on other amendments and eventual final passage of the Debt Ceiling Act.

On the merits, there is no issue at all meriting further delay in action on the Allen amendment, which would cut $5 billion from the debt ceiling. My guess is that it might pass overwhelmingly on the merits, since every Senator is in favor of keeping the debt ceiling as low as possible. The only real consequence of the Senator's amendment would be to require the administration to come back to Congress a few weeks earlier than planned next year, in order to seek the next increase in the debt ceiling.

Let there be no doubt about the real nature of the Allen amendment—it is a technical device being used purely for the purpose of delay, to keep the Senate from proceeding to its real business on the Debt Ceiling Act.

The Senate was ready last Monday to

vote on the merits of the Allen amendment. It was ready to vote yesterday. It is ready to vote today, and it will be ready to vote at any time the rules permit a vote.

That is why we support the Mansfield cloture motion, as a way to secure a final vote on the Allen amendment.

In my view, the filibuster on the Allen amendment points up one of the most serious defects in the Senate rules. A Senator should not be entitled to the privilege of the floor to submit an amendment and then conduct a filibuster against his own amendment. That defies all reason and logic for orderly Senate procedure.

My hope is that as early as possible, and certainly at the beginning of the next session, the Senate will at least act to eliminate the parliamentry monstrosity that the rules now permit.

Obviously, even if cloture is invoked on the Allen amendment, it may be necessary to invoke cloture again, in order to bring the tax relief and tax reform package to a final Senate vote. So, the Senator from Alabama's rights are fully protected when the major legislative business is before the Senate.

Why, then, should the Senate have to go through this double delay of what I would call an anticipatory or "warm-up" filibuster? It is as if the baseball game were stopped at the beginning of the first inning, while the man in the on-deck circle demanded that the ball be pitched to him for some extra batting practice.

I would also note that in recent years, until now, the Senate seems to have been able to move away voluntarily from such anticipatory filibusters. Even in the civil rights area, for example, Senators have refrained from the former practice of filibustering against efforts by the leadership to call up the civil rights bill itself, being content to filibuster only once, on the merits of the bill.

In sum, the current parliamentary rule is making a travesty of orderly Senate procedure. I hope the Senate will vote accordingly, and approve the Mansfield cloture motion, and put comprehensive reform of rule XXII, the filibuster rule, on our agenda for next January.

But the Bennett cloture motion, to close off debate on whole Debt Ceiling Act and all amendments, is another matter. That should be defeated. Were it to pass, the Senate rules require that all amendments voted on thereafter must be germane. Within the technical requirements of germaneness under the rules, tax reform and tax relief amendments will fall, and cannot be brought to a vote except by unanimous consent. Thus, plain and simple, Senator BENNETT's cloture motion is an effort to kill tax reform and tax relief, perhaps for the rest of this session of Congress, and I hope it will be defeated.

There is no need for cloture at this time on the whole Debt Ceiling Act. All the sponsors of tax reform and tax relief are anxious for a vote. We will accept brief time agreements to guarantee a vote as soon as possible.

Perhaps we shall have to file a future cloture motion of our own, to get that final vote. But for now, cloture should be defeated on the act, and the Bennett motion should be defeated.

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

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield such time as the distinguished Senator from Illinois (Mr. PERCY) shall require.

Mr. PERCY. Mr. President, I thank the distinguished Senator from Alabama, and I yield to the Senator from Wyoming for a unanimous-consent request.

Mr. HANSEN. Mr. President, I ask unanimous consent that Sonny Nixon and Nolan McKean, of my staff, be permitted the privilege of the floor during the debate and any votes on this bill.

Mr. President, I also ask unanimous consent that Richard Gentry, of Senator ALLEN's staff, may be accorded the same privilege.

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

Mr. PERCY. Mr. President, I take the floor to point out my sharp differences with the distinguished Senator from Massachusetts. We have agreed on a number of issues. In fact, the most recent was this morning, when the Older Americans Act was passed. It incorporated a provision that the Senator from Massachusetts and I have long deeply believed in, that we should use the food resources of this country to feed malnourished people.

The Congress overwhelmingly approved this program after the successful completion of an experimental program for feeding older Americans surplus food some time ago.

We now have moved from an experimental program that costs only $1,600,000 a year to a program that was approved today by the Senate that will provide some $600 million over a period of 3 years for the nutritional needs of malnourished Americans. We know that there are some 40 million Americans in this country, about 1 out of 5, who actually would be eligible. Some 20 million Americans are now being helped.

The fact that their increasing needs must somehow be met has been demonstrated, because of the problem of inflation—rising food costs, rising fuel costs, therefore rising fertilizer costs, thereby increasing food costs—which begins a vicious cycle that is destroying values in America.

This is the No. 1 enemy that we face at home. Inflation is our No. 1 domestic problem. It is probably the cause for more discontent among middle-income working Americans than anything else, because they know that their increase in income this year, from whatever wage increase they are able to obtain, will not be adequate to meet the increased cost of living they are going to experience this year, which is now running at about 15 percent.

I think that when an enemy of that kind is eating at the very vitals of America, destroying confidence in the dollar, removing incentive, and certainly discouraging the American family that is attempting to live within its means, we have to see what responsibility we in Congress have for facing up to this problem.

I would hope that at some point we would reach the maturity in Congress where we eliminate the charade of just increasing the debt limit twice a year. We go through this not only as an exercise in futility, but we also use this as an occasion to propose all sorts of amendments that offer all sorts of things—some meritorious and some not—that come under the cloak of revenue measures. I would hope that we would end that practice once and for all. I will comment in just a moment on how I think we can do so.

To focus on the issue at hand, I strongly urge my colleagues to vote "No" on the motion to invoke cloture on the Allen amendment, and to vote "Aye" on the motion to invoke cloture on the bill itself. This is probably the first time in the history of the Senate that a vote against cloture—that is, on the Allen amendment—is actually a vote to expedite the work of the Senate.

Approximately 25 amendments have been offered to the debt limit bill at this time. Undoubtedly, several of the 30 to 40 amendments that originally were offered to the vessel repair bill will also be offered here.

If the Senate gives each amendment the time for debate that most of these far-reaching proposals deserve, we will not finish prior to the stautory expiration of the temporary debt ceiling, and once again we will be at the crisis stage that Government constantly seems to be in these days.

I strongly support equitable, comprehensive tax reform. I will eventually support the adoption of several of the amendments that have been offered to this bill. However, if we begin action at this time on the amendments that have been introduced, we will be under the gun of the June 30 debt ceiling deadline and will end up with a package of tax cuts and tax increases which have no relationship whatsoever to the proper fiscal policy for our Government in the year and years ahead.

The fact that Congress had no rational budget control process led me, the distinguished Senator from Alabama, and other members of the Committee on Government Operations, and subsequently the Committee on Rules and Administration, and many other Members of both the Senate and the House to work hard for the passage of budget reform legislation. That legislation passed the Senate by a vote of 80 to 0.

Many articles appeared forecasting that it would never, possibly, ever pass Congress because it simply cut into the directives of too many committees and too many Members of the House and Senate. Yet yesterday the House adopted the conference report. Tomorrow, the conference report will be on the floor of the Senate, and there is not any question in our minds that on that rollcall vote it will be, once again, overwhelmingly, if not unanimously, approved.

But now many of the same Senators

who supported the principle and actuality of budget reform are urging the Senate to return to its old ways.

I simply feel that once we have taken this action and said that we should reform the procedures under which we operate, we ought to start disciplining ourselves in that direction now.

Actually, I am hopeful that once the new budget reform process is implemented we will give up the illusion that Congress controls the Federal deficit through biyearly action on debt limit bills. I was pleased to note that the report of the Committee on Finance on this debt limit bill states that: "a debt limitation is not a satisfactory way of controlling budgetary expenditures and revenues," but that "until the congressional budget control process can become operational, it is desirable to use the debt limitation to the extent possible as a means of budgetary control."

I hope that this is the last year that we will have to go through this process. I think it would be good riddance once and for all to say we are going to handle this matter in the proper manner, the manner that has now been approved by the Senate overwhelmingly.

I share the view of the Committee on Finance that budget reform will give Congress a far more effective means of controlling Government expenditures. It does seem ironic at this time, however, that the very legislation that is intended to control the budget is being used by some as a vehicle to bust it.

I repeat: We cannot and will not write a conceptually and fiscally sound tax reform package on the Senate floor. It simply is impossible. That has to go through and deserves to go through the process of deliberation and debate that has proven itself through the years to be the best means of bringing out a measure involving revenue and finance.

The responsible course is to allow the Committee on Finance an opportunity to act on the comprehensive tax reform bill now being completed by the House Ways and Means Committee and report its recommendations to the full Senate. Senators who then have differing views from those in the committee bill—and I may well be among them—will be able to offer amendments in the context of the committee package. The Senate as a whole will have the time to give thorough consideration to both the committee recommendations and all amendments offered in terms of both their social and economic impact on the Nation. The bill we are debating today is simply, in the judgment of the Senator from Illinois, and I trust an overwhelming number of other Senators, not the place to do it.

Let us face up to the No. 1 enemy we have, the enemy of every single family budget, which is certainly the enemy of the Federal budget, and that is a 14.5-percent inflation rate.

We must do something about that. When we face the prospect in fiscal 1975, of a deficit of $11.5 billion, or more we should not be trying to reduce taxes by $6.5 billion. That will add inflationary pressures on the very-low-income people. The lower they are in income the higher the effect of that inflationary pressure because a disproportionate amount of the family budget goes for food, shelter, clothing, and other necessities. There is no way we can legislate to remove the inequity of inflation on 210 million people.

Let us not add fuel to the fires of inflation today by that package of adding another $6.5 billion in debt and getting into a protracted debate on how to reform our taxes, which certainly should have careful deliberation and which I expect the Committee on Finance to offer as a package before long.

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

Mr. PERCY. I am happy to yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I agree with the Senator's argument with regard to the idea of an overall tax reform proposal. I agree that it should be studied by a smaller, more workable group, and the Committee on Finance would be the logical committee.

However, with regard to the issue of the major tax cut that is contained in the amendment sought to be offered by a number of sponsors—the so-called $6 billion tax cut—it is fairly clear to me that a majority of the Senate has indicated a likelihood to vote for that type measure, even though a majority of the committee agrees with the Senator that we should not be voting a $6 billion tax cut at this time.

I happen to agree with the sponsors of the amendment and the economists—Mr. Keyserling, Mr. Heller, and others—who argue for a big tax cut at this time. Of course, many economists are against it, too, and I realize that. But I really do not think the committee can make much contribution in regard to that particular amendment because that is one area where having had a considerable amount of advice, the majority of the Senate feels one way, and the majority of the Committe on Finance feels the other way. I am in the minority on that. So with regard to that aspect of it, I think it is just a matter for the Senate to decide and we might as well decide that part of it on one bill as the other.

I thank the Senator from Illinois.

Mr. PERCY. I would certainly be happy to respond to the Senator from Louisiana if I have time. It will take about a minute.

I tend to think that what we are faced with is this situation. If someone said to the Senator from Louisiana, "Would you like a gift of a thousand dollars?" he would say, "Of course I would." "The only condition, then, is that the thousand dollars be paid back tomorrow with 40 percent interest." "Oh, turn it down then."

I think this is what some are saying to the country "Would you like a $6.5 billion tax cut?" And the country might very quickly and impulsively say, "Why, of course we would." And then we have to follow up and state the price the country is going to pay for that gift of over a $6.5 billion tax cut.

The Senator from Louisiana knows the Senator from Illinois began talking with him about increasing the personal exemption 5, 6, 7 years ago. We knew at that time that a child could not be raised on $600 a year.

So, working together, we began to find ways to increase it, and I am in principle, in favor of that. But the Senator from Illinois is absolutely convinced, and I think most of the people that he has talked to—constituents in Illinois—are convinced that that would be the kind of gift to which on a quick impulse, you might say, "Yes, let us increase it to $825."

But when they carefully study the consequences of that, what it would actually do, the confidence that it would destroy, and that here, the very week we are voting and approving the bill to bring income and expenses back in line with income we are adding to the Federal debt, we are not really helping those people.

As the distinguished Senator from Utah pointed out, the gift for a family in low income areas might be $5 or $10, but for the distinguished Senator from Utah and his wife it would be $150 a year, and it is a gift that he turns back and says, "I do not want it at the price we have to pay for it."

So the distinguished Senator from Alabama, joined by some of his colleagues, feels that until such time as we have been adequately able to articulate and put across the whole underlying cause of this so-called gift, it ought not be brought to a vote. In our impetuousness we might be misleading the country by not having fully understood the impact or the nature of what I think will be an unwise action by Congress in the face of existing inflation and deficit spending.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I disagree with the contention of the Senator from Illinois that this is an unwise strategy. I think the Senate is fully capable of sending responsible economic legislation to the Senate, if we have the chance to vote.

As a matter of economic policy. The proposal I am offering with other sponsors of tax reform and tax relief has the support of two former Chairman of the Council of Economic Advisers, Walter W. Heller and Arthur M. Okun, as well as the support of Paul A. Samuelson, who won the Nobel Prize for Economics in 1970.

I daresay it would have the support of a majority of Senators if they were permitted to vote on this measure.

But we will not get that vote if we follow the position of the Senator from Illinois. He opposes the amendment on the merits, and now he is prepared to support tactics which would prohibit Senators from even voting on this amendment.

This is not an ill-conceived idea. If it is, let us hear from Senators who will vote on it. Why should the Senator from Illinois or the Senator from Alabama prevent us from even voting on these measures? That is the position we are hearing this afternoon on the floor of the Senate.

Then we hear the gratuitous comment that we should not use the Debt Ceiling Act to put on tax measures for the relief of low- and middle-income people and to provide tax reform. The Senators from Illinois and Alabama understand why. It is because the Debt Ceiling Act is virtually a veto-proof measure. They understand that when tax reform measures are considered here, special interest groups are strong enough and powerful enough, either in the Senate or the House, or in conference to undercut any kind of substantial tax reform measure. And their principal weapon is delay. Many decent bills never get to final passage. But the Debt Ceiling Act cannot be derailed.

The Senator from Illinois was not so horrified just 2 years ago, when he supported an increase in social security for the elderly as an amendment to a Debt Ceiling Act. Nor did he object to supporting an end-the-war amendment with respect to Cambodia on the Debt Limit Act in 1973. He thought it was sufficiently important to end the war in Cambodia and Southeast Asia to vote for an amendment to the Debt Ceiling Act. He thought it was sufficiently important to provide some relief for the elderly people of this country to vote for an amendment to the Debt Ceiling Act. But when it comes to tax reform and tax relief, he says, "No, that is not as important. We ought to give it a little more consideration." I do not buy that logic, and I do not think the American people will buy that logic, and they should not.

The current impasse is purely a delaying tactic by the Senator from Alabama and those who support him, to prohibit Senators from debating and presenting their views and to prevent the majority from working its will.

I thought that was what this country is all about in terms of a free society—to let the majority rule. It amazes me that the Senator from Illinois would ally himself with those forces opposed to majority rule, and join those who want to prevent Senators from voting on tax reform and tax relief.

Then we hear about the problems of inflation and how it is running rampant. Certainly, inflation affects the people of my State of Massachusetts. I speak for those people who are affected by inflation. It also affects the people of Alabama and Illinois. They want to get some action on these matters.

But inflation is only half of the Nation's economic problem. We also have a recession on our hands. We have rising unemployment. We have a serious drop in the gross national product. We have a massive decline in consumer's purchasing power. Is the Senator concerned about those problems?

Thirty billion dollars will be taken out of consumers' pockets as a result of increased fuel and food costs in 1974 alone. I do not hear any argument that we ought to have a tax increase. But that is the effect of what we have had over the past 2 years, with the increase in the cost of food and fuel. Why should we let the oil companies enact an indirect tax in the higher cost of fuel when Congress would not enact a tax increase of its own at this time?

What we are trying to do by this amendment is provide some tax relief for people who have been the hardest hit by food and fuel costs—the middle-income and low-income working people. We want to provide relief for people who have been hardest hit in terms of the costs of food and fuel.

And dollar for dollar, we are going to recover that relief by dollars saved through tax reform. How can that be inflationary?

In fact, in our amendment, we will gain more in the long run in terms of revenues gained by tax reforms than will be lost through tax relief. That makes sense to me. The American people want tax reform. And they also want tax relief.

We are prepared to go ahead and debate and discuss the issue. We hear it said that these are new ideas and new suggestions. But we have been talking about ADR and DISC for the past 3 years. We have been talking about the minimum tax on the floor of the Senate for the past 5 years. We have been talking about oil depletion for a generation. How long do you have to study proposals like that?

The junior Senator from Minnesota (Mr. HUMPHREY) has been fighting for tax reform. The Senator from Wisconsin (Mr. NELSON) has been fighting for tax reform. The senior Senator from Minnesota (Mr. MONDALE) has been fighting for tax reform. The Senator from Washington (Mr. MAGNUSON) has been fighting for tax reform. Many good friends on the other side have been fighting for tax reform.

All we are asking for is that we go ahead and be permitted to vote on these particular measures. Let us try to get a time agreement. We are willing to have a time agreement. But let the representatives of the people vote on these measures. I think the American people expect a vote. They think their representatives should vote.

I deplore parliamentary tactics which, while certainly within the rules of the Senate, are in the interest of the American people. Let us get to a vote.

I yield 10 minutes or such time as the Senator from Minnesota may desire.

Mr. MONDALE. I thank the Senator.

Mr. President, once again an attempt is being made to deny the Senate the right to vote on a measure, apparently because of a feeling that a majority of the Senate is persuaded that what we seek to do is in the Nation's interest; a feeling that the Senate ought to be denied the opportunity to work its will on what I regard to be basic and fundamental questions of equity in American life.

The one claim we hear time and time again is that our amendment is inflationary, even though the amendment raises more money in the years to come through reducing preferences and loopholes than will be returned to working and low-income Americans in the form of tax relief.

The idea underlying this amendment is to couple reform with relief, to close some of the inexcusable loopholes which recent reports of the Internal Revenue Service show permit hundreds of Americans to make hundreds of thousands of dollars—some of them over a million dollars—and pay no taxes at all or such a small percentage in taxes as to be a national scandal.

All we are suggesting is that some of those preferences and loopholes should be closed or reduced, and, the money saved thereby returned in the form of tax relief to American families making average or low incomes. These are the very families that are being tortured the most by inflation.

We have just had hearings this morning that show that families of low income who are working are so short of money because of inflation, because of the rising taxes that are being imposed upon them, that they cannot even afford decent, nutritious meals for their families. Their very health is being threatened by the twisted set of priorities in this country.

All this amendment says is, Let us bring them a little relief so that they might do a better job of caring for themselves and their families while they work.

The administration and others who oppose this amendment say it is inflationary, even though most of the top economists say it is not, and even though we have modified our amendment so that, in terms of its impact on total spending in this country, it would be neutral and could not possibly be inflationary. The real question is establishing equity in American life.

Let us look at the present economic policies as they affect the average family. The first thing that has happened is that we have the highest interest rates since the Civil War. At the end of World War II the average American family was spending 10 percent of their income on interest and on repaying borrowed money. Today the average family is spending nearly 25 percent of its income for the same purpose. So that is one big factor in the average family's budget. The bankers are happy with that. The lenders are happy with that. This administration is happy with that. But why should the average American family have to suffer from it?

Second, let us consider the tax system. We have a tax system today so riddled with loopholes and preferences that thousands and thousands of Americans and corporations are able to avoid taxes altogether or to pay virtually nothing.

Just yesterday the Mobil Oil Co. announced it intended to buy Marcor, the parent company of Montgomery Ward, a $500 million purchase. Where is that money coming from? It is coming from the fantastic profits that the major multinational oil companies are making, together with the fact that they pay practically nothing in taxes.

The recent returns from the major oil companies showed that, I believe, 6 percent is the average that the 19 major oil companies are paying in taxes. That is less than the maid pays who cleans the office of the president of Mobil Oil Co. They are making so much money, and so much of it is tax free, that they are thinking of buying up the rest of the economy.

What we are saying is: Let us close some of those loopholes, pick up some of that money, and help the average American who is working and trying to take care of the needs of his family.

Let us look at unemployment: Because of high interest, because of tight credit, because of a restricted budget, unemployment is rising. It is now at 5.2 percent. Most economists think it will be at 6 percent or higher.

The average work week is dropping, and we are asking those at the lowest level of the American work force to pay the whole price, to make the whole sacrifice to deal with inflation.

Finally, look at the budget. This budget is loaded against the needs of the average American. According to a study that just came out the other day by the Brookings Institution, the social grant programs—that is, health, education, job training, community development, and other things that affect the average American—that budget will be effectively reduced by 30 percent just between the years of 1972 and 1975. In just 3 years we will have reduced the effective amount of money going to help the average American under these programs by 30 percent.

What is going on? We tell the average American he should pay the highest interest rates in American history; we tell him through the higher tax brackets that he gets to because of inflated dollars that he has to pay inflated taxes.

We tell him, through the payroll tax that is rising, that his taxes should go up. We tell him we have to stand neutral in the face of extortionate oil prices, and then we tell him we are going to cut the budget in the area that affects him most.

If we want a credible government, if we want a government that can call for reasonable sacrifices from all Americans, the burden of dealing with inflation ought to be fairly shared.

But what we say is that if one is a banker, if one is an oil company executive, he is going to do very well. But if one is the average American it is blood, sweat, and tears.

All we are proposing to do is to provide a modest amount of relief, and we are paying for it by standing up and closing some of these inexcusable loopholes. But we have a few Senators who say, "No, we will not let you vote. We will not let you vote because we have decided that people like Samuelson, Heller, and Okun do not know what they are talking about."

Let us have a chance. Give us a chance to vote and see what the Senate believes. Let us give the American people a chance to work their way and their will through their elected representatives in the Senate.

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

Mr. MONDALE. I am glad to yield.

Mr. KENNEDY. The Senator mentioned Mobil Oil and Montgomery Ward. I remember reading only a few months ago, that Gulf Oil Co. was considering buying Ringling Brothers Circus. Is that where the money saved by the oil depletion allowance is going? Is that how the oil industry is using its tax break from the intangible drilling costs, and the foreign tax credit, the tax breaks that the oil companies say they need in order to meet the energy crisis? Look at what is going on. Instead of exploring for more oil, they are taking hard-earned tax dollars from the pockets of ordinary American citizens, and they are going to the circus; they are buying up department stores. How is that going to give energy independence to America?

They enjoy these enormous profits and enormous tax advantages, and then we find out they are using their dollars to purchase Montgomery Ward or Ringling Brothers Circus. The question is: How does that help us meet our energy needs?

Mr. MONDALE. We had a chance to show some restraint a few months ago when we tried to roll back oil prices modestly, and we were told that that would take money away from the oil companies, money which they desperately needed to invest in domestic oil exploration.

Since that time, Gulf Oil tried to buy the Barnum and Bailey Circus because of its tremendous contribution to meeting the oil crisis, and yesterday Mobil Oil Co. announced they intended to buy $500 million worth of Marcor stock, which is Montgomery Ward, and one other company, which has nothing to do with energy.

They are just like the Arabs. They are trying to find a place to put their money. I say that one place to start is to let them start paying their fair share in taxes.

What kind of taxes are they paying? Exxon paid 5.4 percent of its income in taxes in 1973; Gulf paid 1.1 percent in taxes; Mobil, 2.2 percent; Texaco, 1.6 percent; Standard of California, 4.1 percent.

Mr. KENNEDY. Mr. President, if the Senator will yield at that point, perhaps he can tell us what has been happening to their profits as well.

Mr. MONDALE. Interestingly enough, the profits have risen 200 to 300 percent in the last 2 years. But we cannot even be sure of that with respect to some companies because they have been setting aside untold reserves which they say they need to pay off unexpected bills should they arise.

But the profits are at an all-time high. I do not think there has ever been a time in American history when corporations have made profits like the multinational oil companies have made.

All we are proposing to do is to remove the oil depletion allowance which, incidentally, some of the top oil executives now support. They say, "We are making enough money now; let us get rid of it." It is too bad that some Senators will try to block us from this chance to have a straight vote on it.

The PRESIDING OFFICER. The 10 minutes of the Senator have expired.

Mr. KENNEDY. I yield myself 2 more minutes.

It seems to me that what we are talking about is the way America shares the tax burden. The average tax payment of an oil company is about 5 percent. The average worker's family pays about 20 percent in taxes. That is not fair.

If we are able to get a discussion and a debate on the merits of the proposal which the Senator from Minnesota and I are cosponsoring, we shall have an opportunity at least to permit the Senate to work its will on whether it wants a continuation of this distorted tax policy. We ought to do the same for many other kinds of loopholes which exist in the Internal Revenue Code.

Mr. MONDALE. What I am saying is, and I think it is a very important point, that if Americans are going to be asked to sacrifice to restrain inflation—and I think we all agree we must sacrifice to do so—it must begin with a sense of equity; with a sense that everyone is contributing fairly and sacrificing equally to restrain inflation.

Instead of that we have a two-track system which permits people of great wealth and influence to go tax-free, to go without any restraint on their profits, without any restraint on their prices, with the burden of the Federal budget being placed so as to help those same people, and we are asking the average American to sacrifice in every possible way, with no assistance whatsoever, and they are the ones who are being tortured the most by inflation.

If we want Americans to feel good about their Government, if we want them to contribute, along with everyone else, to the sacrifice necessary to end inflation, it seems to me it has to be fair. That is what this amendment is all about.

Mr. KENNEDY. Mr. President, for every loophole that exists, and for every special interest that is being accommodated, the ordinary taxpayer is making up the difference. He is the one who is paying for these loopholes.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. KENNEDY. The working people of this country are paying billions of dollars in higher taxes every year because of tax loopholes. Let there be no mistake about it. Now is the time to close these loopholes, and the Debt Ceiling Act is the place to start.

I thank the Senator.

Mr. MONDALE. I thank the Senator.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. ALLEN. How much time of the Senator from Alabama remains?

The PRESIDING OFFICER. Three minutes.

Mr. ALLEN. I yield to the Senator from Wyoming.

Mr. HANSEN. I thank my distinguished colleague from Alabama for yielding.

Mr. President, there are so many things I would like to say and so little time in which to say it that I am somewhat frustrated.

First of all, let me say to the distinguished Senators on the other side of the aisle who, along with some on my side of the aisle, have inveighed about the rules of the Senate failing to let the Senate work its will, that it just depends on which side of the argument one is on whether he wants to use that argument or not.

I can remember having heard that argument a number of times since I became a Member of the Senate. Normally

it has been the liberals—I am not saying who may be a liberal and who may be conservative—who have inveighed when failure to achieve cloture has resulted in continuing debate. But there is a kind of turning around these days. It turned around when the busing issue was brought up, when it was without any question a position that was supported by a majority of the Senators; that they would have chosen to say, 'You can not order busing in order to achieve racial balance."

Who then, I ask, raised this long-winded argument? Who refused to let the Senate work its will? Some of the very Senators who say today, "Is it not too bad that the Senate cannot be permitted to work its will?"

As I say, Mr. President, it just depends on what one's position is whether he wants to use that argument or not.

The Senator from Illinois put it very well when he said, "Let us understand what is being talked about this afternoon. Are we trying to deceive the people in this election year?"

It is an election year, we all know that; and I guess there are as many of us running for the Presidency in the Senate as there are running for reelection as Senators. Maybe not quite as many, but we are not short of candidates at all. There are many Senators who think it makes great good sense to tell the American people, "We are going to lower your taxes." It is a popular platform to be on, as the distinguished Senator from Illinois has said.

But the American people are not all quite that gullible. I know for a fact that in the State of Wyoming inflation is listed as the No. 1 problem.

Why do they do that? Because they know, despite the fact that wages have increased, despite the fact that nearly every product that America makes and sells these days—excepting livestock, and that happens to be my business; I am in the cow business and it is not a good business today—has gone up in price. But what has happened in terms of real income? That is what the Senator from Illinois was talking about. He was talking about how many loaves of bread you can buy, or how much bacon you can buy.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HANSEN. We all know that the kind of proposition we have before us this afternoon would very effectively make fewer loaves of bread and bacon available in the homes of America.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 1 minute to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I thank the distinguished Senator for his comments.

I would also point out that what is good for the goose is good for the gander. I can remember when the distinguished Senator from Massachusetts (Mr. KENNEDY), who just a few moments ago rose up in righteous indignation about the Senator from Illinois wishing to engage in a fairly extensive debate on an issue, joined forces when the Senator from Massachusetts, the Senator from Illinois, and the Senator from Wisconsin were fighting what we then called the flying Edsel, the SST, a favorite subject of the distinguished Senator from Washington. But we both then voted against invoking cloture. I recall very vividly that it was a vote that was held just before Christmas, at a very difficult time.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. Who yields time?

Mr. PERCY. And we voted exactly the same way.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield my remaining time to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, it is not unusual in the Senate to have an occasion when we have sharp controversies here. There is always one Senator, a Senator of ability and good conscience, who will use what we call extended debate, or what is frequently called, perhaps more accurately, a filibuster, on a matter of great concern. This is thoroughly within the Senate rules, but I say that what the country wants today is something more than the Senate rules.

We spend a lot of time here in Congress on procedure. I suggest that what the Nation needs is substance. What the Nation needs today is some action out of Congress.

We have before us the debt ceiling bill. We have what we call the Allen amendment. The distinguished Senator from Alabama has said quite honestly that if the rest of us would withdraw our amendments, he would withdraw his.

I am not asking the Senator from Alabama to withdraw his amendment. I want to vote on it—just vote yes or no—and I want to vote on the other amendments yes or no. We cannot vote "maybe" here; we have to vote yes or no.

What we are going through is a charade on procedure, when what the country wants to find out is what we ought to be doing as a matter of policy.

There are some who believe we ought to haxe a tax cut. I am one of those. There are others who say we should not. There are those who say a tax cut would be inflationary. There are others who say it is one way we can help those who have been victimized by inflation, particularly the elderly and people of low income .

There are some people who say if we have a tax cut it will just add to the problems of the Nation, and unemployment will grow. Others say it will do away with unemployment. There are some who say we ought not to have any change in our tax laws—what we call structural reform. There are others who feel there ought to be changes in the tax law.

We are not going to agree on these matters, but we ought to have honest, legitimate debate. Some feel there ought to be changes in the proposed amendments.

What I am asking for, Mr. President, is the right of the Senate to act and quit spinning its wheels. We are acting like we are running a circus rather than trying to run a government. We spend our time criticizing the executive branch of the Government because of its failure to lead. What are we leading? We are going around and around about what we call rule XXII.

Who gives a hoot about rule XXII? What people care about is how much in taxes they are going to have to pay, what is going to be the price of beef steaks, how they are going to buy a home, and whether they are going to have a job. They have about as much interest in rule XXII as they might have in a dinosaur, except over here in the museum.

I suggest we are making ourselves look ridiculous before the country by getting involved in all these procedural matters, when the public wants to know what Congress is going to do about a host of issues. There is health legislation and tax legislation. What are we going to be doing about education? What are we going to be doing about the environment? What are we going to be doing about shortages of supplies? There are a host of things we are working on. Some of them, fortunately, we have acted on.

But the most critical issue facing this country is the issue of our economy. This debate ought to be on that matter, not on the rules of the Senate.

So, Mr. President, to summarize, I ask Senators to envoke cloture of debate on the Allen amendment 1460 to the debt ceiling bill. Although one is always reluctant to restrict the right of a Senator to talk, there are several reasons why I believe this action is appropriate at this time.

First, the Senate has already had extended discussion on the amendment offered by the distinguished Senator from Alabama—a day and a half of such discussion in fact—and it is time for us to move to a vote on it. Perhaps we should adopt the amendment, perhaps not, but let us put it to a vote.

The second reason I support cloture on the Allen amendment at this time is because it is being used to obstruct the Senate's business. The distinguished Senator from Alabama has himself said he would withdraw his amendment if all the rest of us who have amendments to the bill would withdraw our proposals.

In other words, the distinguished Senator from Alabama is using his amendment to block debate on important tax reform and tax relief amendments to this bill that I and many other Senators wish to offer.

Mr. President, the merits of these other amendments should be heard and the Senate allowed to make up its collective mind about whether they should be enacted at this time.

Each of these amendments should be offered, debated, and we should have an up or down vote on them.

The issue facing the Senate with respect to these tax cut and tax reform amendments is much broader than many of my colleagues appreciate. There are those who say the legislation will stimulate the economy and improve our economic growth. Others say we should not have the legislation because it will have

an inflationary effect. Still others say that the tax legislation is essential to reducing unemployment. Finally, there are those who say the legislation is essential to establishing equity within our tax structure.

All of these questions are relevant parts of the debate and I am sure will be discussed if we are given an opportunity to bring them to the floor of the Senate. But these questions are not the main issue. The fundamental issue facing the Senate is, will it act to restore confidence in the American economy or will it join with the administration and sit on its hands as the economic situation deteriorates further?

I believe the job of establishing policies to improve the Nation's economic performance, as well as renewing the people's confidence in our policies and in our economy, falls to the Congress. This is a difficult job, and I do not pretend to have all the answers.

But I do know that the answer is not for the Senate to sit here for days spinning its wheels and accomplishing nothing. I would remind Senators that the people have not only lost confidence in the administration's economic policies, but the people are losing their confidence in Congress ability to deal with these problems. The Senate therefore cannot afford to sit on its hands while the economic situation worsens.

One thing the Senate can do is take tax action to improve the performance of the economy and restore some degree of confidence in the economy. Such tax action should close some of the tax loopholes that have no social payoff, and give that money to consumers in the form of of a tax cut.

I therefore urge Senators to invoke cloture on the Allen amendment and, following that vote, to reject cloture on the debt ceiling bill itself.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Alabama has 2 minutes remaining.

Mr. ALLEN. I yield them to the distinguished Senator from New York (Mr. BUCKLEY).

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MAGNUSON. Mr. President, will the Senator yield me 30 seconds?

Mr. ALLEN. Mr. President, I withdraw that and first, yield, 30 seconds to the distinguished Senator from Washington.

Mr. MAGNUSON. The Senator from Minnesota constantly used the word "we." I am sure he does not mean all of us feel that way. Does he not think he ought to say that some of the Members of the Senate want to do what the Senator says?

Mr. HUMPHREY. Mr. President, I thought I had explained that. There are those who are for this and those who are for that. There are some who believe in tax reform, and some who do not. So when I use the word "we," I mean it is we on this side.

Mr. MAGNUSON. Because there are a lot of people who want to get going.

Mr. HUMPHREY. That is the whole idea; and I am a get-going man.

The PRESIDING OFFICER. The Senator's 30 seconds have expired. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I join the Senator from Alabama in protesting the practice of trying to attach wholly unrelated matters to debt ceiling legislation on which the full faith and credit of the United States literally depends. Thus, recent debates on this so-called veto-proof legislation have been transformed into debates on social security, campaign financing, and—now—tax reform.

I do not know whether this kind of abuse can be stopped, but I think it should be. Whenever legislation on this question comes before us, we are faced with an attempt to join to it proposals of far reaching consequences. Whatever the merits of the individual nongermane amendments, they ought not be tacked on to legislation extending the debt limit. The attempt to do so constitutes a clear attempt to circumvent the President's constitutional right of veto.

The proposals some are seeking to tack on are important. Some of them may be worthy of our support. But we should refuse to be stampeded into supporting them before we have had an opportunity to examine them in the normal manner.

Therefore, Mr. President, I intend on this basis alone to vote against all nongermane amendments irrespective of merit.

Furthermore, I urge Senators to do the same. I intend to vote against the bill if any nongermane amendments to it are adopted. If there are, I hope that the President will veto the bill.

Mr. BARTLETT. Mr. President, the American taxpayer is being soaked with taxes. By current estimates, the average American contributes one-third of his annual income to some form of government.

My credentials in behalf of holding down taxes go back a long way.

I ran for Governor of Oklahoma in 1966 on a pledge of no general statewide tax increase. I fulfilled this pledge.

Again in 1972, in running for the U.S. Senate I pledged to oppose tax increases and suggested we should reduce Government, in order to balance the budget—and then start paying off the debt and reduce taxes.

At a time when our national debt is exceeding one-half trillion dollars and our annual rate of inflation is in excess of 10 percent, it strikes me as incredible to reduce Government receipts, without at least a corresponding reduction in expenditures.

In the last decade our national debt has increased by $200 billion. With a few notable exceptions our Government has spent more than it received in each of the last 43 years.

Mr. President, my amendment would delay the effective date of Senator KENNEDY's proposed tax cuts until the calendar year following the first fiscal year in which the Federal budget is in balance.

If Senator KENNEDY will join me in a concerted effort to cut Federal spending, we can achieve a tax reduction as well as a balanced budget.

There is no doubt that our citizens deserve a tax reduction. However, I am convinced the people are far more concerned, and with good reason, about spiraling inflation—first wanting control of inflation, then a tax reduction and a reduction of our debt.

In a recent article inserted in the RECORD by Senator BUCKLEY, Mr. Dennis Dunn pointed out that if our current rate of 14-percent annual inflation continues, a 35-year-old man in 1974 earning $20,000 annually will need $2½ million annually just to stay even by the time he retires. This is, assuming inflation does not get worse.

But, Mr. President, if we do not do something about the spending policy of the United States, things are going to get worse. People are going to see savings wiped out by inflation. Our children are going to be saddled by a staggering national debt.

It is time for remedial and drastic action on the part of Congress and the administration. Not only should we stop increasing our spending levels, we must actually reduce them. Our belts must be tightened and we must learn to say "no."

It is time for Congress to assume its fiscal responsibilities requiring a strong measured self-discipline in order to stop double-digit inflation and bring about a balanced budget.

Government spending has gotten out of hand and unless we do something now we may be too late.

Mr. MUSKIE. Mr. President, it is no secret that the real issue to be decided in the cloture votes in the Senate this afternoon concerns more than the level of the Federal debt ceiling. The real issue we will vote on is whether or not the Senate will be allowed to consider legislation to make a beginning at reforming our tax system, and to grant moderate relief to the American taxpayer.

The record of the 93d Congress, despite whatever other accomplishments it might contain, will be incomplete unless it includes serious reform of the Federal income tax system. But during the first session of this Congress in 1973, and so far this year, we have been stymied in our efforts to make even a beginning toward comprehensive tax reform.

Last spring, the chances for tax reform looked encouraging—but those expectations have turned into frustration. I am sure that the distinguished chairman of the Finance Committee, my good friend from Louisiana (Mr. LONG), has been as disappointed as I have that the Senate has not yet been sent comprehensive tax reform by the House, so that we could give it Senate evaluation and speed it toward enactment into law.

But despite the absence so far of tax reform action by the House, we in the Senate this month do have the opportunity to approve a modest, reasonable, and balanced tax reform and relief package.

Senator HUMPHREY and others, including myself, have proposed such a package in the form of amendment 1443. We do not pretend that this amendment is a substitute for the comprehensive tax reform we still hope can be enacted this year. But it will be a beginning.

Our amendment contains five parts. They would: Repeal the percentage depletion allowance for oil and gas wells; terminate DISC provisions; repeal the 20 percent leeway rule under ADR; strengthen the minimum tax; and provide tax relief for the bulk of Americans.

Repealing percentage depletion for oil and gas wells as of January 1, 1974, would raise $2 billion this calendar year, and excise from the tax code one of the most persistent, expensive, and unjustified loopholes it contains.

The termination of DISC benefits, beginning this year, would raise $815 billion by discontinuing tax subsidies which have been proven ineffective in attaining their purpose of increasing exports, but have in the meantime served for the most part to fatten the profits of our largest corporations.

Modifying the asset depreciation range by repealing the 20 percent leeway rule would raise $250 million in revenue this year, and an eventual $2 billion per year after 5 years, which now unnecessarily and illogically gives large corporations an extra tax break in computing their depreciation deductions.

The reform of minimum tax contained in our amendment, which we have presented to the Senate three times in the past year, and which the Senate finally approved last January, would raise $860 million in lost revenue by eliminating the deduction for "other Federal taxes paid" and lowering from $30,000 to $10,000 the exemption for tax preference income subject to the minimum tax.

Finally, our amendment would grant $6.5 billion in tax relief by raising the personal exemption from $750 to $825, allowing tax payers to take an optional $190 credit in lieu of the personal exemption, and providing a new "work bonus" tax credit or low-income workers with children to alleviate the burden of regressive social security payroll taxes.

By raising $4 billion through tightening and eliminating some existing tax preferences, and reducing taxes by $6.5 billion in the form of tax relief for Americans in general, the net effect of our amendment would not be inflationary, but would instead give a modest, immediate stimulus to the economy. The 6.3 percent annual rate of inflation in the gross national product in the first quarter demonstrates the recessionary dangers we face.

Unemployment is continuing at high rates, with an increase to 5.2 percent last May, and predictions of a 6 percent rate before the end of the year. And high interest rates at levels unprecedented in recent history are imposing significant restraints on economic expansion. A modest tax cut such as we propose, by priming demand across the economy this year, will help protect against recession and economic stagnation which we cannot afford.

Given the modest size of this tax cut, and the offsetting revenue gains contained in our tax reform package, our amendment would result neither in extra inflationary pressures nor in an erosion of the revenue raising capacity of the Federal income tax system.

In the opinion of our most respected economic experts, including Walter Heller and Art Okun, the cost-push causes of our inflation, notably the soaring increases in food and fuel prices, will not be aggravated by this tax relief. And in the long run, the revenue raised by the reforms in our amendment would reach $7 billion, almost entirely offsetting the cost of the tax relief it contains.

The most significant long term result of our amendment, in fact, would be to heed the demands of the average American taxpayer for economic equity. The resources of the average American have been eroded by inflation. In real dollars, the per capita disposable income of Americans declined 7.3 percent in the first quarter of this year. Real average weekly earnings declined by 3 percent in April, to the lowest level since 1970.

The average American wage earner has been the most serious victim of inflation. The modest tax cut we propose would ease that heavy and unfair burden.

Mr. President, the proposals in our tax cut and tax reform amendment are not novel or unevaluated. I believe that they make good economic sense. I hope they will meet with Senate approval.

But a predicate to Senate consideration of this measure is a decision to invoke cloture on the amendment of the distinguished Senator from Alabama (Mr. ALLEN), and reject the proposal to prohibit further debate on the debt ceiling bill itself. I hope the Senate's decision today allows the consideration of tax reform and tax relief to go forward.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. BARTLETT). The hour of 4 p.m. having arrived, under the unanimous-consent agreement the Chair, pursuant to rule XXII, lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment of the Junior Senator from Alabama (Mr. ALLEN) to the bill H.R. 14332, an act to provide for a temporary increase in the public debt limit.

Walter R. Mondale, James Abourezk, Mike Mansfield, Claiborne Pell, Frank E. Moss, Abraham Ribicoff, Henry M. Jackson, Harrison A. Williams, Jr., Floyd K. Haskell, George McGovern, Thomas F. Eagleton, Dick Clark, Hubert H. Humphrey, Edmund S. Muskie, Joseph M. Montoya, Lee Metcalf, Jennings Randolph.

CALL OF THE ROLL

The PRESIDING OFFICER. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 262 Leg.]

Abourezk	Fulbright	Montoya
Aiken	Goldwater	Moss
Allen	Gravel	Muskie
Baker	Griffin	Nelson
Bartlett	Gurney	Nunn
Beall	Hansen	Packwood
Bellmon	Hart	Pastore
Bennett	Hartke	Pearson
Bentsen	Haskell	Pell
Bible	Hatfield	Percy
Biden	Hathaway	Proxmire
Brock	Helms	Randolph
Brooke	Hollings	Ribicoff
Buckley	Hruska	Roth
Burdick	Huddleston	Schweiker
Byrd, Harry F., Jr.	Hughes	Scott, Hugh
Byrd, Robert C.	Humphrey	Scott, William L.
Cannon	Inouye	Sparkman
Case	Jackson	Stennis
Chiles	Javits	Stevens
Church	Johnston	Stevenson
Clark	Kennedy	Symington
Cranston	Long	Taft
Dole	Magnuson	Talmadge
Domenici	Mansfield	Thurmond
Dominick	Mathias	Tower
Eagleton	McClellan	Tunney
Eastland	McGee	Weicker
Ervin	McGovern	Williams
Fannin	Metcalf	Young
Fong	Metzenbaum	
	Mondale	

The PRESIDING OFFICER. A quorum is present.

The question before the Senate is, Is it the sense of the Senate that the debate on the pending amendment by the Senator from Alabama (Mr. ALLEN) to H.R. 14332, an act to provide for a temporary increase in the public debt limit, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS) and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

The yeas and nays resulted—yeas 50, nays 43, as follows:

[No. 263 Leg.]

YEAS—50

Abourezk	Hathaway	Mondale
Aiken	Hollings	Montoya
Bentsen	Huddleston	Muskie
Biden	Hughes	Nelson
Brooke	Humphrey	Packwood
Burdick	Inouye	Pastore
Case	Jackson	Pearson
Chiles	Javits	Pell
Church	Johnston	Proxmire
Clark	Kennedy	Randolph
Cranston	Long	Ribicoff
Eagleton	Magnuson	Schweiker
Fulbright	Mansfield	Stevenson
Hart	Mathias	Symington
Hartke	McGovern	Tunney
Haskell	Metcalf	Williams
Hatfield	Metzenbaum	

NAYS—43

Allen	Dominick	Nunn
Baker	Eastland	Percy
Bartlett	Ervin	Roth
Beall	Fannin	Scott, Hugh
Bellmon	Fong	Scott, William L.
Bennett	Goldwater	Sparkman
Bible	Gravel	Stennis
Brock	Griffin	Stevens
Buckley	Gurney	Taft
Byrd, Harry F., Jr.	Hansen	Talmadge
Byrd, Robert C.	Helms	Thurmond
Cannon	Hruska	Tower
Dole	McClellan	Weicker
Domenici	McGee	Young
	Moss	

NOT VOTING—7

Bayh	Curtis	McIntyre
Cook	McClure	Stafford
Cotton		

The PRESIDING OFFICER (Mr. BARTLETT). On this vote the yeas are 50, and the nays are 43. Fewer than two-thirds of the Senators present and voting having voted in the affirmative, the motion is rejected.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the requirement for a quorum call in connection with the second cloture vote be vitiated.

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

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state his parliamentary inquiry.

Mr. GRIFFIN. Whereas the motion for cloture just voted on would have brought limited debate with respect to the Allen amendment, is it correct to say that the cloture motion now to be voted on would limit debate with respect to the whole bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. And if it were adopted, amendments not germane to the bill would not be in order under the rules of the Senate. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. GRIFFIN. I thank the Chair.

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to a vote on the next cloture motion, which the clerk will read.

The assistant legislative clerk read the cloture motion as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 14832, an act to provide for a temporary increase in the public debt limit.

Wallace F. Bennett, James B. Allen, Charles H. Percy, Paul Fannin, Clifford P. Hansen, J. Glenn Beall, Jr., Robert Dole, Jesse Helms, Edward W. Brooke, Robert P. Griffin, Hugh Scott, Edward J. Gurney, John Tower, Strom Thurmond, Pete V. Domenici, William L. Scott, Hiram L. Fong, Jennings Randolph.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on H.R. 14832, an act to provide for a temporary increase in the public debt limit, shall be brought to a close? The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "nay."

The yeas and nays resulted—yeas 45, nays 48, as follows:

[No. 264 Leg.]

YEAS—45

Aiken	Goldwater	Proxmire
Allen	Gravel	Randolph
Baker	Griffin	Roth
Bartlett	Gurney	Scott, Hugh
Beall	Hansen	Scott, William L.
Bellmon	Helms	Stennis
Bennett	Hollings	Stevens
Bentsen	Hruska	Taft
Brock	Javits	Talmadge
Buckley	Johnston	Thurmond
Dole	McGee	Tower
Domenici	Nunn	Weicker
Dominick	Packwood	Young
Eastland	Pearson	
Fannin	Pell	
Fong	Percy	

NAYS—48

Abourezk	Hart	Metcalf
Bible	Hartke	Metzenbaum
Biden	Haskell	Mondale
Brooke	Hatfield	Montoya
Burdick	Hathaway	Moss
Byrd, Harry F., Jr.	Huddleston	Muskie
Byrd, Robert C.	Hughes	Nelson
Cannon	Humphrey	Pastore
Case	Inouye	Ribicoff
Chiles	Jackson	Schweiker
Church	Kennedy	Sparkman
Clark	Long	Stevenson
Cranston	Magnuson	Symington
Eagleton	Mansfield	Tunney
Ervin	Mathias	Williams
Fulbright	McClellan	
	McGovern	

NOT VOTING—7

Bayh	Curtis	Stafford
Cook	McClure	
Cotton	McIntyre	

The PRESIDING OFFICER (Mr. BARTLETT). On this vote, the yeas are 45, the nays are 48. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is not agreed to.

Mr. MANSFIELD. Mr. President, I move to lay the Allen amendment on the table.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana (Mr. MANSFIELD) to lay the amendment of the Senator from Alabama (Mr. ALLEN) on the table.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 45, nays 48, as follows:

[No 265 Leg.]

YEAS—45

Abourezk	Haskell	Mondale
Bentsen	Hathaway	Montoya
Bible	Huddleston	Moss
Brooke	Hughes	Muskie
Burdick	Humphrey	Nelson
Byrd, Robert C.	Inouye	Pastore
Case	Jackson	Pell
Chiles	Javits	Proxmire
Church	Kennedy	Randolph
Clark	Long	Ribicoff
Cranston	Magnuson	Schweiker
Eagleton	Mansfield	Stevenson
Fulbright	McGovern	Symington
Hart	Metcalf	Tunney
Hartke	Metzenbaum	Williams

NAYS—48

Aiken	Ervin	Packwood
Allen	Fannin	Pearson
Baker	Fong	Percy
Bartlett	Goldwater	Roth
Beall	Gravel	Scott, Hugh
Bellmon	Griffin	Scott, William L.
Bennett	Gurney	Sparkman
Biden	Hansen	Stennis
Brock	Hatfield	Stevens
Buckley	Helms	Taft
Byrd, Harry F., Jr.	Hollings	Talmadge
Cannon	Hruska	Thurmond
Dole	Johnston	Tower
Domenici	Mathias	Weicker
Dominick	McClellan	Young
Eastland	McGee	
	Nunn	

NOT VOTING—7

Bayh	Curtis	Stafford
Cook	McClure	
Cotton	McIntyre	

So the motion to lay on the table was rejected.

Mr. ALLEN and Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment to the Allen amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment, as follows:

At the end of the bill insert the following new sections:

SEC. 3. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND GAS PRODUCTION.

(a) REPEAL OF OIL AND GAS DEPLETION.—(1) Section 613(b)(1)(A) of the Internal Revenue Code of 1954 is amended by deleting the words "oil and gas wells" and by inserting in

lieu thereof the words "gas wells described in subsection (e)."

(2) Section 613(b)(7) of such Code is amended by—

(A) deleting "or" at the end of subparagraph (A) thereof;

(B) by deleting the period at the end of subparagraph (B) thereof and by inserting in lieu thereof "; or"; and

Mr. KENNEDY. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. ALLEN and Mr. HANSEN objected.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to read the amendment.

The assistant legislative clerk continued to read the amendment as follows:

(C) by inserting the following new subparagraph after such subparagraph (B): "(C) oil and gas wells."

(b) CERTAIN GAS WELLS.—Section 613 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(e) SPECIAL RULE FOR CERTAIN GAS WELLS.—

"(1) The gas wells referred to in subsection (b)(1)(A) are—

"(A) wells producing regulated natural gas, to the extent of such gas production, and

"(B) wells producing natural gas sold under a fixed contract to the extent of such gas production.

"(2)(A) The term 'natural gas sold under a fixed contract' means domestic natural gas sold by the producer under a contract, in effect on April 10, 1974, and all times thereafter before such sale, under which the price for such gas cannot be adjusted to reflect to any extent the increase in liabilities of the seller for tax under this section by reason of the repeal of percentage depletion. Price increases subsequent to April 10, 1974, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence.

"(B) The term 'natural gas' means any product (other than crude oil) of an oil or gas well if a deduction for depletion is allowable under section 611 with respect to such product.

"(C) The term 'domestic' refers to petroleum from an oil or gas well located in the United States or in a possession of the United States.

"(D) The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separators or field facilities.

"(E) The term 'regulated natural gas' means domestic natural gas produced and sold by the producer, prior to January 1, 1976, subject to the jurisdiction of the Federal Power Commission, the price for which has not been adjusted to reflect to any extent the increase in liability of the seller for tax by reason of the repeal of percentage depletion. Price increases subsequent to April 10, 1974, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence.".

(c) EFFECTIVE DATES.—The amendment made by subsections (a) and (b) of this section shall apply to oil and gas produced on or after January 1, 1974.

SEC. 4. TERMINATION OF SPECIAL TAX TREATMENT FOR DOMESTIC INTERNATIONAL SALES CORPORATIONS.

(a) TERMINATION OF EXEMPTION PROVISIONS.—Section 991 of the Internal Revenue Code of 1954 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1973.".

(b) TERMINATION OF DISC's.—Section 992(a) of the Internal Revenue Code of 1954 (relating to definition of a DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—Notwithstanding any other provision of this part, no corporation shall be treated as a DISC or former DISC for any taxable year beginning after December 31, 1973.".

(c) DISTRIBUTION BY DISC's TERMINATED.—Section 995(b) of the Internal Revenue Code of 1954 (relating to deemed distributions of DISC income) is amended by adding at the end thereof the following new paragraph:

"(3) DISTRIBUTIONS UPON TERMINATION.—

"(A) In the case of a corporation which was a DISC, or former DISC, for a taxable year ending after December 31, 1972, and before January 1, 1974, and to which the provisions of paragraph (2) do not apply for the succeeding taxable year, a shareholder of the corporation shall be deemed to have received (at the time specified in subparagraph (B)) a distribution taxable as a dividend equal to his pro rata share of the DISC income of such corporation accumulated during the immediately preceding consecutive taxable years for which the corporation was a DISC.

"(B) Distributions described in subparagraph (A) shall be deemed to be received in equal installments on the last day of each of the 10 taxable years of the corporation following the taxable year ending before January 1, 1974.".

SEC. 5. TERMINATION OF PERMITTED CLASS LIFE VARIANCE.

(a) IN GENERAL.—Section 167(m)(1) of the Internal Revenue Code of 1954 (relating to class life in general) is amended by striking out the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to property placed in service after the date of enactment of this Act.

SEC. 6. MINIMUM TAX.

(a) IN GENERAL.—Section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended—

(1) by striking out subsection (c);

(2) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) IN GENERAL.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceeds the excludable amount.";.

Mr. ROBERT C. BYRD. Mr. President, Senators cannot hear, for their own edification, the reading of the amendment.

Mr. HUGH SCOTT. And could not understand if they did. (Laughter.)

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. I think that, inasmuch as there were objections to dispensing with the further reading of the amendment, we Senators ought at least to listen.

The PRESIDING OFFICER. The Senate will be in order.

The assistant legislative clerk continued to read, as follows:

(3) By striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof $10,000"; and

(4) by inserting a new subsection (c) as follows:

"(c) For the purpose of subsection (a) of this subsection, the excludable amount shall be $10,000.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1973.

SEC. 7. INCREASE IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) Section 151 of the Internal Revenue Code of 1954 (relating to personal exemptions) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$825".

(b) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$825", by striking out "$2,050" wherever it appears and inserting in lieu thereof "$2,125", and by striking out "$2,800" wherever it appears and inserting in lieu thereof "$2,950".

(c) Section 6013(b)(3)(A) of such Code (relating to assessment and collection in the case of certain returns of husband and wife) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$825" and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$1,650".

(d) The table contained in section 3402(b)(1) of such Code (relating to percentage method of withholding) is amended to read as follows:

"Percentage Method Withholding Table

"Payroll period	Amount of one withholding exemption:
Weekly	$15.90
Biweekly	31.80
Semimonthly	34.40
Monthly	68.80
Quarterly	206.30
Semiannual	412.50
Annual	825.00
Daily or miscellaneous (per day of such period)	2.30".

(e) The amendments made by this sections (other than by subsection (d)) shall apply to taxable years beginning after December 31, 1973. The amendment made by subsection (d) shall apply with respect to wages paid on or after the 30th day after the date of enactment of this Act.

SEC. 8. OPTIONAL CREDIT AGAINST TAX FOR PERSONAL EXEMPTIONS; TAX CREDIT FOR LOW-INCOME WORKERS WITH FAMILIES.

(a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new sections:

"SEC. 42. PERSONAL EXEMPTIONS.

"(a) GENERAL RULE.—At the election of the taxpayer, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to $190 multiplied by the number of exemptions to which the taxpayer is entitled under section 151. Such credit shall not exceed the tax imposed by this chapter for the taxable year.

"(b) ELECTION.—An election under subsection (a) for a taxable year may be made at any time before the expiration of the period for filing a claim for a refund or credit of an overpayment of tax for such taxable year and shall be made in such form and manner as the Secretary or his delegate prescribes by regulations.

"(c) DENIAL OF DEDUCTION.—If a taxpayer elects the credit provided by subsection (a) for a taxable year, no deduction shall be allowed under section 151 for any exemption to which he is entitled under such section.

Mr. ROBERT C. BYRD. Mr. President, will the Chair maintain order in the Senate?

The PRESIDING OFFICER. The Chair suggests that Senators refrain from discussing this issue or others while the clerk is reading. If it is necessary to carry on a conversation, the Chair suggests that Senators remove themselves to the cloakrooms.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. For those Senators who think they have understood it, is it in order to ask unanimous consent to dispense with the reading of the remainder of the amendment?

The PRESIDING OFFICER. It is in order. Is there objection?

Mr. McGEE. I so ask unanimous consent, out of consideration for the Members of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. I must object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

The Senate will be in order.

The clerk will proceed.

Mr. HUGH SCOTT. It is cruel and unusual punishment.

The assistant legislative clerk continued to read, as follows:

"SEC. 43. TAX CREDIT FOR LOW-INCOME WORKERS WITH FAMILIES.

"(a) IN GENERAL.—

"(1) ALLOWANCE OF CREDIT.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6013 for the taxable year, the amount of the credit allowable by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) APPLICABLE PERCENTAGE.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1974 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Wyoming and myself, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. WILLIAM L. SCOTT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. Is it permissible for a Senator to leave the Chamber at this time? This is an insult to the intelligence of Senators. We have all read this. Is there any penalty for leaving the Chamber? There is a penalty for remaining; that is the reason why I wanted to inquire. [Laughter.]

The PRESIDING OFFICER. The Senate and the galleries will be in order.

There will be no penalty if the Senator desires to leave. [Laughter.]

The clerk will continue to read.

The assistant legislative clerk continued to read the amendment, as follows:

"(2) REDUCTION FOR ADDITIONAL INCOME.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71(b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74(b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

Mr. PASTORE. Mr. President, a point of order. If we are going to have this read, we should listen to it. I think Senators should take their seats and let us listen to it.

The PRESIDING OFFICER. The Senate will be in order; the Senators will take their seats. The clerk will continue.

The assistant legislative clerk continued to read, as follows:

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

Mr. PASTORE. Mr. President, Senators are still out of their seats. I think they should take their seats.

The PRESIDING OFFICER. The clerk will continue.

The assistant legislative clerk continued to read, as follows:

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) APPLICATION WITH SECTION 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

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

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151(e)(1)(B) (relating to additional exemption for dependents).

"(2) SOCIAL SECURITY TAXES.—The term 'social security taxes' means the aggregate amount of taxes imposed by sections 3101 (relating to rate of tax on employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by or which would be imposed with respect to employment (as defined in section 3121 (b)), or which would be imposed with respect to such wages by such sections if the definition of the term 'employment' (as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section."

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemptions.
"Sec. 43. Tax credit for low-income workers with families.
"Sec. 44. Overpayments of tax.".

(c) Section 41(b)(2) of such Code (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(d) Section 46(a)(3) of such Code (relating to the investment credit) is amended—

(1) by striking out "and" at the end of subparagraph (B),

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) section 42 (relating to personal exemptions)."

(e) Section 50A(a)(3) of such Code (relating to credit for expenses of work incentive programs) is amended—

(1) by striking out "and" at the end of subparagraph (D),

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to personal exemptions).".

(f) Section 3402 of such Code (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(q) WITHHOLDING BASED ON CREDITS IN LIEU OF EXEMPTIONS.—

"(1) ELECTION.—At the election of an employee, made in such form and manner as the Secretary or his delegate prescribes by regulations, the amount of tax deducted and withheld under subsection (a) or (c) with respect to wages paid to him by his employer shall be determined by applying the provisions of this subsection. An election made by an employee under this paragraph shall be effective with respect to wages paid to him, after the date of such election, during the calendar year in which such election is made. An election may be made by an employee under this paragraph with respect to wages paid to him only if, for his taxable year which ends in such calendar year, he expects to elect the credit allowed by section 42 (relating to personal exemptions).

"(2) DETERMINATION OF TAX.—During the period during which an election made by an employee under paragraph (1) is in effect, the amount of tax deducted and withheld from the wages of such employee under subsection (a) shall be determined in accordance with the tables set forth in such subsection, except that—

"(A) for purposes of applying such tables, the amount of wages shall not be reduced on account of any withholding exemptions claimed, and

"(B) the amount of income tax to be withheld shall be reduced by the number of withholding credits of the employee, multiplied by the amount of one such credit as shown in the table in paragraph (3).

For purposes of this paragraph, an employee shall have a number of withholding credits equal to the number of withholding exemptions claimed.

"(3) AMOUNT OF WITHHOLDING CREDIT.—The table referred to in paragraph (2) is as follows:

"Percentage Method Withholding Credit Table

"Payroll period:	*Amount of one withholding exemption*
Weekly	$3.70
Biweekly	7.40
Semimonthly	7.90
Monthly	15.80
Quarterly	47.50
Semiannual	95.00
Annual	190.00
Daily or miscellaneous (per day of such period)	.50

"(4) WAGE BRACKET WITHHOLDING.—In the case of an employer who elects to deduct and withhold tax under subsection (c) (in lieu of the tax required to be deducted and withheld under subsection (a)) with respect to an employee who has made an election under paragraph (1), the amount of tax to be deducted and withheld shall be determined in accordance with tables prescribed by the Secretary or his delegate which shall apply the provisions of paragraphs (2) and (3)."

(g) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", 43 (relating to tax credit for low-income workers with families),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(h) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "OR 43" after "SECTION 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to tax credit for low-income workers with families),".

(i)(1) Subchapter B of chapter 65 of such Code (relating to rules of special application) is amended by adding at the end thereof the following new section:

"SEC. 6428. ADVANCE REFUND OF SECTION 43 CREDIT.

"(a) IN GENERAL.—A taxpayer may receive an advance refund of the credit allowable to him under section 43 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employers, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) LIMITATIONS.—

"(1) AMOUNT OF REFUND.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 43 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) INELIGIBLE FOR CREDIT.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 43 for that year.

"(3) MINIMUM PAYMENT.—No payment may be made under this section in an amount less than $30.

"(c) COLLECTION OF EXCESS PAYMENTS.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may withhold from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

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

"Sec. 6428. Advance refund of section 43 credit.".

(j) Section 6011(d) of such Code (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) RETURNS OF TAXPAYERS RECEIVING ADVANCE REFUND OF SECTION 43 CREDIT.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 43 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(k)(1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 43 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), or his spouse, as may be necessary for the proper administration of section 43 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 43 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish to the Secretary such information upon request.

(l) Section 402(a)(7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 43 of the Internal Revenue Code of 1954)".

(m) The amendments made by this section (other than by subsection (f)) shall apply with respect to taxable years beginning after December 31, 1973. The amendment made by subsection (f) shall apply with respect to wages paid on or after the 30th day after the date of the enactment of this Act. No advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before October 1, 1974.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. I yield to the distinguished Senator from West Virginia without losing my right to the floor.

A UNANIMOUS-CONSENT AGREEMENT—LEGISLATIVE APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, these requests have been cleared with the leadership on the other side of the aisle, with the chairman of the Subcommittee on Legislative Appropriations, with the distinguished Senator who is chairman of the Appropriations Committees (Mr. MCCLELLAN), with the ranking Republican member of that committee (Mr. YOUNG), with the ranking Republican member of the Subcommittee on Appropriations (Mr. COTTON), and with Senators ERVIN, MUSKIE, PERCY, and other Senators.

I ask unanimous consent that at such time as the legislative appropriation bill is called up and made the pending business before the Senate, there be a time limitation thereon of 2 hours, to be equally divided between Mr. COTTON and Mr. HOLLINGS, and that there be a time limitation on any amendment of 30 minutes, and a time limitation on any debatable motion or appeal of 20 minutes, the agreement to be in the usual form.

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

JUNE 19, 1974.

Ordered, That during the consideration of H.R. 14012, the legislative appropriations bill, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from New Hampshire (Mr. Cotton) and the Senator from South Carolina (Mr. Hollings): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON BUDGET REFORM

Mr. ROBERT C. BYRD. Mr. President, having already stated the names of the Senators with whom this request has been cleared, I ask unanimous consent that at such time as the conference report on budget reform is called up and made the pending business before the Senate, there be a time limitation thereon of 2 hours, the time to be equally divided between Mr. PERCY and Mr. ERVIN.

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

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

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

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

Mr. MANSFIELD. Briefly, because it is my intention to adjourn very quickly, and I served notice on the Senate to that effect.

First, I ask unanimous consent that a staff assistant attached to the office of the distinguished Senator from Wisconsin (Mr. NELSON) be allowed the privileges of the floor during the course of the debate on the debt ceiling legislation.

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

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

Mr. MANSFIELD. I yield.

Mr. KENNEDY. As I understand the parliamentary situation, the Senator from Montana, the majority leader, has called up an amendment which was to be offered by the junior Senator from Minnesota (Mr. HUMPHREY), and cosponsored by a number of us, and has made that an amendment to the Allen amendment.

As I understand it, we are in a dilemma because, under the rules of the Senate, we are not able to get separate votes on many of the different issues which are included in this particular amendment. Those of us who developed that amendment have given various assurances to various Members of this body. Although the amendment represents the combined views of those who sponsored the measure, we recognize there were other provisions that also had the support of Members of the Senate, and that the Senate would be able to work its will in the usual way of voting up or down on the various proposals. But we find ourselves, this Wednesday evening, after debating 3 days, in the dilemma that no amendments are in order to the tax reform and tax relief amendment.

I would hope that we could have a vote on our package amendment as soon as possible, and also on the Allen amendment.

So I want to give assurances to the majority leader that, so far as I am concerned, I am prepared to move ahead to vote at any time. I think it is a regrettable situation that we find ourselves in, and I hope that an accommodation may be found to allow the amendment to be considered and disposed of in a reasonable way.

ORDER FOR ADJOURNMENT TO 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it stand in adjournment until the hour of 11 a.m., instead of 10 a.m., as previously agreed to.

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

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

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

Mr. MANSFIELD. I yield to the distinguished chairman of the committee.

Mr. LONG. I have thought with the leadership every step of the way, but, in my judgment, it would be very irresponsible to vote on this amendment without a considerable amount of debate.

Just in an effort to give the Senate some modest amount of information on this subject, the Senate Committee on Finance held hearings which amount to 363 pages, just to give us some general idea of what these amendments are about.

For example, an amendment to repeal the ADR, the asset depreciation range, is a far-reaching amendment. It is a tax increase of several billion dollars. As a matter of fact, I do not have the figure on the tip of my tonque right now. I have one of the best experts on the subject sitting beside me looking that up right now. That is $400 million the first year. It is a $1 billion a year tax increase on business when in full operation the second year, and that would cause a great number of businesses to cancel their orders.

That tends, in my judgment, to be recessionary. That, in my judgment, would tend to defeat the purpose of the amendment, which is to try to provide more employment and more opportunities for people.

This amendment, as well as all the others—this is one amendment that encompasses about five major amendments; and I am trying to tell the Senate I cannot vote for cloture even on this amendment because there is so much to it, that it would still remain subject to amendment, and I do not think the Senate ought to legislate on this kind of amendment under cloture where each Senator can speak only for an hour.

I would be the first to insist that Senators have a right to be heard, and that they have a chance to discuss this amendment before we vote on it.

With respect to the Allen amendment, so far as I am concerned, I was ready to vote the minute it was laid down. I have been here 3 days listening to that discussion, and as far as I am concerned, I was ready to make a 5-minute statement and vote the moment it was laid down.

But on this motion I think it is——

Mr. MANSFIELD. Before I make the motion to adjourn, I would yield to the Senator from Washington.

Mr. MAGNUSON. I have been listening to this discussion, but I do have an amendment at the desk, an amendment of the Senator from Connecticut, myself, and my colleague, Senator JACKSON, which deals only with the repeal of the depletion allowance on oil and gas, and I would like to have some discussion on it to be able to vote on it, up or down, I think, as the Senator from Louisiana points out.

I wanted to ask, first, is that subject included in the larger amendment that was just read, of the repeal of the oil and gas depletion allowance?

Mr. KENNEDY. Mr. President, would the Senator yield?

Mr. MAGNUSON. Yes.

Mr. KENNEDY. I can tell the Senator from Washington that it is included.

Mr. MAGNUSON. It is part of this amendment.

Mr. KENNEDY. The Senator is correct.

Mr. MAGNUSON. It cannot be brought up separately until we dispose of this; is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. MANSFIELD. But it can be brought up.

Mr. MAGNUSON. Supposing this does not prevail, we can bring up our separate amendment. I am going to vote for many of the other amendments, too. But I did have this one, and the Senator from Connecticut, my colleague, Senator JACKSON, and I understood we would be able to parliamentarywise and, if it would be agreeable, bring that up separately at the proper time. That is all I wanted to know.

Mr. MANSFIELD. That is right.

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

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. May I say even if we should have the good fortune to vote on the amendment that was added by the Senator from Montana, which is the

same as amendment No. 1443 that he introduced here on June 12, this would not preclude the Senator from Washington from bringing up other amendments that relate to the purpose of this bill.

Mr. MAGNUSON. I might say to the Senator from Minnesota that there are some who have already talked to me about the fact that they want to discuss the exemption of what they call dependents.

Mr. HUMPHREY. That is correct.

Mr. MAGNUSON. That will be part of the discussion on my amendment for the depletion allowance.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Alabama (Mr. ALLEN), without losing my right to the floor.

Mr. ALLEN. I thank the distinguished Senator from Montana for yielding to me.

Mr. President, the Senator from Alabama has discussed at some length the issue presented here, and he is glad to see this whole package come in and be the pending business before the Senate, and the Senator from Alabama wants to serve notice that he is not going to have one single thing to say with respect to this amendment. There is enough division among the proponents of the amendment to suffice, so it will not be necessary for the Senator from Alabama to discuss it.

The Senator from Alabama is ready to vote at any time on this substitute motion. He will have nothing further to say on the motion.

Mr. MANSFIELD. I yield to the distinguished Senator from West Virginia.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of routine morning business, the Senate proceed to the consideration of the legislative appropriation bill.

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

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield to me further?

Mr. HUMPHREY. Following the legislative appropriation bill will we return to the amendment—the Allen amendment—as amended by the amendment of the Senator from Montana?

Mr. ROBERT C. BYRD. Yes, the debt limit bill will be the unfinished business.

Mr. President, the Senate will convene at the hour of 11 o'clock tomorrow morning, and after the two leaders or their designees have been recognized——

Mr. HANSEN. Will the majority whip yield?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. HANSEN. I am not certain I understand him. Did he say the Kennedy amendment was the unfinished business?

Mr. ROBERT C. BYRD. No, I am sorry.

Mr. HANSEN. I beg the Senator's pardon.

Mr. ROBERT C. BYRD. I did not make myself clear.

Mr. President, the Senate will convene at 11 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of S. 2581, a bill to amend the Randolph-Sheppard Act, with a limitation of 20 minutes on that bill.

The yeas and nays are not expected to be ordered.

There will then be a period for the transaction of routine morning business of not to exceed 20 minutes, with statements limited therein to 5 minutes each; I ask unanimous consent, Mr. President, to that effect.

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

Mr. LONG. Mr. President, reserving the right to object, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I will start over again.

The Senate will convene tomorrow at 11 a.m. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of S. 2581, a bill to amend the Randolph-Sheppard Act.

The yeas and nays are not expected to be ordered on that bill, with a limitation of 20 minutes thereon.

At the conclusion of action on that bill, there will be a period for the transaction of routine morning business not to exceed 20 minutes, with statements limited to 5 minutes thereon.

At the conclusion of the routine morning business, the Senate will proceed to the consideration of the legislative appropriation bill, and, undoubtedly, there will be at least one rollcall and possibly more thereon.

At the conclusion of the action on the legislative appropriation bill, the Senate will resume the consideration of the unfinished business, which is the debt limit bill, H.R. 14832.

The pending question at that time will be on the adoption of the amendment by Mr. KENNEDY and others, on the amendment of Mr. ALLEN.

Mr. ALLEN. Mr. President, I am ready to vote.

Mr. HUMPHREY. Mr. President, let me get it clear. I thought it was the amendment of the Senator from Montana.

Mr. MANSFIELD. No; I called up the amendment offered by the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Massachusetts (Mr. KENNEDY).

Mr. HUMPHREY. That is the point I wanted to be sure of—which amendment we were on.

Mr. JAVITS. Mr. President, will the Senator yield to me on the legislative appropriation bill?

Mr. MANSFIELD. Mr. President, I hope that this discussion can end quickly because I promised a long time ago that I was going to move to adjourn. If it lasts too long I am going to cut in and move to adjourn.

Mr. JAVITS. Mr. President, if the Senator will yield to me, does this appropriation bill carry an appropriation for the Joint Economic Committee? I think there may be some contest about that.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from South Carolina (Mr. HOLLINGS).

Mr. JAVITS. Mr. President, I think it does, does it not?

Mr. HOLLINGS. Yes.

Mr. JAVITS. Was there not quite a diminution of their cut in that request relating to staffing?

Mr. HOLLINGS. I can tell the Senator now that the report has been filed and there was no diminution, but, on the contrary, we allowed some $375 for Representative MARTHA GRIFFITHS to file her reports. The request made by the distinguished Senator from New York and a request made by the Senator from Texas for another $14,000 were not granted.

Mr. JAVITS. My request was not granted?

Mr. HOLLINGS. No.

Mr. JAVITS. And neither was his?

Mr. HOLLINGS. Neither was his.

Mr. JAVITS. The patron request—of the Senator from Texas (Mr. BENTSEN).

Mr. HOLLINGS. That is right. He was asking for a special Subcommittee on Economic Progress.

Mr. JAVITS. So those would be contested matters, if they are contested?

Mr. HOLLINGS. Yes, sir.

Mr. JAVITS. Is there a unanimous consent—were those amendments or were those original text or what?

Mr. HOLLINGS. Those were presented as amendments, but not accepted. They are not in the bill, amendments have to be filed.

Mr. JAVITS. I do not want to be shut out on the unanimous consent, so I should like to ask a question of the Chair, if I may, on the question of yielding. That is, is an amendment to the bill relating to increasing the amount allocated to the committee, which was named in the bill and has the amount named in the bill germane?

The PRESIDING OFFICER (Mr. HUDDLESTON). The Chair rules that if it does relate to subject matter in the bill, it would be germane. However, the Chair would reserve ruling until it saw the amendment presented.

Mr. JAVITS. I thank the Chair.

ADJOURNMENT UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 5:50 p.m. the Senate adjourned until tomorrow, Thursday, June 20, 1974, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 19, 1974:

DEPARTMENT OF STATE

James D. Hodgson, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

David E. Mark, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)